

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K  
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CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (D) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported)

May 4, 1999  
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LEAR CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware	1-11311	13-3386776
-----	-----	-----
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
21557 Telegraph Road Southfield, Michigan		48086-5008
-----		-----
(Address of principal executive offices)		(zip code)

(248) 447-1500  
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(Telephone number, including  
area code, of agent for service)

No Change  
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(Former name or former address,  
if changes have since last report)

ITEM 2. ACQUISITION OF ASSETS

On May 4, 1999, Lear Corporation acquired UT Automotive, Inc., a wholly-owned operating segment of United Technologies Corporation. UT Automotive is a supplier of electrical, electronic, motor and interior products and systems to the global automotive industry. Headquartered in Dearborn, Michigan, UT Automotive has annual sales of approximately \$3 billion, 44,000 employees and 90 facilities located in 18 countries.

The purchase price for UT Automotive was approximately \$2.3 billion (subject to post-closing adjustments) and was based upon estimates of future earnings and evaluations of the net worth of the assets acquired. Funds for the UT Automotive acquisition were provided by borrowings under our primary credit facilities.

In connection with the UT Automotive acquisition, we amended and restated our prior senior credit facility and entered into new credit facilities. Our primary credit facilities now consist of an amended and restated \$2.1 billion revolving credit facility which matures on September 30, 2001, a new \$500 million revolving credit facility which matures on May 4, 2004, a new \$500 million term loan having scheduled amortization beginning in October 2000 and a final maturity of May 4, 2004 and a new \$1.4 billion interim loan maturing on May 3, 2000.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS  
 A. Historical Financial Statements.  
 1) Three Year Audited Financial Statements

UT AUTOMOTIVE, INC.  
 (WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)  
 COMBINED FINANCIAL STATEMENTS  
 DECEMBER 31, 1998, 1997 AND 1996

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareowners of  
 United Technologies Corporation

In our opinion, the accompanying combined balance sheets and the related combined statements of operations and statements of changes in UTC investment and of cash flows present fairly, in all material respects, the financial position of UT Automotive, Inc. and its automotive affiliates described in Note 1 (the Company) at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 the opinion expressed above.

PricewaterhouseCoopers LLP  
 Bloomfield Hills, Michigan  
 March 31, 1999

UT AUTOMOTIVE, INC.  
 (WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)  
 COMBINED BALANCE SHEETS  
 (DOLLAR AMOUNTS IN THOUSANDS)  
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2

DECEMBER 31,  
 1998 1997

ASSETS

Cash and cash equivalents	\$ 43,396	\$ 26,815
Accounts receivable (net of allowances of \$3,880 and \$1,793 at December 31, 1998 and 1997, respectively)	575,192	526,460
Inventories	170,672	177,113
Prepaid expenses	12,721	7,409
Deferred income tax benefits	57,354	62,635
	-----	-----
Total current assets	859,335	800,432
Investments and receivables due after one year	42,111	29,427
Fixed assets, net	709,706	635,922
Goodwill (net of accumulated amortization of \$115,529 and \$102,283 at December 31, 1998 and 1997, respectively)	333,112	343,474
Deferred income tax benefits	1,816	7,732
Other assets	41,333	51,698
	-----	-----
Total assets	\$1,987,413	\$1,868,685
	=====	=====
LIABILITIES AND UTC INVESTMENT		
Short-term borrowings and long-term debt currently due	\$ 9,445	\$ 13,261
Accounts payable	376,972	300,101
Accrued liabilities	181,775	188,962
Income taxes currently payable	11,671	11,728
	-----	-----
Total current liabilities	579,863	514,052
Deferred income taxes	38,394	39,442
Long-term debt	5,212	6,370
Other long-term liabilities	96,509	125,346
Commitments and contingent liabilities (Note 19)		
Minority interests in subsidiary companies	2,459	4,279
	-----	-----
Total liabilities	722,437	689,489
UTC investment	1,264,976	1,179,196
	-----	-----
Total liabilities and UTC investment	\$1,987,413	\$1,868,685
	=====	=====

See accompanying notes to combined financial statements.

5  
UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

3

COMBINED STATEMENTS OF OPERATIONS  
(DOLLAR AMOUNTS IN THOUSANDS)

	FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1996
Net sales	\$ 2,900,337	\$ 2,927,305	\$ 3,085,580
Cost of goods sold	2,378,402	2,445,294	2,673,676
	-----	-----	-----
Gross profit	521,935	482,011	411,904
Engineering, research and development	147,427	118,255	108,063
Selling, general and administrative	210,622	209,074	210,957
Allocated UTC costs	4,612	4,760	4,069
	-----	-----	-----
Other income (expense)	159,274	149,922	88,815
Interest expense	(22,238)	(9,921)	(8,476)
Other income, net	1,494	10,680	96,157
	-----	-----	-----
Income before income taxes and minority interests	138,530	150,681	176,496
Income taxes	57,533	71,046	64,149
	-----	-----	-----
Income before minority interests	80,997	79,635	112,347
Less - Minority interests in subsidiaries' earnings	855	253	1,192
	-----	-----	-----
Net income	\$ 80,142	\$ 79,382	\$ 111,155
	=====	=====	=====

See accompanying notes to combined financial statements.

6

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

4

COMBINED STATEMENTS OF CHANGES IN UTC INVESTMENT  
(DOLLAR AMOUNTS IN THOUSANDS)

	UTC INVESTMENT	ACCUMULATED OTHER NON-SHAREOWNER CHANGES IN EQUITY	TOTAL	NON- SHAREOWNER CHANGES IN EQUITY FOR THE PERIOD
December 31, 1995	\$ 1,136,571	\$ 13,708	\$ 1,150,279	
Net income	111,155		111,155	\$ 111,155
Foreign currency translation adjustment		(2,576)	(2,576)	(2,576)
UTC investment activity	(177,831)		(177,831)	
December 31, 1996	1,069,895	11,132	1,081,027	\$ 108,579
Net income	79,382		79,382	\$ 79,382
Foreign currency translation adjustment		(32,977)	(32,977)	(32,977)
UTC investment activity	51,764		51,764	
December 31, 1997	1,201,041	(21,845)	1,179,196	\$ 46,405
Net income	80,142		80,142	\$ 80,142
Foreign currency translation adjustment		10,216	10,216	10,216
UTC investment activity	(4,578)		(4,578)	
December 31, 1998	\$ 1,276,605	\$ (11,629)	\$ 1,264,976	\$ 90,358

See accompanying notes to combined financial statements.

7

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

5

COMBINED STATEMENTS OF CASH FLOWS  
(DOLLAR AMOUNTS IN THOUSANDS)

	FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 80,142	\$ 79,382	\$ 111,155
Adjustments to reconcile net income to net cash flows from operating activities			
Gain on disposition of business unit			(78,000)
Depreciation	111,285	114,499	115,082
Goodwill amortization	13,005	12,820	12,045
(Gain) loss on fixed asset sales	4,861	227	(156)
Equity in earnings of investees	(3,986)	(1,439)	(2,553)
Minority interests in subsidiaries' earnings	855	253	1,192
Deferred income taxes	9,552	(6,192)	(17,497)
Change in operating assets and liabilities (net of acquisitions and dispositions)			
Accounts receivable	(37,303)	(32,567)	(23,169)
Inventories	11,030	10,960	(1,688)
Prepaid expenses	(5,088)	2,842	(2,063)
Accounts payable	69,433	(3,227)	20,145
Accrued liabilities	(10,628)	(43,661)	45,217
Other (net noncurrent)	(14,532)	(5,656)	15,724
NET CASH FLOWS FROM OPERATING ACTIVITIES	228,626	128,241	195,434

CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposition of business unit			139,820
Purchase of fixed assets	(192,902)	(161,026)	(137,292)
Sale of fixed assets	11,697	41,862	5,324
Investments and other, net	(15,820)	(49,463)	(23,593)
	-----	-----	-----
NET CASH FLOWS USED FOR INVESTING ACTIVITIES	(197,025)	(168,627)	(15,741)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term debt, net	(2,357)	(18,499)	(5,980)
Short-term borrowings, net	(3,405)	(1,114)	5,465
UTC investment activity	(4,578)	51,764	(177,831)
Other	(4,846)	(5,893)	284
	-----	-----	-----
NET CASH FLOWS (USED FOR) PROVIDED BY FINANCING ACTIVITIES	(15,186)	26,258	(178,062)
	-----	-----	-----
Effect of foreign exchange rate changes on cash and cash equivalents	166	(3,346)	(300)
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,581	(17,474)	1,331
Cash and cash equivalents- beginning of year	26,815	44,289	42,958
	-----	-----	-----
Cash and cash equivalents- end of year	\$ 43,396	\$ 26,815	\$ 44,289
	=====	=====	=====

See accompanying notes to combined financial statements.

8

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

6

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

## 1. BASIS OF PRESENTATION

UT Automotive, Inc. is a wholly-owned operating segment of United Technologies Corporation ("UTC"). The accompanying combined financial statements were prepared to show the historical operating results of the entities comprising UTC's Automotive Business, which includes UT Automotive, Inc. and certain affiliated entities which are subsidiaries of other UTC operating units (collectively, "UT Automotive, Inc.", "UTA" or the "Company"). Throughout the period covered by the combined financial statements, the Company was treated as an operating segment of UTC. Historically, separate financial statements were not prepared for UTA.

The combined financial statements were prepared using UTC's historical basis in the assets and liabilities of UTA. Changes in indebtedness between the Company and UTC are reflected as part of the UTC investment in the accompanying combined balance sheets.

The combined financial statements include all revenues, costs, assets and liabilities directly attributable to UTA. Allocation of costs for facilities, functions and certain services performed by UTC organizations for UTA, including environmental and other risk management, internal audit, transportation services, administration of benefit and insurance programs and certain tax, legal and treasury functions have been made on the basis described in Note 4. All of the allocations and estimates in the combined financial statements are based on assumptions that UTA and UTC management believe are reasonable in the circumstances. The Company's financial information included herein is not necessarily indicative of the financial position, results of operations and cash flows of the Company in the future or indicative of the results that would have been reported if the Company had operated as an unaffiliated enterprise.

## 2. SUMMARY OF ACCOUNTING PRINCIPLES

### BUSINESS ACTIVITIES

The Company's operating activities include the design, development, manufacture and sale of integrated automotive components and systems, primarily for automotive original equipment manufacturers (OEMs).

### PRINCIPLES OF COMBINATION

The combined financial statements include the accounts and activities of

UTA and its majority controlled and owned subsidiaries and affiliates which comprise the Automotive Business of UTC. Majority-owned subsidiaries in which the minority shareowners have rights that overcome the presumption for consolidation are accounted for on the equity method. All material intercompany transactions between operations included in the combined financial statements have been eliminated in combination. Sales from UTA to other non-Automotive UTC affiliates are not significant. Transactions between UTA and UTC (and other UTC business units) are herein referred to as "related party" or "affiliated" transactions.

Beginning January 1, 1997, international operating subsidiaries, which had generally been included in the financial statements based on fiscal years ending November 30, are included in the combined financial statements based on fiscal years ending December 31. December 1996 results from these international subsidiaries, which were not significant, were included in UTC investment.

9

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

7

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

2. SUMMARY OF ACCOUNTING PRINCIPLES (CONTINUED)

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

REVENUE RECOGNITION

Accounts receivable represent receivables for shipments made to customers or for other amounts due in connection with customer orders (including tooling and freight). Revenue is recognized upon shipment of the product to the customer.

TOOLING

Tooling receivables represent costs incurred on tooling projects which are reimbursable from customers.

INVENTORIES

Inventories are stated at the lower of cost or estimated realizable value. Approximately 18% and 20% of total inventories were carried on the last-in, first-out (LIFO) cost method at December 31, 1998 and 1997, respectively. The remaining inventories are carried on the first-in, first-out (FIFO) method. Included in cost are direct material, direct labor, and allocations of certain manufacturing overhead costs.

FIXED ASSETS

Fixed assets are stated at cost. Cost includes capitalized interest of \$2,246, \$1,464 and \$1,923 in 1998, 1997 and 1996, respectively. Provisions for depreciation of plant and equipment have generally been made using the straight-line method for financial reporting purposes. Estimated useful lives generally range from 20 to 40 years for buildings and improvements, from 3 to 12 years for machinery and equipment, and from 3 to 10 years for office equipment. Expenditures for non-reimbursed tooling are capitalized and are generally amortized over 3 years. Improvements to leased property are amortized over the life of the lease.

10

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

8

NOTES TO COMBINED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING PRINCIPLES (CONTINUED)

ENVIRONMENTAL ACTIVITIES

Provisions for environmental remediation activities, including costs relating to closed or sold facilities, are recorded when remedial efforts are probable and related amounts can be reasonably estimated. This generally occurs when a remedial investigation or a feasibility study has been completed and sometimes at an earlier time, based on the specific circumstances and past experience. Provisions include costs for remediation, environmental studies, post-closure monitoring and other incremental costs related to remediation activities. When no amount within a range of estimates is more likely, the minimum is accrued. For sites with multiple responsible parties, the Company considers its likely proportionate share of the anticipated remediation costs and the ability of the other parties to fulfill their obligations in establishing a provision for these costs. Liabilities with fixed or reliably determinable future cash payments are discounted.

Potential insurance reimbursements are not recorded based upon the uncertainty of recovery. Amounts related to anticipated reimbursements due under environmental remediation indemnification agreements are recorded when recovery is assessed as probable. The Company periodically assesses its environmental liabilities and, separately, the amount and collectibility of the related indemnification assets, through reviews of contractual commitments, site assessments, feasibility studies, formal remedial design and action plans and review of financial viability of the indemnifying parties.

ENGINEERING, RESEARCH AND DEVELOPMENT AND OTHER COSTS

Engineering, research and development costs are generally charged to operations as incurred. Selling, general and administrative expenses are also charged to operations as incurred.

GOODWILL AND OTHER LONG-LIVED ASSETS

Cost in excess of values assigned to the underlying net assets of acquired companies are generally being amortized using the straight-line method over periods ranging from 10 to 40 years.

The Company evaluates potential impairment of goodwill on an ongoing basis and other long-lived assets when appropriate. If the carrying amount of an asset exceeds the sum of its undiscounted expected future cash flows, the asset's carrying value is written down to fair value.

2. SUMMARY OF ACCOUNTING PRINCIPLES (CONTINUED)

INCOME TAXES

The Company and its domestic combined affiliates are included in the consolidated U.S. federal income tax return of UTC. It is generally the policy of the Company to determine its income tax provision on a separate return basis. Under an arrangement with UTC, income taxes are charged to members of the U.S. consolidated group based upon amounts they would pay or receive if they filed a separate income tax return. The provision for income taxes has been prepared as if a consolidated U.S. federal income tax return had been filed separately by the Company and its combined affiliates under a similar arrangement. Deferred income taxes are provided on the differences in the book and tax bases of assets and liabilities at the statutory tax rates expected to be in effect when such

differences are reversed. A valuation allowance is provided on the tax benefits otherwise associated with certain tax attributes unless it is considered more likely than not that the benefits will be realized. UTC pays domestic taxes on behalf of the Company and reflects the funding through the UTC investment account.

#### CASH AND CASH EQUIVALENTS

For purposes of the combined statements of cash flows, the Company considers highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. UTC provides centralized treasury functions and financing for UTA, including substantially all domestic investing and borrowing activities for UTA. As part of this practice, surplus cash is remitted to UTC and UTC advances cash, as necessary, to UTA. As of December 31, 1998, cash and cash equivalents included approximately \$3,400 of cash pledged against open lines of credit.

#### HEDGING ACTIVITY

The Company enters into forward foreign exchange contracts to hedge foreign currency denominated receivables and payables. The Company utilizes such instruments as risk management tools and not for trading or speculative purposes. Gains and losses relating to derivatives used for hedging purposes that satisfy the appropriate criteria are deferred and included in income when the related operating revenues and expenses are recognized. Such contracts (notional amounts approximating \$46,326 and \$39,042 at December 31, 1998 and 1997, respectively) generally have maturities of one year or less and the counterparties are typically major international financial institutions or UTC affiliates. Cash flows attributable to the derivative contracts are generally included with the cash flows from the associated hedged receivables or payables. Derivative instruments that are not effective as hedges would be reported at market value and the related gains or losses would be recognized in earnings.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" which is effective January 1, 2000. Management believes adoption of this standard will not have a material impact on the Company's financial position, results of operations or cash flows.

12

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

10

#### NOTES TO COMBINED FINANCIAL STATEMENTS (DOLLAR AMOUNTS IN THOUSANDS)

## 2. SUMMARY OF ACCOUNTING PRINCIPLES (CONTINUED)

#### FOREIGN CURRENCY TRANSLATION

The Company's significant international combined affiliates, excluding Mexico, the Philippines, Honduras and Hungary, use the local currency as the functional currency and translate all assets and liabilities at year end exchange rates, all income and expense accounts at average rates and record adjustments resulting from the translations as a separate component of UTC investment.

The remaining international entities (Mexico, the Philippines, Honduras and Hungary) utilize the U.S. dollar as the functional currency and translate monetary assets and liabilities at period-end exchange rates and inventories, property and nonmonetary assets and liabilities at historical rates. Income and expense accounts are translated at the average rates in effect during the period, except that depreciation and cost of sales are translated at historical rates. Adjustments resulting from translations of these entities are included in the results of operations. Gains and losses resulting from transactions of the Company and its subsidiaries which are made in currencies different from their own are included in results of operations as they occur. Total currency transaction gains and losses are included in other income, net in the



accompanying statements of operations.

### 3. SUPPLEMENTAL CASH FLOW INFORMATION

		FOR THE YEARS ENDED DECEMBER 31,		
		1998	1997	1996
Cash paid for interest	\$	22,184	\$ 9,873	\$ 8,548
Cash paid for income taxes	\$	47,795	\$ 78,490	\$ 79,076

Interest expense includes \$20,310, \$5,991 and \$4,021 of charges from UTC affiliates in 1998, 1997 and 1996, respectively. The amounts shown as income taxes paid include amounts paid by UTC and charged to the Company relating to the tax liabilities of the Company recorded in the combined financial statements.

13

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

11

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

### 4. RELATED PARTY TRANSACTIONS

#### INTERCOMPANY ACTIVITIES

UTC provides the Company with certain environmental and other risk management, internal audit, legal, tax, pension fund management, transportation services and domestic cash management services. In addition, as discussed below and in Note 16, UTA employees participate in certain UTC employee benefit programs which are sponsored and administered by UTC. All direct costs relating to these services and participation in these plans are charged to the Company and indirect costs are allocated using allocation methods UTC and UTA management believe are reasonable.

In addition to direct charges, the combined financial statements include a corporate overhead allocation which is based upon estimated allocations of costs incurred by UTC which directly benefit the Company. This charge was \$4,612, \$4,760 and \$4,069 for the years ended December 31, 1998, 1997 and 1996, respectively. Indirect cost allocations are made based upon employee headcount, estimated percent of UTA use of various services and level-of-effort based methodologies, as appropriate.

UTC provides centralized treasury functions and financing, including substantially all domestic investing and borrowing activities for the Company. As part of this practice, surplus cash is remitted to UTC and UTC advances cash, as necessary, to the Company. No interest is charged or paid on the net UTC investment amount. Interest is charged or credited on notes receivable and notes payable from or to affiliates.

United Technologies Research Center provides the Company with certain research services. Charges for these services were \$3,321, \$3,028 and \$3,695 for the years ended December 31, 1998, 1997 and 1996, respectively. The Company's sales to and purchases from other UTC business units are not material.

#### EMPLOYEE BENEFIT ADMINISTRATION

The Company's employees participate in tax-qualified defined benefit pension plans, defined contribution savings plans and various welfare benefit plans sponsored and administered by UTC. UTC has historically charged back to the Company its pro rata share of administration and funding expenses incurred by UTC in the operation of these plans for the

benefit of UTA employees. The Company has been responsible for the cost of funding pension and savings plan benefits accrued by its employees. Welfare benefit programs are generally self-insured and experience-rated on the basis of Company employees without regard to the claims experience of employees of other affiliated companies. The Company independently administers a small number of benefit plans in connection with certain plants or facilities that maintain separate benefit programs. The size of these independent programs is not material in relation to the aggregate employee benefit programs of the Company.

14

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

12

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

#### 5. ACQUISITION AND DIVESTITURE ACTIVITY

During 1998, the Company paid approximately \$3,300 for a 47% interest in NTTF, an Indian components manufacturer; approximately \$8,500 (\$760 to be paid in 1999) for a 50% interest in Ri Yong, a Chinese cooling fan module manufacturer; approximately \$4,000 to buyout the remaining 25% minority interest in its Loewe operation; and \$2,000 for a preferred share interest of 6% in Eclipse International, Inc., a US based technology company specializing in software and hardware critical to the development of the AutoPC. In addition, during 1998, the Company assumed the remaining minority interest in its Xianfeng venture, to facilitate its closure and redistribution of assets to the Company's other Chinese operations, and contributed net assets of \$3,055 for a 45% interest in a newly-formed battery cable joint venture with Saturn Electronics.

During 1997, the Company paid approximately \$34,400 for a 75% interest in Loewe GmbH, a German electronic switch manufacturer and \$8,500 for a 50% interest in MMA, a producer of motors based in Argentina. The purchase price for Loewe exceeded the estimated fair value of the net assets acquired and, accordingly, \$20,498 was recorded as goodwill and is being amortized over its estimated useful life of 20 years.

During 1996, the Company sold its interest in its steering wheels business. The proceeds on the sale approximated \$140,000 and the pre-tax gain recorded on this sale was approximately \$78,000. In addition, during 1996, the Company paid approximately \$42,100 to purchase the remaining 30% minority interest in Gate SpA, including approximately \$16,900 assigned to intangible assets.

15

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

13

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

#### 6. COST REDUCTION AND OTHER ACTIONS

During 1998, 1997 and 1996, the Company recorded pre-tax charges totalling \$9,245, \$25,478 and \$41,835, respectively, related to ongoing efforts to reduce costs in response to industry conditions. The following table summarizes the costs and related reserves relating to these actions:

	SEVERANCE AND RELATED COSTS	FACILITY AND OTHER COSTS	ASSET WRITE- DOWNS	TOTAL
1996 Charges	\$ 15,802	\$ 4,513	\$ 21,520	\$ 41,835
Utilized in 1996	(3,073)		(21,520)	(24,593)
	-----	-----	-----	-----
Balance at December 31, 1996	12,729	4,513		17,242
1997 Charges	15,673	4,100	5,705	25,478
Utilized in 1997	(18,851)	(2,659)	(5,705)	(27,215)
Adjustments in 1997	(826)			(826)
	-----	-----	-----	-----
Balance at December 31, 1997	8,725	5,954		14,679
1998 Charges	4,887	1,180	3,178	9,245
Utilized in 1998	(6,780)	(2,354)	(3,178)	(12,312)
Adjustments in 1998	(4,728)	(1,691)		(6,419)
	-----	-----	-----	-----
Balance at December 31, 1998	\$ 2,104	\$ 3,089	\$ --	\$ 5,193
	=====	=====	=====	=====

Provisions for cost reduction and other actions are included in cost of goods sold in the statements of operations except as described below. Generally, costs relating to severance and related costs and facility and other costs are cash charges. Fixed asset provisions are non-cash charges.

#### 1998 ACTIONS

The Company provided \$9,245 for the closure of its Valls, Spain and Bay Valley, Michigan facilities. Included in this charge were termination benefits of \$4,887 related to approximately 426 employees, \$3,178 for fixed asset write downs and \$1,180 for facility closing costs. The business and related revenues will be transferred to other UTA facilities. Other than facility closing costs, these actions are expected to be substantially completed during 1999. In addition, during 1998, the estimated costs of a workforce reduction action recorded during 1996 were reduced by \$3,900, the estimated facility closing costs recorded during 1997 and 1996 were reduced by \$1,300 due to additional customer requirements and additional adjustments of \$1,200 relate to differences between estimated costs and actual costs incurred.

#### 1997 ACTIONS

In response to market conditions during 1997, the Company provided approximately \$14,910 on a pre-tax basis for the restructuring of certain North American and European operations, including the elimination of excess plant capacity and personnel reductions. The provisions included \$5,105 for severance and related benefit payments to approximately 579 employees, \$5,705 for asset write-downs and \$4,100 for facility closing costs and other. Adjustments during 1997 relate to differences between estimated costs and actual costs incurred.

#### NOTES TO COMBINED FINANCIAL STATEMENTS (DOLLAR AMOUNTS IN THOUSANDS)

#### 6. COST REDUCTION AND OTHER ACTIONS (CONTINUED)

In addition, included in selling general and administrative expense, the Company provided approximately \$10,568 on a pre-tax basis for administrative work force reductions of approximately 345 employees at its Worldwide Headquarters facility. These actions are substantially completed at December 31, 1998.

#### 1996 ACTIONS

In 1996, the Company recorded charges of \$41,835 on a pre-tax basis for cost reduction and other actions, including the discontinuance of certain product lines and the consolidation of certain production facilities. These actions were taken in response to changing industry conditions and to enhance cost structure and competitive position. The provisions included \$15,802 for employee severance and related benefits for approximately 1,602 employees, \$21,520 for asset write-downs and \$4,513 for facility carrying costs and other. These actions are substantially complete at December 31, 1998.

## 7. SIGNIFICANT CUSTOMERS

The Company has direct sales to three customers that accounted for the following amounts of total sales for the years ended December 31:

	1998	1997	1996
Ford Motor Company	\$1,003,287	\$1,123,098	\$1,223,517
DaimlerChrysler AG	396,181	450,115	504,885
General Motors Corporation	273,246	307,358	286,965

In addition to the direct sales to the customers noted above, the Company has significant sales to certain suppliers of these customers. Although the Company is directly affected by the economic well-being of the automotive industry and the significant customers noted above, management does not believe significant credit risk exists at the current time. The Company performs ongoing credit evaluations of its customers' financial condition and does not require collateral. Historically, the Company has not experienced significant losses related to receivables from individual customers.

17

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

15

## NOTES TO COMBINED FINANCIAL STATEMENTS (DOLLAR AMOUNTS IN THOUSANDS)

### 8. ACCOUNTS RECEIVABLE

	DECEMBER 31,	
	1998	1997
Trade	\$ 484,435	\$ 437,002
Tooling - billed	15,400	14,727
Tooling - unbilled	46,723	45,660
Other current receivables	32,514	30,864
Less - allowances	(3,880)	(1,793)
	<u>\$ 575,192</u>	<u>\$ 526,460</u>

### 9. INVENTORIES

	DECEMBER 31,	
	1998	1997
Raw materials and work-in-process	\$ 137,001	\$ 140,499
Finished goods	67,273	76,840
LIFO reserve	(23,049)	(27,441)
Other reserves	(10,553)	(12,785)
	<u>\$ 170,672</u>	<u>\$ 177,113</u>

During 1998, 1997 and 1996, certain inventories carried under the LIFO valuation method were reduced. These reductions resulted in a liquidation of LIFO inventory quantities carried at costs that prevailed in prior years which were lower than the cost of current purchases. The effect of the liquidation of LIFO inventories decreased cost of goods sold by approximately \$2,973, \$640 and \$917 and increased net income by approximately \$1,843, \$397 and \$569 for the years ended December 31, 1998, 1997 and 1996, respectively.

#### 10. INVESTMENTS AND RECEIVABLES DUE AFTER ONE YEAR

	DECEMBER 31,	
	1998	1997
Joint venture investments	\$ 30,863	\$ 13,926
Other	11,248	15,501
	<u>\$ 42,111</u>	<u>\$ 29,427</u>

Joint Venture investments accounted for under the equity method include a 51% interest in Furukawa, a Mexican wire harness manufacturer; a 50% interest in MMA, an Argentinean electrical motor and cooling fan module manufacturer; a 50% interest in Ri Yong, a Chinese electric motor manufacturer; a 45% interest in Saturn, a battery cable manufacturer; and a 47% interest in NTT, a switch, components and tooling manufacturer located in India.

18

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

16

#### NOTES TO COMBINED FINANCIAL STATEMENTS (DOLLAR AMOUNTS IN THOUSANDS)

#### 11. FIXED ASSETS

	DECEMBER 31,	
	1998	1997
Fixed assets, at cost		
Land	\$ 16,501	\$ 16,602
Buildings and improvements	224,718	212,240
Machinery, tools and equipment	1,062,251	943,548
Construction-in-progress	47,286	42,029
	<u>1,350,756</u>	<u>1,214,419</u>
Less - accumulated depreciation	(641,050)	(578,497)
	<u>\$ 709,706</u>	<u>\$ 635,922</u>

#### 12. ACCRUED LIABILITIES

	DECEMBER 31,	
	1998	1997
Employee benefits	\$ 53,619	\$ 44,911
Workers' compensation	18,188	21,564
Payroll	20,912	21,350
Environmental	11,500	10,347
Warranty	27,990	9,712
Other	49,566	81,078
	<u>\$181,775</u>	<u>\$188,962</u>

#### 13. OTHER LONG-TERM LIABILITIES

	DECEMBER 31,	
	1998	1997
Environmental	\$60,096	\$ 70,960
Warranty	20,131	34,072
Other	16,282	20,314

\$96,509  
=====

\$125,346  
=====

19

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

17

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

14. BORROWINGS AND LINES OF CREDIT

The following summarizes the short-term borrowings and long-term debt of the Company and its subsidiaries (including the weighted average interest rate at December 31, 1998).

SHORT-TERM BORROWINGS

	DECEMBER 31,	
	1998	1997
Short term foreign note and bank borrowings (4.6%)	\$ 7,871	\$ 10,822
Current portion of long-term debt and capital lease obligations	1,574	2,439
	-----	-----
	\$ 9,445	\$ 13,261
	=====	=====

LONG-TERM DEBT

	MATURITY AT DECEMBER 31, 1998		
Notes and other debt			
Denominated in foreign currency (3.22%)	1999-2010	\$ 2,416	\$ 2,398
Denominated in U.S. dollars		-	730
Capital lease obligations (9.65%)	1999-2013	4,370	5,681
		-----	-----
Total long-term debt and capital lease obligations		6,786	8,809
Less - current portion of long-term debt and capital lease obligations		1,574	2,439
		-----	-----
		\$ 5,212	\$ 6,370
		=====	=====

At December 31, 1998, approximately \$59,900 was available under short-term lines of credit with local banks at the Company's various international operations. Capital lease obligations related primarily to buildings at certain foreign subsidiaries.

Principal payments required on long-term debt and capital lease obligations as of December 31, 1998 are as follows:

1999	\$ 1,574
2000	1,250
2001	1,077
2002	1,053
2003	308
Thereafter	1,524
	-----
	\$ 6,786

=====

20  
UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

18

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

15. TAXES ON INCOME

The provision for income taxes is comprised of the following:

	DECEMBER 31,		
	1998	1997	1996
Current			
United States			
Federal	\$ 8,827	\$ 12,561	\$ 45,719
State	1,545	2,100	6,241
Foreign	35,210	53,441	28,112
	-----	-----	-----
	45,582	68,102	80,072
	-----	-----	-----
Deferred			
United States			
Federal	3,382	7,293	(14,591)
State	(273)	315	(999)
Foreign	8,842	(4,664)	(333)
	-----	-----	-----
	11,951	2,944	(15,923)
	-----	-----	-----
	\$ 57,533	\$ 71,046	\$ 64,149
	=====	=====	=====

Deferred income taxes represent the tax effects of differences in the book and tax reporting bases of assets and liabilities at the statutory tax rates expected to be in effect when such differences reverse. Temporary differences and carryforwards that gave rise to a significant portion of deferred tax assets and liabilities at December 31 include:

21

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

19

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

15. TAXES ON INCOME (CONTINUED)

	DECEMBER 31,	
	1998	1997
	-----	-----

## CURRENT

## Deferred tax assets

Net state deferred tax asset	\$ 6,163	\$ 7,239
Net foreign deferred tax asset	1,180	709
Inventory provisions	12,737	11,244
Provisions for warranty	9,817	1,570
Environmental remediation provisions	4,025	3,621
Insurance and employee benefits	15,141	15,987
Other nondeductible provisions	7,018	17,774
Allowance for doubtful accounts	51	235
Other items (net)	1,222	4,256

Total current deferred tax assets	57,354	62,635
-----------------------------------	--------	--------

## Deferred tax liabilities

Net foreign deferred tax liabilities		111
--------------------------------------	--	-----

Net current deferred asset	\$ 57,354	\$ 62,524
----------------------------	-----------	-----------

## NONCURRENT

## Deferred tax assets

Other asset amortization	\$ 3,904	\$ --
Provisions for warranty	3,782	11,596
Insurance and employee benefits	235	
Environmental remediation provisions	21,034	24,941
Federal, state and foreign loss carryforward	7,733	8,005
Net foreign deferred tax asset	1,816	7,732
Other items (net)	104	
Valuation allowance	(7,733)	(8,005)

Total noncurrent deferred tax asset	\$ 30,875	\$ 44,269
-------------------------------------	-----------	-----------

22

UT AUTOMOTIVE, INC.

(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

20

## NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLAR AMOUNTS IN THOUSANDS)

## 15. TAXES ON INCOME (CONTINUED)

DECEMBER 31,

	1998	1997
Deferred tax liabilities		
Tax depreciation and capital allowance	\$ 36,028	\$ 47,056
Other provisions	8,310	8,378
Net state deferred tax liability	1,910	3,306
Foreign depreciation	15,554	15,779
Other net foreign deferred tax liabilities	5,651	1,460
Total deferred tax liability	67,453	75,979
Net noncurrent deferred liability	\$ (36,578)	\$ (31,710)
Net deferred tax asset	\$ 20,776	\$ 30,814



The Company has provided a valuation allowance for certain tax benefits of affiliates' foreign net operating loss carryforwards of approximately \$30,200, (tax effect of \$7,733) which expire between 1999 and 2003. During the periods UTA generated foreign tax credits which were utilized by UTC on a consolidated basis but which could not be utilized by UTA currently (or reasonably be expected to be used by UTA in the future) on a stand alone basis. The benefits of these credits have not been included in the UTA tax provision.

The sources of income (loss) before income taxes and minority interest were:

	DECEMBER 31,		
	1998	1997	1996
United States	\$ 26,704	\$ 31,526	\$ 75,923
Foreign	111,826	119,155	100,573
	-----	-----	-----
	\$138,530	\$150,681	\$176,496
	=====	=====	=====

Deferred income taxes generally have not been provided on undistributed earnings of international subsidiaries of approximately \$236,626, which are included in UTC investment at December 31, 1998.

23

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

21

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

15. TAXES ON INCOME (CONTINUED)

Differences between the effective income tax rate and the statutory U.S. federal income tax rate are as follows:

	DECEMBER 31,		
	1998	1997	1996
Statutory U.S. federal income tax rate	35.0%	35.0%	35.0%
State and local income tax rate, net of federal income tax benefit	0.6	1.0	2.0
Amortization of goodwill without tax effect	2.9	2.7	4.8
Foreign rate difference on foreign provision	(1.1)	(5.2)	(4.0)
Additional U.S. cost of foreign transactions	6.9	18.3	0.8
Other	(2.8)	(4.7)	(2.3)
	----	----	----
Effective income tax rate	41.5%	47.1%	36.3%
	=====	=====	=====

16. EMPLOYEE BENEFIT PLANS

EMPLOYEE PENSION BENEFITS

The Company and its domestic subsidiaries participate with UTC in certain defined benefit pension plans covering substantially all U.S. employees. For salaried employees, plan benefits are generally based on years of service and the employee's compensation during the last several years of employment. For hourly employees, plan benefits are generally based on years of service and the benefit level established at each facility. Expenses for these plans are allocated from UTC on an actuarial basis utilizing participant and plan design data. Certain foreign subsidiaries

of the Company have defined benefit pension plans or severance indemnity plans covering their employees. The Company and UTC account for the cost of their defined benefit plans in accordance with Statement of Financial Accounting Standards No. 87 (FAS 87), "Employers' Accounting for Pensions." Certain additional employees, primarily located in foreign countries, are covered by benefit arrangements which do not meet the reporting requirements of FAS 87.

Summarized below are the components of net periodic pension cost for the Company's net pension cost for participation in the UTC U.S. plans, foreign defined benefit plans and other costs for pension and severance indemnity plans.

	DECEMBER 31,		
	1998	1997	1996
Participation in UTC U.S. plans	\$2,815	\$3,608	\$7,560
UTA foreign defined benefit plans	723	882	847
Other costs, principally foreign service indemnity plans	487	213	261
	-----	-----	-----
Total pension cost	\$4,025	\$4,703	\$8,668
	=====	=====	=====

24

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

22

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

#### 16. EMPLOYEE BENEFIT PLANS (CONTINUED)

Unfunded liabilities for pension plans of certain international subsidiaries and for employee severance benefits, including those accruing to employees under foreign government regulations, are included in other long-term liabilities in the accompanying combined balance sheets.

##### EMPLOYEE HEALTHCARE AND INSURANCE BENEFITS

UTC provides certain employee healthcare and insurance benefits. In situations where full-time salaried employees retire from the Company between age 55 and age 65, most are eligible to receive, at a cost that varies on the basis of service with the Company, certain healthcare benefits identical to those available to active employees. Coverage ends at age 65. Certain retired employees of businesses acquired by the Company are covered under other healthcare plans that vary in terms of coverage, deductibles and retiree contributions. In addition, certain retirees may elect, at retirement, to continue life insurance coverage of up to twice their annual base pay as of that date. Expenses for these plans are allocated from UTC on an actuarial basis utilizing participant and plan design data. Net periodic postretirement benefit cost approximated \$2,400, \$1,817 and \$1,702 for the years ended December 31, 1998, 1997 and 1996, respectively.

For purposes of the combined financial statements, UTA accounts for its participation in UTC pension and postretirement benefit plans as if they participated in multi-employer plans.

Pension assets or liabilities under UTC sponsored domestic pension plans have been included as part of the UTC investment balance in the accompanying combined balance sheets.

The accompanying combined balance sheets do not include liabilities for

active and retired salaried and hourly employees of the Company who participate in the UTC retiree health and life insurance benefit plans. These amounts are included in the UTC investment balance in the accompanying combined balance sheets.

#### EMPLOYEE INCENTIVE PLANS

The Company participated in UTC long-term incentive plans utilizing various types of market and performance based incentive awards, which may be granted to officers and employees, including grants of UTC common stock and stock options. The exercise prices of stock options, which are to be set at the time of the grant, will not be less than the fair market value of the shares on the date of grant.

During the years ended December 31, 1998, 1997 and 1996, the Company expensed \$5,000, \$6,033 and \$7,625, respectively, with respect to the costs of UTA management participation in the incentive compensation plans.

#### EMPLOYEE SAVINGS PLAN

The Company participates in UTC's Employee Stock Ownership Plan. The amounts expensed relative to the Company's participation in that plan, including administrative fees, totaled \$4,100, \$3,877 and \$3,871 for the years ended December 31, 1998, 1997 and 1996, respectively.

25

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

23

#### NOTES TO COMBINED FINANCIAL STATEMENTS (DOLLAR AMOUNTS IN THOUSANDS)

#### 17. OTHER INCOME, NET

Other income includes the following:

	FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1996
Interest income	\$ 4,118	\$ 6,309	\$ 6,018
Royalty income	2,550	2,794	3,612
Gain (loss) on fixed asset dispositions	(4,861)	(227)	156
Foreign exchange gains (losses)	(5,970)	(4,328)	262
Equity in earnings of investees	3,986	1,439	2,553
Gain on disposition of business unit	-	-	78,000
Other	1,671	4,693	5,556
	-----	-----	-----
	\$ 1,494	\$10,680	\$96,157
	=====	=====	=====

Interest income includes \$2,179, \$4,037 and \$2,994 earned on transactions with UTC affiliates in 1998, 1997 and 1996, respectively.

#### 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of those financial instruments included in the following categories:

##### CASH AND CASH EQUIVALENTS, ACCOUNTS AND NOTES RECEIVABLE AND SHORT-TERM BORROWINGS

The carrying amount approximates fair value because of the short maturity of those instruments.

#### RECEIVABLES DUE AFTER ONE YEAR

The long-term receivables generally relate to refundable taxes in foreign jurisdictions and customer reimbursable tooling. It is not practicable to estimate the future timing of receipts to determine the current fair value of these amounts.

#### DEBT

The fair value of the Company's debt is estimated to approximate book value based on current market rates available to the Company.

#### FOREIGN EXCHANGE CONTRACTS

The fair values are estimated based on the amount the Company would receive or pay to terminate the agreements at the reporting dates, and approximated the carrying amount at December 31, 1998 and 1997.

26

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

24

#### NOTES TO COMBINED FINANCIAL STATEMENTS (DOLLAR AMOUNTS IN THOUSANDS)

#### 19. COMMITMENTS AND CONTINGENT LIABILITIES

##### LEASE COMMITMENTS

The Company and its combined affiliates occupy space and use certain equipment under lease arrangements. Rental commitments at December 31, 1998 under long-term noncancelable operating leases are as follows:

	LAND, BUILDINGS AND OFFICE SPACE	MACHINERY, TOOLS AND EQUIPMENT
1999	\$ 9,807	\$ 2,381
2000	8,518	1,493
2001	8,401	840
2002	8,248	394
2003	6,641	264
After 2003	4,963	209
	-----	-----
	\$ 46,578	\$ 5,581
	=====	=====

Rent expense totaled \$22,660, \$19,507 and \$19,602 for the years ended December 31, 1998, 1997 and 1996, respectively.

##### PURCHASE COMMITMENTS

In the normal course of business, the Company enters into commitments for the purchase of certain raw materials and components utilized in its manufacturing process. These agreements are generally for one year or less and management believes the required purchases are not in excess of anticipated needs.

##### ENVIRONMENTAL

The Company is subject to federal, state, local and foreign laws and regulations relating to environmental matters. These laws provide for control of pollutants released into the air, water and ground and require responsible parties to undertake remediation of hazardous waste disposal sites.

Although it is not presently possible to estimate the exact timing and ultimate amount of future expenditures for environmental remediation, the Company has recorded environmental liabilities of approximately \$72,000 and \$81,000 as of December 31, 1998 and 1997, respectively. Accrued liabilities include \$11,500 and \$10,347 for the current portion of the estimated cleanup expenditures at December 31, 1998 and 1997,

respectively. The balance of spending anticipated to be incurred in future years is shown as a component of other long-term liabilities. Liabilities with cash flows that are fixed or reliably determinable of approximately \$31,300 have been recorded at their discounted value of \$18,050 at December 31, 1998 utilizing a 7.5% interest rate. Other assets in the accompanying combined balance sheets include approximately \$26,300 and \$30,300 at December 31, 1998 and 1997, respectively, expected to be recoverable under indemnification agreements. Legal proceedings have been instituted on behalf of a subsidiary of the Company against its historical insurers seeking insurance coverage for remediation and related expenditures. These proceedings are expected to last several years. Potential insurance reimbursements are not recorded based upon the uncertainty of collection.

27

27

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

25

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

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19. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Management believes that the ultimate resolution of these environmental matters should not have a material adverse effect on the combined financial position of the Company. However, it is possible that the Company's results of operations and cash flows in certain future quarterly or annual periods could be materially affected.

WARRANTY

The Company provides its customers with product quality assurances considered by management to be standard in the industry. The Company accrues for these costs when such obligations are probable and the amounts can be reasonably estimated. Warranty reserves approximated \$48,100 and \$43,800 at December 31, 1998 and 1997, respectively.

OTHER

The Company also has other commitments and contingent liabilities related to legal proceedings and other matters arising out of the normal course of business. Management believes that resolution of these matters will not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

20. SEGMENT FINANCIAL DATA

The Company and its subsidiaries design, develop, manufacture and sell products, classified in four principle operating segments. The Company's operating segments were generally determined on the basis of geographic regions and product segments.

Electrical Systems-Americas products include electrical distribution, electronic and eletromechanical systems and components such as wire assemblies, control modules, switches, actuators, relays, terminals and connectors, smart junction boxes, power network boxes, in addition to, starter motors and wiper systems, manufactured principally in North America.

Interior Systems International products include instrument panels, modular headliners, door panels, door and sidewall trim, painted and decorated trim components, exterior mirrors and acoustic and sealing products, manufactured principally in the United States.

European Managed Operations products include electrical distribution, electronic and eletromechanical systems and components such as wire assemblies, control modules, switches, actuators, relays, terminals and connectors, smart junction boxes, power network boxes, in addition to fractional horsepower DC motors, analog and digital auto amplifiers and video modules, manufactured principally in Europe.

Asia Pacific Operations products include electronic and eletromechanical systems and components such as wire assemblies, control modules, in addition to fractional horsepower DC motors, manufactured principally in Asia.

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

20. SEGMENT DATA (CONTINUED)

Operating segment and geographic data include the results of all majority owned subsidiaries, consistent with the management reporting of these businesses. For two subsidiaries, minority shareholders have rights, which under the provisions of EITF 96-16, overcome the presumption of consolidation. In the Company's consolidated results, these subsidiaries are accounted for using the equity method of accounting. Adjustments to reconcile segment reporting to consolidated results are included in "Headquarters, Eliminations, Other", which also includes corporate support administration centers and, for comparability purposes, the impact of the steering wheels operations and divestiture in 1996. Operating profits are comprised of income before interest expense, taxes and minority interests.

	FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1996
NET SALES			
Electrical Systems America	\$ 1,353,148	\$ 1,434,480	\$ 1,470,915
Interior Systems International	566,420	583,514	628,287
European Managed Operations	1,023,622	953,931	930,520
Asia Pacific Operations	16,284	11,471	2,714
Headquarters, Eliminations, Other	(59,137)	(56,091)	53,144
	-----	-----	-----
Total net sales	\$ 2,900,337	\$ 2,927,305	\$ 3,085,580
	=====	=====	=====
OPERATING PROFITS			
Electrical Systems America	\$ 164,185	\$ 190,240	\$ 198,108
Interior Systems International	21,734	3,666	(2,070)
European Managed Operations	83,541	80,496	79,156
Asia Pacific Operations	(1,499)	37	(4,858)
Headquarters, Eliminations, Other	(107,193)	(113,837)	(85,364)
	-----	-----	-----
Total operating profits	\$ 160,768	\$ 160,602	\$ 184,972
	=====	=====	=====
CAPITAL EXPENDITURES			
Electrical Systems America	\$ 69,720	\$ 56,200	\$ 44,242
Interior Systems International	40,977	29,291	30,380
European Managed Operations	71,448	64,468	54,481
Asia Pacific Operations	367	548	1,739
Headquarters, Eliminations, Other	10,390	10,519	6,450
	-----	-----	-----
Total capital expenditures	\$ 192,902	\$ 161,026	\$ 137,292
	=====	=====	=====
DEPRECIATION AND AMORTIZATION			
Electrical Systems America	\$ 43,741	\$ 47,825	\$ 49,295
Interior Systems International	22,164	20,727	20,783
European Managed Operations	41,897	40,031	36,125

Asia Pacific Operations	497	597	555
Headquarters, Eliminations, Other	15,991	18,139	20,369
	-----	-----	-----
Total depreciation and amortization	\$ 124,290	\$ 127,319	\$ 127,127
	=====	=====	=====

29

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

27

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

20. SEGMENT DATA (CONTINUED)

A substantial portion of the Company's revenues and assets are attributable to international operations. The Company has significant manufacturing facilities in Italy, Spain, Honduras, the Philippines and Mexico.

Geographic segment information follows:

	FOR THE YEARS ENDED DECEMBER 31,		
	1998	1997	1996
NET SALES			
North American operations	\$1,873,957	\$1,944,614	\$2,148,356
International operations			
Europe	1,001,978	942,289	928,177
Asia Pacific	114,573	118,916	87,592
Other	46,990	34,740	13,966
Eliminations	(137,161)	(113,254)	(92,511)
	-----	-----	-----
Total net sales	\$2,900,337	\$2,927,305	\$3,085,580
	=====	=====	=====

	DECEMBER 31,	
	1998	1997
LONG-LIVED ASSETS		
North American operations	\$ 749,119	\$727,183
International operations		
Europe	237,976	206,380
Asia Pacific	29,704	26,193
Other	26,019	19,640
	-----	-----
Total	\$1,042,818	\$979,396
	=====	=====

30

UT AUTOMOTIVE, INC.  
(WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

28

NOTES TO COMBINED FINANCIAL STATEMENTS  
(DOLLAR AMOUNTS IN THOUSANDS)

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20. SEGMENT DATA (CONTINUED)

SALES

Sales by operating segment or by geographic area include intersegment sales as well as sales and transfers between geographic areas, which are generally made at prices approximating those that the selling entity is able to obtain on external sales. Other international sales include sales of products produced by the Company's Philippine operations, which are generally sold to U.S. customers.

Sales from United States operations include export sales as follows:

	DECEMBER 31,		
	1998	1997	1996
Europe	\$ 62,921	\$ 71,438	\$ 70,552
Asia Pacific	5,607	13,581	7,117
Other	144,084	97,371	83,622
	-----	-----	-----
	\$212,612	\$182,390	\$161,291
	=====	=====	=====

ELIMINATIONS

Eliminations made in reconciling geographic area data with the related combined amounts include sales and transfers between geographic areas, unrealized profits in inventory and similar items.

LONG-LIVED ASSETS

Long-lived assets include net fixed assets and net goodwill which can be attributed to the specific geographic regions.

21. SUBSEQUENT EVENTS

In March 1999, UTC entered into an agreement to sell the Company to Lear Corporation for approximately \$2,300,000, subject to certain adjustments. Consummation of the sale is subject to customary conditions of closing. The financial statements do not give effect to this transaction.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

B. Unaudited Pro Forma Consolidated Financial Statements.

The following unaudited pro forma consolidated statement of operations of Lear for the year ended December 31, 1998 was prepared to illustrate the effects of the completion of the acquisition of Delphi Seating, which was completed on September 1, 1998, the UT Automotive acquisition, the amendment and restatement of our prior senior credit facility and borrowings under our new credit facilities (collectively, the "Transactions"), as if such Transactions had occurred on January 1, 1998.

The following unaudited pro forma consolidated balance sheet (collectively with the unaudited pro forma consolidated statement of operations, the "Pro Forma Statements") was prepared as if the Transactions had occurred as of December 31, 1998. The Pro Forma Statements are not necessarily indicative of



the results that actually would have been achieved if the Transactions reflected therein had been completed on the dates indicated or the results which may be attained in the future.

The pro forma adjustments are based upon available information and upon certain assumptions that we believe are reasonable. The Pro Forma Statements exclude the estimated effects related to our planned refinancing of the \$1.4 billion interim term loan. The Pro Forma Statements and accompanying notes should be read in conjunction with the historical financial statements of Lear, UT Automotive and Delphi Seating, including the notes thereto.

32

32

# UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1998						
	Lear Historical	UT Automotive Historical (1)	Operating and Financing Adjustments	Pro Forma	Delphi Seating Pro Forma (2)	Pro Forma as Adjusted
(Dollars in millions, except per share data)						
Net sales	\$ 9,059.4	\$ 2,900.3	\$ -	\$11,959.7	\$ 669.0	\$12,628.7
Cost of sales	8,198.0	2,365.4	-	10,563.4	651.2	11,214.6
Gross profit	861.4	534.9	-	1,396.3	17.8	1,414.1
Selling, general and administrative expenses	337.0	362.7	-	699.7	41.5	741.2
Restructuring and other charges	133.0	-	-	133.0	-	133.0
Amortization	49.2	13.0	20.2 (3)	82.4	3.2	85.6
Operating income	342.2	159.2	(20.2)	481.2	(26.9)	454.3
Interest expense	110.5	22.2	140.4 (4)	273.1	9.1	282.2
Other (income)/expense, net	22.3	(.6)	-	21.7	(6.1)	15.6
Income before income taxes	209.4	137.6	(160.6)	186.4	(29.9)	156.5
Income taxes	93.9	57.5	(49.1) (5)	102.3	(11.9)	90.4
Net income	\$ 115.5	\$ 80.1	\$ (111.5)	84.1	\$ (18.0)	\$ 66.1
Diluted net income per share	\$ 1.70					\$ .97
Weighted average shares outstanding (in millions)	68.0					68.0
EBITDA (6)	\$ 561.9	\$ 283.5	-	\$ 845.4	\$ (14.8)	\$ 830.6

- (1) The UT Automotive historical information represents amounts derived from the audited results of operations for UT Automotive's fiscal year ended December 31, 1998. Certain amounts have been reclassified to conform to Lear's presentation.
- (2) The Delphi Seating pro forma information reflects (i) Delphi Seating historical unaudited results of operations for the period from January 1, 1998 through September 1, 1998, the date on which Delphi Seating was acquired by Lear and (ii) adjustments to reflect the elimination of net sales between Delphi Seating and Lear, estimated interest on borrowings to finance the acquisition of Delphi Seating, amortization of goodwill from the acquisition of Delphi Seating, income tax effects of the adjustments and the elimination of items with no continuing impact on Lear's results of operations, including the capitalization of fixed asset purchases which were accounted for as impaired assets by Delphi Seating, operating losses at plants which were not included in the acquisition, a charge related to the employee benefit obligations not assumed by Lear and the elimination of certain expenses allocated from the parent.
- (3) The adjustment to amortization represents the following:

Year Ended December 31, 1998	
(Dollars in millions)	
Amortization of goodwill from the acquisition of UT Automotive (over 40 years)	\$ 33.2

Elimination of the historical goodwill amortization of UT Automotive	(13.0)
	\$ 20.2

(4) The adjustment to interest expense represents the following:

	Year Ended December 31, 1998
	(Dollars in millions)
Estimated interest on borrowings under our primary credit facilities to finance the UT Automotive acquisition	\$ 145.7
Other changes in interest expense, commitment fees and amortization of deferred finance fees due to the new credit facilities and the amendment and restatement of our prior senior credit facility	15.0
Elimination of interest expense on UT Automotive intercompany debt retired upon acquisition	(20.3)
	\$ 140.4

(5) Reflects the income tax effects of the operating and financing adjustments.

(6) "EBITDA" is operating income plus depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations as determined by generally accepted accounting principles. EBITDA includes the effect of the \$133 million restructuring and other charges (\$92.5 million or \$1.36 per diluted share, after tax).

33

33

# UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 1998

	Lear Historical	UT Automotive Historical (1)	Acquisition and Valuation of UT Automotive (2)	Operating and Financing Adjustments	Pro Forma
(Dollars in millions)					
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 30.0	\$ 43.4	\$ (2,312.9)	\$ 2,312.9 (4)	\$ 73.4
Accounts receivable, net	1,373.9	575.2	-	-	1,949.1
Inventories	349.6	170.7	-	-	520.3
Recoverable customer engineering and tooling	221.4	-	-	-	221.4
Other current assets	223.1	70.0	-	-	293.1
	2,198.0	859.3	(2,312.9)	2,312.9	3,057.1
Property, plant and equipment, net	1,182.3	709.7	-	-	1,892.0
Goodwill and other intangibles, net	2,019.8	333.1	993.5	-	3,346.4
Other	277.2	85.3	(26.7) (3)	18.6 (5)	354.4
	\$ 5,677.3	\$ 1,987.4	\$ (1,346.1)	\$ 2,331.5	\$ 8,650.1
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities:					
Short-term borrowings	\$ 82.7	\$ 7.8	\$ -	\$ -	\$ 90.5
Accounts payable and drafts	1,600.8	377.0	-	-	1,977.8
Accrued liabilities	797.5	193.5	(15.2) (3)	-	975.8
Current portion of long-term debt	16.5	1.6	-	-	18.1
	2,497.5	579.9	(15.2)	-	3,062.2
Long-Term Liabilities:					
Long-term debt	1,463.4	5.2	-	2,331.5 (6)	3,800.1
Deferred national income taxes	39.0	38.4	-	-	77.4
Other	377.4	98.9	(65.9) (3)	-	410.4
	1,879.8	142.5	(65.9)	2,331.5	4,287.9
Stockholders' Equity	1,300.0	1,265.0	(1,265.0)	-	1,300.0
	\$ 5,677.3	\$ 1,987.4	\$ (1,346.1)	\$ 2,331.5	\$ 8,650.1

(1) The UT Automotive historical information represents amounts obtained from the audited balance sheet of UT Automotive as of December 31, 1998. Certain amounts have been reclassified to conform to Lear's presentaion.

- (2) Assumes a purchase price of \$2,312.9 million which consists of \$2,300.0 million to acquire all of the common stock of UT Automotive and \$12.9 million to pay estimated fees and expenses related to the acquisition of UT Automotive. The acquisition of UT Automotive was accounted for using the purchase method of accounting, and the total purchase price was allocated first to assets and liabilities based on their respective fair values, with the remainder (\$1,326.6 million) allocated to goodwill. The adjustment to stockholders' equity reflects the elimination of UT Automotive's equity. The allocation of the purchase price above is based on historical costs and management's estimates which may differ from the final allocation due to appraisals of fixed assets and the finalization of plans of restructuring.
- (3) Represents the elimination of certain items which are being retained by the seller of UT Automotive.
- (4) Reflects proceeds of borrowings under our primary credit facilities of \$2,312.9 million.
- (5) Reflects the capitalization of fees incurred in establishing our new credit facilities of \$18.6 million.
- (6) Reflects the effects of the Transactions as follows:

=====	
Borrowings under our primary credit facilities to finance the acquisition of UT Automotive	\$ 2,312.9
Borrowings under our primary credit facilities to pay fees and expenses incurred in establishing the new credit facilities	18.6
- - - - -	
	\$ 2,331.5
=====	

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS  
C. Exhibits

- 10.1 Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among Lear, Lear Corporation Canada Ltd., the Foreign Subsidiary Borrowers (as defined therein), the Lenders Party thereto, Bankers Trust Company and Bank of America National Trust & Savings Association, as Co-Syndication Agents, The Bank of Nova Scotia, as Documentation Agent and Canadian Administrative Agent, and The Chase Manhattan Bank, as General Administrative Agent;
- 10.2 Interim Term Loan Agreement, dated as of May 4, 1999, among Lear, the Lenders parties thereto, Citicorp USA, Inc. and Credit Suisse First Boston, as Co-Syndication Agents, Deutsche Bank AG New York Branch, as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent;
- 10.3 Revolving Credit and Term Loan Agreement, dated as of May 4, 1999, among Lear, certain of its Foreign Subsidiaries, the Lenders parties thereto, Citicorp USA, Inc. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, Toronto Dominion (Texas), Inc., as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent;
- 10.4 Stock Purchase Agreement dated as of March 16, 1999 by and between Nevada Bond Investment Corp. II and Lear Corporation (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated March 16, 1999).
- 23.1 Consent of PricewaterhouseCoopers LLP

35

## 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 hereunto duly authorized.

LEAR CORPORATION

/s/ Donald J. Stebbins

-----  
 Donald J. Stebbins  
 Senior Vice President and  
 Chief Financial Officer

May 6, 1999

36

## INDEX TO EXHIBITS

EXHIBIT NO. -----	DESCRIPTION -----
10.1	Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among Lear, Lear Corporation Canada Ltd., the Foreign Subsidiary Borrowers (as defined therein), the Lenders party thereto, Bankers Trust Company and Bank of America National Trust & Savings Association, as Co-Syndication Agents, The Bank of Nova Scotia, as Documentation Agent and Canadian Administrative Agent, and The Chase Manhattan Bank, as General Administrative Agent.
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the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent.

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- 23.1      Consent of PricewaterhouseCoopers LLP

EXECUTION COPY

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\$2,100,000,000  
SECOND AMENDED AND RESTATED  
CREDIT AND GUARANTEE AGREEMENT

Dated as of May 4, 1999

among

LEAR CORPORATION,  
LEAR CORPORATION CANADA LTD.,  
THE FOREIGN SUBSIDIARY BORROWERS,

The Lenders Party Hereto,

BANKERS TRUST COMPANY  
and  
BANK OF AMERICA NT & SA,  
as Co-Syndication Agents,

THE BANK OF NOVA SCOTIA,  
as Documentation Agent and Canadian Administrative Agent

and

THE CHASE MANHATTAN BANK,  
as General Administrative Agent

-----

CHASE SECURITIES INC.,  
as Sole Book Manager and Sole Lead Arranger

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TABLE OF CONTENTS

	Page
SECTION 1. DEFINITIONS.....	1
1.1 Defined Terms.....	1
1.2 Other Definitional Provisions.....	36
SECTION 2. AMOUNT AND TERMS OF U.S. REVOLVING CREDIT COMMITMENTS.....	36
2.1 U.S. Revolving Credit Commitments.....	36
2.2 Repayment of U.S. Revolving Credit Loans; Evidence of Debt.....	36
2.3 Procedure for U.S. Revolving Credit Borrowing.....	37
2.4 Termination or Reduction of U.S. Revolving Credit Commitments.....	38
2.5 Borrowings of U.S. Revolving Credit Loans and Refunding of Loans.....	38
SECTION 3. AMOUNT AND TERMS OF SWING LINE COMMITMENTS.....	41
3.1 Swing Line Commitments.....	41
3.2 Procedure for Swing Line Borrowings; Interest Rate.....	41
3.3 Repayment of Swing Line Loans; Evidence of Debt.....	42
3.4 Refunding	

of Swing Line Borrowings.....	43
3.5 Participating Interests.....	43
SECTION 4. AMOUNT AND TERMS OF CAF ADVANCES.....	44
4.1 CAF Advances.....	44
4.2 Procedure for CAF Advance Borrowing.....	44
4.3 CAF Advance Payments.....	47
4.4 Evidence of Debt.....	48
4.5 Certain Restrictions.....	48
SECTION 5. AMOUNT AND TERMS OF THE CANADIAN COMMITMENTS.....	48
5.1 Canadian Revolving Credit Commitments.....	48
5.2 Repayment of Canadian Revolving Credit Loans; Evidence of Debt.....	49
5.3 Procedure for Canadian Revolving Credit Borrowing.....	50
5.4 Termination or Reduction of Canadian Revolving Credit Commitments.....	50
SECTION 6. AMOUNT AND TERMS OF CANADIAN ACCEPTANCE FACILITY.....	51
6.1 Acceptance Commitments.....	51
6.2 Creation of Acceptances.....	51
6.3 Discount of Acceptances.....	52

- i -

3

ii

6.4 Stamping Fees.....	53
6.5 Acceptance Reimbursement Obligations.....	53
6.6 Converting Canadian Revolving Credit Loans to Acceptances and Acceptances to Canadian Revolving Credit Loans.....	54
6.7 Allocation of Acceptances.....	55
6.8 Special Provisions Relating to Acceptance Notes.....	55
6.9 Existing Acceptances and Acceptance Notes.....	56
SECTION 7. AMOUNT AND TERMS OF MULTICURRENCY COMMITMENT.....	56
7.1 Multicurrency Commitments.....	56
7.2 Repayment of Multicurrency Loans; Evidence of Debt.....	57
7.3 Procedure for Multicurrency Borrowing.....	57
7.4 Termination or Reduction of Multicurrency Commitments.....	58
7.5 Redenomination and Alternative Currencies.....	58
SECTION 8. ALTERNATE CURRENCY FACILITIES .....	58
8.1 Terms of Alternate Currency Facilities.....	58
8.2 Reporting of Alternate Currency Outstandings.....	60
SECTION 9. LETTERS OF CREDIT.....	60
9.1 Letters of Credit.....	60
9.2 Procedure for Issuance of Letters of Credit.....	61
9.3 Participating Interests.....	62
9.4 Payments.....	62
9.5 Further Assurances.....	63
9.6 Obligations Absolute.....	64
9.7 Letter of Credit Application.....	64
9.8 Purpose of Letters of Credit.....	64
9.9 Currency Adjustments.....	65
SECTION 10. GENERAL PROVISIONS APPLICABLE TO LOANS .....	65
10.1 Interest Rates and Payment Dates.....	65
10.2 Conversion and Continuation Options.....	66
10.3 Minimum Amounts of Tranches.....	67
10.4 Optional and Mandatory Prepayments.....	67
10.5 Facility Fees; Other Fees.....	69
10.6 Computation of Interest and Fees.....	70
10.7 Inability to Determine Interest Rate.....	71
10.8 Pro Rata Treatment and Payments.....	71
10.9 Illegality.....	75
10.10 Requirements of Law.....	76
10.11 Indemnity.....	77

- ii -

4

iii

10.12 Taxes .....	77
10.13 Assignment of Commitments Under Certain Circumstances.....	80
10.14 Use of Proceeds.....	81
SECTION 11. REPRESENTATIONS AND WARRANTIES.....	81
11.1 Financial Statements.....	81

11.2	No Change.....	81
11.3	Corporate Existence; Compliance with Law.....	81
11.4	Corporate Power; Authorization; Enforceable Obligations.....	82
11.5	No Legal Bar; Senior Debt.....	82
11.6	No Material Litigation.....	83
11.7	No Default.....	83
11.8	Ownership of Property; Liens.....	83
11.9	Taxes .....	83
11.10	Securities Law, etc. Compliance.....	84
11.11	ERISA .....	84
11.12	Investment Company Act; Other Regulations.....	84
11.13	Subsidiaries, etc. ....	84
11.14	Accuracy and Completeness of Information.....	85
11.15	Security Documents.....	85
11.16	Patents, Copyrights, Permits and Trademarks.....	85
11.17	Environmental Matters.....	85
11.18	Year 2000 Matters.....	87
SECTION 12.	CONDITIONS PRECEDENT.....	87
12.1	Conditions to Closing Date.....	87
12.2	Conditions to Each Extension of Credit.....	89
SECTION 13.	AFFIRMATIVE COVENANTS.....	90
13.1	Financial Statements.....	90
13.2	Certificates; Other Information.....	91
13.3	Performance of Obligations.....	92
13.4	Conduct of Business, Maintenance of Existence and Compliance with Obligations and Laws.....	92
13.5	Maintenance of Property; Insurance.....	92
13.6	Inspection of Property; Books and Records; Discussions.....	92
13.7	Notices.....	93
13.8	Maintenance of Liens of the Security Documents.....	94
13.9	Environmental Matters.....	94
13.10	Security Documents; Guarantee Supplement.....	95
SECTION 14.	NEGATIVE COVENANTS.....	96
14.1	Financial Covenants.....	96

- iii -

14.2	Limitation on Indebtedness.....	97
14.3	Limitation on Liens.....	98
14.4	Limitation on Guarantee Obligations.....	100
14.5	Limitations on Fundamental Changes.....	101
14.6	Limitation on Sale of Assets.....	101
14.7	Limitation on Dividends.....	102
14.8	Limitation on Subsidiary and Secured Indebtedness.....	103
14.9	Limitation on Investments, Loans and Advances.....	103
14.10	Limitation on Optional Payments and Modification of Debt Instruments; Certain Derivative Transactions.....	105
14.11	Transactions with Affiliates.....	105
14.12	Corporate Documents.....	106
14.13	Fiscal Year.....	106
14.14	Limitation on Restrictions Affecting Subsidiaries.....	106
14.15	Special Purpose Subsidiary.....	106
14.16	Interest Rate Agreements.....	107
SECTION 15.	GUARANTEE.....	107
15.1	Guarantee.....	107
15.2	No Subrogation.....	107
15.3	Amendments, etc. with respect to the Obligations; Waiver of Rights.....	108
15.4	Guarantee Absolute and Unconditional.....	108
15.5	Reinstatement.....	109
15.6	Payments.....	109
SECTION 16.	EVENTS OF DEFAULT.....	110
SECTION 17.	THE ADMINISTRATIVE AGENTS; THE DOCUMENTATION AGENT AND CO-SYNDICATION AGENTS.....	113
17.1	Appointment.....	113
17.2	Delegation of Duties.....	114
17.3	Exculpatory Provisions.....	114
17.4	Reliance by Administrative Agent.....	114
17.5	Notice of Default.....	115
17.6	Non-Reliance on Administrative Agents and Other Lender.....	115
17.7	Indemnification.....	116
17.8	Administrative Agents in their Individual Capacity.....	116
17.9	Successor Administrative Agents.....	116
17.10	The Documentation Agent and Co-Syndication Agents.....	117
17.11	Actions Under Security Documents.....	117
17.12	Intercreditor Agreement.....	117



SECTION 18. MISCELLANEOUS.....	117
18.1 Amendments and Waivers.....	117
18.2 Notices.....	120
18.3 No Waiver; Cumulative Remedies.....	121
18.4 Survival of Representations and Warranties.....	121
18.5 Payment of Expenses and Taxes.....	121
18.6 Successors and Assigns; Participations and Assignments.....	122
18.7 Adjustments; Set-Off.....	126
18.8 Loan Conversion/Participations.....	126
18.9 Counterparts.....	128
18.10 Severability.....	128
18.11 Integration.....	128
18.12 GOVERNING LAW.....	128
18.13 Submission to Jurisdiction; Waivers.....	128
18.14 Acknowledgments.....	129
18.15 WAIVERS OF JURY TRIAL.....	129
18.16 Power of Attorney.....	129
18.18 Release of Collateral and Guarantees.....	130
18.19 Judgment.....	131
18.20 Confidentiality.....	131
18.21 Effect of Amendment and Restatement of the Existing Credit Agreement.....	131
18.22 Conflicts.....	132

- v -

#### SCHEDULES:

I	Commitments; Addresses
II	Foreign Subsidiary Borrowers
III	Administrative Schedule
IV	Security Documents
V	[Reserved]
VI	Subsidiaries
VII	Hazardous Material
VIII	Contractual Obligation Restrictions

#### EXHIBITS:

A	Form of U.S. Revolving Credit Note
B	Form of Canadian Revolving Credit Note
C	Form of Draft
D	Form of Power of Attorney
E	Form of Acceptance Note
F	Form of CAF Advance Request
G	Form of CAF Advance Offer
H	Form of CAF Advance Confirmation
I	Form of Joinder Agreement
J	Form of Alternate Currency Facility Addendum
K	Form of Assignment and Acceptance
L	Form of Opinion of Winston & Strawn
M	Form of Opinion of Tory, Tory, Deslauriers & Binnington

N	Matters to be Covered by Foreign Subsidiary Opinion
O	Form of Subsidiary Guarantee
P	Form of Intercreditor Agreement
Q	Form of Pledge Agreement

- vi -

8

SECOND AMENDED AND RESTATED CREDIT AND GUARANTEE AGREEMENT, dated as of May 4, 1999, among LEAR CORPORATION, a Delaware corporation (the "U.S. Borrower"), LEAR CORPORATION CANADA LTD., a company organized under the laws of the province of Ontario, Canada (the "Canadian Borrower"), each FOREIGN SUBSIDIARY BORROWER (as hereinafter defined) (together with the U.S. Borrower and the Canadian Borrower, the "Borrowers"), the several banks and other financial institutions from time to time parties hereto (the "Lenders"), BANKERS TRUST COMPANY and BANK OF AMERICA NT & SA, as co-syndication agents (the "Co-Syndication Agents"), THE BANK OF NOVA SCOTIA, a Canadian chartered bank, as documentation agent (in such capacity, the "Documentation Agent") and Canadian administrative agent for the Lenders hereunder (as hereinafter defined, in such capacity, the "Canadian Administrative Agent"), and THE CHASE MANHATTAN BANK, a New York banking corporation (as hereinafter defined, the "General Administrative Agent"), as general administrative agent for the Lenders hereunder.

#### W I T N E S S E T H :

WHEREAS, the U.S. Borrower, the Canadian Borrower and the Foreign Subsidiary Borrowers are parties to the Amended and Restated Credit Agreement, dated as of December 20, 1996 (as heretofore amended, supplemented or otherwise modified, the "Existing Credit Agreement"), with the lenders parties thereto, the managing agents, co-agents and lead managers identified therein, The Bank of Nova Scotia, as Canadian administrative agent, and The Chase Manhattan Bank, as general administrative agent; and

WHEREAS, the Borrowers have requested that the Existing Credit Agreement be amended and restated;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree that on the Closing Date, as provided in subsection 18.21, the Existing Credit Agreement shall be amended and restated in its entirety as follows:

#### SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"ABR Loans": U.S. Revolving Credit Loans or Swing Line Loans, the rate of interest applicable to which is based upon the Alternate Base Rate.

"Acceptance": a Draft drawn by the Canadian Borrower and accepted by a Canadian Lender which is (a) denominated in Canadian Dollars, (b) for a term of not less than 30 days nor more than 180 days and which matures prior to the Revolving Credit Termination Date and (c) issuable and payable only in Canada; provided that to the extent

9

2

the context shall require, each Acceptance Note shall be deemed to be an Acceptance; provided, further, that "Acceptance" includes a depository note within the meaning of the Depository Bills and Notes Act (Canada) and a bill of exchange within the meaning of the Bills of Exchange Act (Canada).

"Acceptance Note": as defined in subsection 6.8(b).

"Acceptance Purchase Price": in respect of an Acceptance of a specified maturity, the result (rounded to the nearest whole cent, and with one-half cent being rounded up) obtained by dividing (a) the face amount of such Acceptance by (b) the sum of (i) one and (ii) the product of (A) the Reference Discount Rate for Acceptances of the same maturity expressed as a decimal and (B) a fraction, the numerator of which is the term to maturity of such Acceptance and the denominator of which is equal to 365, where (b) above is rounded to the fifth decimal place and 0.000005 is rounded up to 0.00001.

"Acceptance Reimbursement Obligations": the obligation of the Canadian Borrower to the Canadian Lenders (a) to reimburse the Canadian Lenders for maturing Acceptances pursuant to subsection 6.5 and (b) to make payments in respect of the Acceptance Notes in accordance with the terms thereof.

"Acceptance Tranche": the collective reference to Acceptances all of which were created on the same date and have the same maturity date.

"Acceptances to be Converted": as defined in subsection 18.8(a).

"Acquired Indebtedness": Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Subsidiary of the U.S. Borrower or assumed in connection with the acquisition of assets from such Person and not incurred by such Person in contemplation of such Person becoming a Subsidiary of the U.S. Borrower or such acquisition, and any refinancings thereof.

"Adjusted Aggregate Committed Outstandings": with respect to each Lender, the Aggregate Committed Outstandings of such Lender, plus the amount of any participating interests purchased by such Lender pursuant to subsection 18.8, minus the amount of any participating interests sold by such Lender pursuant to subsection 18.8.

"Adjustment Date": with respect to any fiscal quarter, (a) the second Business Day following receipt by the General Administrative Agent of both (i) the financial statements required to be delivered pursuant to subsection 13.1(a) or (b), as the case may be, for the most recently completed fiscal period and (ii) the compliance certificate required pursuant to subsection 13.2(b) with respect to such financial statements or (b) if such compliance certificate and financial statements have not been delivered in a timely manner, the date upon which such compliance certificate and financial statements were due; provided, however, that in the event that the Adjustment Date is determined in accordance with the provisions of clause (b) of this definition, then the date which is two

Business Days following the date of receipt of the financial statements and compliance certificate referenced in clause (a) of this definition also shall be deemed to constitute an Adjustment Date.

"Administrative Agents": the collective reference to the General Administrative Agent and the Canadian Administrative Agent.

"Administrative Schedule": Schedule III, which contains interest rate definitions and administrative information in respect of each Available Foreign Currency.

"Affiliate": of any Person, (a) any other Person (other than a Wholly Owned Subsidiary of such Person) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person or (b) any other Person who is a director or executive officer of (i) such Person, (ii) any Subsidiary of such Person (other than a Wholly Owned Subsidiary) or (iii) any Person described in clause (a) above. For purposes of this definition, a Person shall be deemed to be "controlled by" such other Person if such other Person possesses, directly or indirectly, power either to (A) vote 10% or more of the securities having ordinary voting power for the election of directors of such first Person or (B) direct or cause the direction of the management and policies of such first Person whether by contract or otherwise.

"Aggregate Alternate Currency Outstandings": as at any date of determination with respect to any Lender, an amount in the applicable Alternate Currencies equal to the aggregate unpaid principal amount of such Lender's Alternate Currency Loans.

"Aggregate Available Canadian Revolving Credit Commitments": as at any date of determination with respect to all Canadian Lenders, an amount in Canadian Dollars equal to the Available Canadian Revolving Credit Commitments of all Canadian Lenders on such date.

"Aggregate Available Multicurrency Commitments": as at any date of determination with respect to all Multicurrency Lenders, an amount in U.S. Dollars equal to the Available Multicurrency Commitments of all Multicurrency Lenders on such date.

"Aggregate Available U.S. Revolving Credit Commitments": as at any date of determination with respect to all U.S. Lenders, an amount in U.S. Dollars equal to the Available U.S. Revolving Credit Commitments of all U.S. Lenders on such date.

"Aggregate Canadian Revolving Credit Outstandings": as at any date of determination with respect to any Canadian Lender, an amount in Canadian Dollars equal to the sum of the following, without duplication: (a) the aggregate unpaid principal amount of such Canadian Lender's Canadian Revolving Credit Loans on such date, (b) the aggregate undiscounted face amount of all outstanding Acceptances of such Canadian Lender on such date and (c) the aggregate unpaid principal amount of such Canadian Lender's Acceptance Notes on such date.

11

4

"Aggregate Committed Outstandings": as at any date of determination with respect to any Lender, an amount in U.S. Dollars equal to the sum of (a) the Aggregate U.S. Revolving Credit Outstandings of such Lender, (b) the U.S. Dollar Equivalent of the Aggregate Canadian Revolving Credit Outstandings of such Lender and such Lender's Counterpart Lender, (c) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of such Lender and (d) the U.S. Dollar Equivalent of the Aggregate Alternate Currency Outstandings of such Lender.

"Aggregate Multicurrency Outstandings": as at any date of determination with respect to any Lender, an amount in the applicable Available Foreign Currencies equal to the aggregate unpaid principal amount of such Lender's Multicurrency Loans.

"Aggregate Total Outstandings": as at any date of determination with respect to any Lender, an amount in U.S. Dollars equal to the sum of (a) the Aggregate U.S. Outstandings of such Lender, (b) the U.S. Dollar Equivalent of the Aggregate Canadian Revolving Credit Outstandings of such Lender and such Lender's Counterpart Lender, (c) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of such Lender and (d) the U.S. Dollar Equivalent of the Aggregate Alternate Currency Outstandings of such Lender.

"Aggregate U.S. Outstandings": as at any date of determination with respect to any U.S. Lender, an amount in U.S. Dollars equal to the sum of (a) the Aggregate U.S. Revolving Credit Outstandings of such Lender on such date and (b) the aggregate unpaid principal amount of such U.S. Lender's CAF Advances on such date.

"Aggregate U.S. Revolving Credit Commitments": the aggregate amount of the U.S. Revolving Credit Commitments of all the Lenders.

"Aggregate U.S. Revolving Credit Outstandings": as at any date of determination with respect to any U.S. Lender, an amount in U.S. Dollars equal to the sum of (a) the aggregate unpaid principal amount of such U.S. Lender's U.S. Revolving Credit Loans on such date, (b) such U.S. Lender's U.S. Revolving Credit Commitment Percentage of the aggregate unpaid principal amount of all Swing Line Loans on such date and (c) such U.S. Lender's U.S. Revolving Credit Commitment Percentage of the aggregate Letters of Credit Obligations.

"Agreement": this Second Amended and Restated Credit and Guarantee Agreement, as the same may be amended, supplemented or otherwise

modified from time to time.

"Agreement Currency": as defined in subsection 18.19(b).

"Alternate Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of:

12

5

(a) the U.S. Prime Rate in effect on such day; and

(b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%.

If for any reason the General Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the General Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) above, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the U.S. Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the U.S. Prime Rate or the Federal Funds Effective Rate, respectively.

"Alternate Currency": any currency other than U.S. Dollars which is freely transferrable and convertible into U.S. Dollars and approved by the General Administrative Agent.

"Alternate Currency Borrower": each Subsidiary of the U.S. Borrower organized under the laws of a jurisdiction outside the United States that the U.S. Borrower designates as an "Alternate Currency Borrower" in an Alternate Currency Facility Addendum.

"Alternate Currency Facility": any Qualified Credit Facility that the U.S. Borrower designates as an "Alternate Currency Facility" pursuant to an Alternate Currency Facility Addendum.

"Alternate Currency Facility Addendum": an Alternate Currency Facility Addendum received by the General Administrative Agent, substantially in the form of Exhibit J, and conforming to the requirements of Section 8.

"Alternate Currency Facility Agent": with respect to each Alternate Currency Facility, the Alternate Currency Lender acting as agent or representative for the Alternate Currency Lenders parties thereto (and, in the case of any Alternate Currency Facility to which only one Lender is a party, such Lender).

"Alternate Currency Facility Maximum Borrowing Amount": as defined in subsection 8.1(b).

"Alternate Currency Lender": any Lender (or, if applicable, any affiliate, branch or agency thereof) party to an Alternate Currency Facility.

"Alternate Currency Lender Maximum Borrowing Amount": as defined in subsection 8.1(b).

13

6

"Alternate Currency Loan": any loan made pursuant to an Alternate Currency Facility.

"Applicable Margin": at any time, the rate per annum set forth below opposite the Level of Coverage Ratio most recently determined:

Level of Coverage Ratio - -----	Applicable Margin -----
Level I:	
Coverage Ratio is less than 4.0 to 1	.625%
Level II:	
Coverage Ratio is equal to or greater than 4.0 to 1 but less than 5.0 to 1	.400%
Level III:	
Coverage Ratio is equal to or greater than 5.0 to 1 but less than 6.0 to 1	.300%
Level IV	
Coverage Ratio is greater than or equal to 6.0 to 1	.275%;

provided that (a) the Applicable Margin shall be that set forth above opposite Level I from the Closing Date until the first Adjustment Date following the Closing Date, (b) the Applicable Margin determined for any Adjustment Date shall remain in effect until a subsequent Adjustment Date for which the Coverage Ratio falls within a different Level, and (c) if the financial statements and related compliance certificate for any fiscal period are not delivered by the date due pursuant to subsections 13.1 and 13.2(b), the Applicable Margin shall be (i) for the first 5 days subsequent to such due date, that in effect on the day prior to such due date, and (ii) thereafter, that set forth above opposite Level I, in either case, until the subsequent Adjustment Date.

"Assignee": as defined in subsection 18.6(c).

"Available Canadian Revolving Credit Commitment": as at any date of determination with respect to any Canadian Lender (after giving effect to the making and payment of any U.S. Revolving Credit Loans required to be made on such date pursuant to subsection 2.5), an amount in U.S. Dollars equal to the lesser of (a) the excess, if any, of (i) the amount of such Canadian Lender's Canadian Revolving Credit Commitment in

effect on such date over (ii) the U.S. Dollar Equivalent of the Aggregate Canadian Revolving Credit Outstandings of such Canadian Lender on such date and (b) the excess, if any, of (i) the amount of the U.S. Revolving Credit Commitment of such Canadian Lender's Counterpart Lender on such date over (ii) the Aggregate Committed Outstandings of such Canadian Lender's Counterpart Lender on such date.

"Available Foreign Currencies": Pounds Sterling, euro, Swedish Kroner, and any other available and freely-convertible non-U.S. Dollar currency selected by the U.S. Borrower and approved by the General Administrative Agent and the Majority Multicurrency Lenders in the manner described in subsection 18.1(b).

"Available Multicurrency Commitment": as at any date of determination with respect to any Multicurrency Lender (after giving effect to the making and payment of any U.S. Revolving Credit Loans required to be made on such date pursuant to subsection 2.5), an amount in U.S. Dollars equal to the lesser of (a) the excess, if any, of (i) the amount of such Multicurrency Lender's Multicurrency Commitment in effect on such date over (ii) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of such Multicurrency Lender on such date and (b) the excess, if any, of (i) the amount of such Multicurrency Lender's U.S. Revolving Credit Commitment in effect on

such date over (ii) the Aggregate Committed Outstandings of such Multicurrency Lender on such date.

"Available U.S. Revolving Credit Commitment": as at any date of determination with respect to any U.S. Lender (after giving effect to the making and payment of any U.S. Revolving Credit Loans required to be made on such date pursuant to subsection 2.5), an amount in U.S. Dollars equal to the excess, if any, of (a) the amount of such U.S. Lender's U.S. Revolving Credit Commitment in effect on such date over (b) the Aggregate Committed Outstandings of such U.S. Lender on such date.

"Bank Act (Canada)": the Bank Act (Canada), as amended from time to time.

"Benefitted Lender": as defined in subsection 18.7.

"Board": the Board of Governors of the Federal Reserve System (or any successor thereto).

"Bond Guarantee": the guarantee entered into by any Subsidiary Guarantor in respect of up to an aggregate principal amount of \$1,400,000,000 of senior unsecured debt securities to be issued by the U.S. Borrower, all or a portion of the proceeds of which will be used to repay in full the Interim Term Loans outstanding under (and as defined in) the Interim Term Loan Agreement.

"Borrowers": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified in a notice pursuant to subsection 2.3, 3.2, 4.2, 5.3 or 7.3 as a date on which a Borrower requests the Lenders to make Loans

hereunder or, with respect to a Request for Acceptances, the date with respect to which the Canadian Borrower has requested the Canadian Lenders to accept Drafts or, with respect to Alternate Currency Loans, the date on which an Alternate Currency Borrower requests Alternate Currency Lenders to make Alternate Currency Loans to such Alternate Currency Borrower pursuant to the Alternate Currency Facility to which such Alternate Currency Borrower and Alternate Currency Lenders are parties.

"Business Day": (a) when such term is used in respect of a day on which a Loan in an Available Foreign Currency or Alternate Currency is to be made, a payment is to be made in respect of such Loan, an Exchange Rate is to be set in respect of such Available Foreign Currency or Alternate Currency or any other dealing in such Available Foreign Currency or Alternate Currency is to be carried out pursuant to this Agreement, such term shall mean a London Banking Day which is also a day on which banks are open for general banking business in (x) the city which is the principal financial center of the country of issuance of such Available Foreign Currency or Alternate Currency (or, in the case of Multicurrency Loans in Pounds Sterling, Paris) and (y) in the case of euro only, Frankfurt am Main, Germany (or such other principal financial center as the General Administrative Agent may from time to time designate for this purpose), (b) when such term is used in respect of a day on which a Loan is to be made to the Canadian Borrower or an Acceptance is to be created, a payment is to be made in respect of such Loan or Acceptance, an Exchange Rate is to be set in respect of Canadian Dollars or any other dealing in Canadian Dollars is to be carried out pursuant to this Agreement, such term shall mean a day other than a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario are authorized or required by law to close, (c) when such term is used to describe a day on which a borrowing, payment or interest rate determination is to be made in respect of a LIBO Rate CAF Advance, such day shall be a London Banking Day and (d) when such term is used in any context in this Agreement (including as described in the foregoing clauses (a), (b) and (c)), such term shall mean a day which, in addition to complying with any applicable requirements set forth in the foregoing clauses (a), (b) and (c), is a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close; provided, that when such term is used for the purpose of determining the date on which the Eurocurrency Rate is determined under this

Agreement for any Multicurrency Loan denominated in euro for any Interest Period therefor and for purposes of determining the first and last day of any such Interest Period, references in this Agreement to Business Days shall be deemed to be references to Target Operating Days.

"CAF Advance": each CAF Advance made pursuant to subsection 4.1.

"CAF Advance Availability Period": the period from and including the Closing Date to and including the date which is 7 days prior to the Revolving Credit Termination Date.

"CAF Advance Confirmation": each confirmation by the U.S. Borrower of its acceptance of CAF Advance Offers, which confirmation shall be substantially in the form

16

9

of Exhibit H and shall be delivered to the General Administrative Agent by facsimile transmission.

"CAF Advance Interest Payment Date": as to each CAF Advance, each interest payment date specified by the U.S. Borrower for such CAF Advance in the related CAF Advance Request.

"CAF Advance Maturity Date": as to any CAF Advance, the date specified by the U.S. Borrower pursuant to paragraph 4.2(d)(ii) in its acceptance of the related CAF Advance Offer.

"CAF Advance Offer": each offer by a Lender to make CAF Advances pursuant to a CAF Advance Request, which offer shall contain the information specified in Exhibit G and shall be delivered to the General Administrative Agent by telephone, immediately confirmed by facsimile transmission.

"CAF Advance Request": each request by the U.S. Borrower for Lenders to submit bids to make CAF Advances, which request shall contain the information in respect of such requested CAF Advances specified in Exhibit F and shall be delivered to the General Administrative Agent in writing, by facsimile transmission, or by telephone, immediately confirmed by facsimile transmission.

"Canadian Administrative Agent": The Bank of Nova Scotia, together with its affiliates, as administrative agent for the Canadian Lenders under this Agreement and the other Loan Documents, and any successor thereto appointed pursuant to subsection 17.9.

"Canadian Base Rate": at any day, the higher of (a) the rate of interest per annum publicly announced from time to time by the Canadian Administrative Agent (and in effect on such day) as its reference rate for U.S. Dollar commercial loans made in Canada, as adjusted automatically from time to time and without notice to any of the Borrowers upon change by the Canadian Administrative Agent and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%.

"Canadian Base Rate Loans": all Canadian Revolving Credit Loans denominated in U.S. Dollars, which shall bear interest at a rate based upon the Canadian Base Rate.

"Canadian Borrower": as defined in the preamble hereto.

"Canadian Dollars" and "C\$": dollars in the lawful currency of Canada.

"Canadian Dollar Equivalent": with respect to an amount denominated in any currency other than Canadian Dollars, the equivalent in Canadian Dollars of such amount determined at the Exchange Rate on the date of determination of such equivalent.

"Canadian Lenders": the Lenders listed in Part B of Schedule I hereto.



"Canadian Reference Lenders": the collective reference to the Schedule I Canadian Reference Lenders and the Schedule II Canadian Reference Lenders.

"Canadian Revolving Credit Commitment": as to any Canadian Lender at any time, its obligation to make Canadian Revolving Credit Loans to, and/or create Acceptances and discount on behalf of (or, in lieu thereof, to make loans pursuant to the Acceptance Notes to), the Canadian Borrower, in an aggregate amount not to exceed at any one time outstanding the Canadian Dollar Equivalent of the lesser of (a) the U.S. Dollar amount set forth opposite such Canadian Lender's name in Schedule I under the heading "Canadian Revolving Credit Commitment", and (b) the U.S. Revolving Credit Commitment of such Canadian Lender's Counterpart Lender, in each case as such amount may be reduced from time to time as provided in subsection 5.4 and the other applicable provisions hereof.

"Canadian Revolving Credit Commitment Percentage": as to any Canadian Lender at any time, the percentage which such Canadian Lender's Canadian Revolving Credit Commitment then constitutes of the aggregate Canadian Revolving Credit Commitments (or, if the Canadian Revolving Credit Commitments have terminated or expired, the percentage which (a) the Aggregate Canadian Revolving Credit Outstandings of such Canadian Lender at such time constitutes of (b) the Aggregate Canadian Revolving Credit Outstandings of all Canadian Lenders at such time).

"Canadian Revolving Credit Loan": as defined in subsection 5.1.

"Canadian Revolving Credit Note": as defined in subsection 5.2(e).

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents": (a) securities issued or unconditionally guaranteed or insured by the United States Government or the Canadian Government or any agency or instrumentality thereof having maturities of not more than twelve months from the date of acquisition, (b) securities issued or unconditionally guaranteed or insured by any state of the United States of America or province of Canada or any agency or instrumentality thereof having maturities of not more than twelve months from the date of acquisition and having one of the two highest ratings obtainable from either S&P or Moody's, (c) time deposits, certificates of deposit and bankers' acceptances having maturities of not more than twelve months from the date of acquisition, in each case with any U.S. Lender or Canadian Lender or with any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia, Japan, Canada or any member of the European Economic Community or any U.S. branch of a foreign bank having at the date of acquisition capital and surplus of not less than \$100,000,000, (d) repurchase obligations with a term of not more than seven days for underlying securities

of the types described in clauses (a), (b) and (c) entered into with any bank meeting the qualifications specified in clause (c) above, (e) commercial paper issued by the parent corporation of any U.S. Lender and commercial paper rated, at the time of acquisition, at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's and in either case maturing within twelve months after the date of acquisition, (e) deposits maintained with money market funds having total assets in excess of \$300,000,000, (f) demand deposit accounts maintained in the ordinary course of business with banks or trust companies, (g) temporary deposits, of amounts received in the ordinary course of business

pending disbursement of such amounts, in demand deposit accounts in banks outside the United States and (h) deposits in mutual funds which invest substantially all of their assets in preferred equities issued by U.S. corporations rated at least AA (or the equivalent thereof) by S&P.

"CDOR Rate": the rate per annum determined by the Canadian Administrative Agent by reference to the average rate quoted on the Reuters Monitor Screen, Page "CDOR" (or such other Page as may replace such Page on such screen for the purpose of displaying Canadian interbank bid rates for Canadian Dollar bankers' acceptances with a 90 day term as of 10:00 a.m. (Toronto time) one Business Day prior to the first day of such 90 day term. If for any reason the Reuters Monitor Screen rates are unavailable, CDOR Rate means the rate of interest determined by the Canadian Administrative Agent which is equal to the arithmetic mean of the rates quoted by such reference banks as may be specified from time to time by the Canadian Administrative Agent, after consultation with the Canadian Borrower, in respect of Canadian Dollar bankers' acceptances with a 90 day term as of 10:00 a.m. one Business Day prior to the first day of such 90 day term.

"Chase": The Chase Manhattan Bank, a New York banking corporation.

"Chase Delaware": Chase Manhattan Bank Delaware.

"Closing Date": the date on which all of the conditions precedent set forth in subsection 12.1 shall have been satisfied or waived.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": any collateral in which a security interest is created pursuant to any Security Document.

"Commercial Letters of Credit": as defined in subsection 9.1(a).

"Commitments": the collective reference to the U.S. Revolving Credit Commitments, the Canadian Revolving Credit Commitments and the Multicurrency Commitments.

19

12

"Committed Outstandings Percentage": on any date with respect to any Lender, the percentage which the Adjusted Aggregate Committed Outstandings of such Lender constitutes of the Adjusted Aggregate Committed Outstandings of all Lenders.

"Commonly Controlled Entity": an entity, whether or not incorporated, which is under common control with the U.S. Borrower within the meaning of Section 4001 of ERISA or is part of a group which includes the U.S. Borrower and which is treated as a single employer under Section 414 of the Code.

"Consolidated Assets": at a particular date, all amounts which would be included under total assets on a consolidated balance sheet of the U.S. Borrower and its Subsidiaries as at such date, determined in accordance with GAAP.

"Consolidated Indebtedness": at a particular date, all Indebtedness of the U.S. Borrower and its Subsidiaries which would be included under indebtedness on a consolidated balance sheet of the U.S. Borrower and its Subsidiaries as at such date, determined in accordance with GAAP, less any cash of the U.S. Borrower and its Subsidiaries as at such date.

"Consolidated Interest Expense": for any fiscal period, the amount which would, in conformity with GAAP, be set forth opposite the caption "interest expense" (or any like caption) on a consolidated income statement of the U.S. Borrower and its Subsidiaries for such period; provided, that Consolidated Interest Expense for any period shall (a) exclude (i) fees payable in respect of such period under subsection 10.5 of this Agreement and similar fees payable in respect of such period under the Other Credit Agreements, and (ii) any amortization or write-off of deferred financing fees during such period

and (b) include any interest income during such period.

"Consolidated Net Income": for any fiscal period, the consolidated net income (or deficit) of the U.S. Borrower and its Subsidiaries for such period (taken as a cumulative whole), determined in accordance with GAAP; provided that (a) any provision for post-retirement medical benefits, to the extent such provision calculated under FAS 106 exceeds actual cash outlays calculated on the "pay as you go" basis, shall not to be taken into account, and (b) there shall be excluded (i) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the U.S. Borrower or any Subsidiary, (ii) the income (or deficit) of any Person (other than a Subsidiary) in which the U.S. Borrower or any Subsidiary has an ownership interest, except to the extent that any such income has been actually received by the U.S. Borrower or such Subsidiary in the form of dividends or similar distributions, (iii) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation or Requirement of Law (other than (a) prior to January 1, 2000, any Contractual Obligation or Requirement of Law in effect on the Closing Date affecting Subsidiaries acquired in the UT Automotive Acquisition, and (b) any Requirement of Law of Germany) applicable to such Subsidiary, and (iv) in the case of a successor to the

20

13

U.S. Borrower or any Subsidiary by consolidation or merger or as a transferee of its assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets; provided, further that the exclusions in clauses (i) and (iv) of this definition shall not apply to the mergers or consolidations of the U.S. Borrower or its Subsidiaries with their respective Subsidiaries.

"Consolidated Operating Profit": for any fiscal period, Consolidated Net Income for such period excluding (a) extraordinary gains and losses arising from the sale of material assets and other extraordinary and/or non-recurring gains and losses (including the restructuring and related charges in the amount of \$133,000,000 recorded by the U.S. Borrower in the fourth quarter of fiscal year 1998), (b) charges, premiums and expenses associated with the discharge of Indebtedness, (c) charges relating to FAS 106, (d) license fees (and any write-offs thereof), (e) stock compensation expense, (f) deferred financing fees (and any write-offs thereof), (g) write-offs of goodwill, (h) foreign exchange gains and losses, (i) miscellaneous income and expenses and (j) miscellaneous gains and losses arising from the sale of assets plus, to the extent deducted in determining Consolidated Net Income, the excess of (i) the sum of (A) Consolidated Interest Expense, (B) any expenses for taxes, (C) depreciation and amortization expense and (D) minority interests in income of Subsidiaries over (ii) net equity earnings in Affiliates (excluding Subsidiaries). For purposes of calculating the ratio set forth in subsection 14.1(b), Consolidated Operating Profit for any fiscal period shall in any event include the Consolidated Operating Profit for such fiscal period of any entity acquired by the U.S. Borrower or any of its Subsidiaries during such period; and for purposes of calculating the ratio set forth in subsections 14.1(a) and 18.18 for the periods of four consecutive fiscal quarters ending on or about 6/30/99, 9/30/99, 12/31/99 and 3/31/00, Consolidated Operating Profit shall include the Consolidated Operating Profit during such periods of the entities acquired by the U.S. Borrower in the UT Automotive Acquisition.

"Consolidated Revenues": for any fiscal period, the consolidated revenues of the U.S. Borrower and its Subsidiaries for such period, determined in accordance with GAAP.

"Continuing Directors": the directors of the U.S. Borrower on the Closing Date and each other director, if such other director's nomination for election to the Board of Directors of the U.S. Borrower is recommended by a majority of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Conversion Date": any date on which either (a) an Event of Default under Section 16(i) has occurred or (b) the Commitments shall have been terminated prior to the Revolving Credit Termination Date and/or the Loans shall have been declared immediately due and payable, in either case pursuant to Section 16.

21

14

"Conversion Sharing Percentage": on any date with respect to any Lender and any Loans or Acceptances, as the case may be, of such Lender outstanding in any currency other than U.S. Dollars, the percentage of such Loans or Acceptances, as the case may be, such that, after giving effect to the conversion of such Loans or Acceptances, as the case may be, to U.S. Dollars and the purchase and sale by such Lender of participating interests as contemplated by subsection 18.8, the Committed Outstandings Percentage of such Lender will equal such Lender's U.S. Revolving Credit Commitment Percentage on such date (calculated immediately prior to giving effect to any termination or expiration of the U.S. Revolving Credit Commitments on the Conversion Date).

"Converted Acceptances": as defined in subsection 18.8(a).

"Converted Loans": as defined in subsection 18.8(a).

"Co-Syndication Agents": as defined in the preamble hereto.

"Counterpart Lender": (a) as to any U.S. Lender, the Canadian Lender (if any) set forth opposite such U.S. Lender's name in Schedule I under the heading "Counterpart Lender" and (b) as to any Canadian Lender, the U.S. Lender set forth opposite such Canadian Lender's name in Schedule I under the heading "Counterpart Lender".

"Coverage Ratio": for any Adjustment Date the ratio of (a) Consolidated Operating Profit for the four fiscal quarters most recently ended to (b) Consolidated Interest Expense for the four fiscal quarters most recently ended.

"CSI": Chase Securities Inc.

"Currency Agreement": any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement designed to protect the U.S. Borrower or any Subsidiary against fluctuations in currency values.

"Currency Agreement Obligations": all obligations of the U.S. Borrower or any Subsidiary to any financial institution under any one or more Currency Agreements.

"Default": any of the events specified in Section 16, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Documentation Agent": as defined in the preamble hereto.

"Dollars", "U.S. Dollars" and "\$": dollars in lawful currency of the United States of America.

22

15

"Domestic Loan Party": each Loan Party that is organized under the laws of any jurisdiction of the United States.

"Domestic Pledge Agreements": the collective reference to all Pledge Agreements pursuant to which the Capital Stock of any Domestic Subsidiary is pledged.

"Domestic Subsidiary": any Subsidiary other than a Foreign Subsidiary.

"Draft": a draft substantially in the form of Exhibit C or in such other form as the Canadian Administrative Agent may from time to time reasonably request (or to the extent the context shall require, an Acceptance Note, delivered in lieu of a draft), as the same may be amended, supplemented or otherwise modified from time to time.

"EMU": Economic and Monetary Union as contemplated in the Treaty on European Union.

"EMU Legislation": legislative measures of the European Union for the introduction of, changeover to or operation of the euro in one or more member states.

"Environmental Complaint": any complaint, order, citation, notice or other written communication from any Person with respect to the existence or alleged existence of a violation of any Environmental Laws or legal liability resulting from air emissions, water discharges, noise emissions, Hazardous Material or any other environmental, health or safety matter.

"Environmental Laws": any and all applicable Federal, foreign, state, provincial, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority and any and all common law requirements, rules and bases of liability regulating, relating to or imposing liability or standards of conduct concerning pollution or protection of the environment or the Release or threatened Release of Hazardous Materials, as now or hereafter in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"euro": the single currency of the European Union as constituted by the Treaty on European Union and as referred to in EMU Legislation.

"Eurocurrency Liabilities": at any time, the aggregate of the rates (expressed as a decimal fraction) of any reserve requirements in effect at such time (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurocurrency Rate": with respect to each Interest Period pertaining to a Multicurrency Loan, the Eurocurrency Rate determined for such Interest Period and the Available Foreign Currency in which such Multicurrency Loan is denominated in the manner set forth in the Administrative Schedule.

"Eurodollar Loans": U.S. Revolving Credit Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each Interest Period pertaining to a Eurodollar Loan, the rate per annum equal to the average (rounded upward to the nearest 1/16th of 1%) of the respective rates notified to the General Administrative Agent by each of the U.S. Reference Lenders as the rate at which such U.S. Reference Lender is offered Dollar deposits at or about 10:00 a.m., New York City time, two Business Days prior to the beginning of such Interest Period,

(a) in the interbank eurodollar market where the eurodollar and foreign currency exchange operations in respect of its Eurodollar Loans then are being conducted,

(b) for delivery on the first day of such Interest Period,

(c) for the number of days contained therein, and

(d) in an amount comparable to the amount of its Eurodollar

Loan to be outstanding during such Interest Period.

"euro unit": the currency unit of the euro as defined in the EMU Legislation.

"Event of Default": any of the events specified in Section 16, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Exchange Act": the Securities Exchange Act of 1934, as amended.

"Exchange Rate": with respect to Canadian Dollars on any date, the Bank of Canada noon spot rate on such date, and with respect to any other non-U.S. Dollar currency on any date, the rate at which such currency may be exchanged into U.S. Dollars, as set forth on such date on the relevant Reuters currency page at or about 11:00 A.M., London time, on such date. In the event that such rate does not appear on any Reuters currency page, the "Exchange Rate" with respect to such non-U.S. Dollar currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the General Administrative Agent and the U.S. Borrower or, in the absence of such agreement, such "Exchange Rate" shall instead be the General Administrative Agent's spot rate of exchange in the interbank market where its foreign currency exchange operations in respect of such non-U.S. Dollar

24

17

currency are then being conducted, at or about 10:00 A.M., local time, on such date for the purchase of U.S. Dollars with such non-U.S. Dollar currency, for delivery two Business Days later; provided, that if at the time of any such determination, no such spot rate can reasonably be quoted, the General Administrative Agent may use any reasonable method as it deems applicable to determine such rate, and such determination shall be conclusive absent manifest error.

"Existing Credit Agreement": as defined in the recitals hereto.

"Existing Letters of Credit": as defined in subsection 9.1(b).

"Extension of Credit": as to any Lender, the making of a Loan by such Lender, the acceptance of a Draft or an Acceptance Note by such Lender or the issuance of any Letter of Credit. For purposes of Section 12.2, it is expressly understood and agreed that the following do not constitute Extensions of Credit for purposes of this Agreement: (a) the conversions and continuations of U.S. Revolving Credit Loans as or to Eurodollar Loans or ABR Loans pursuant to subsection 10.2, (b) the substitution of maturing Acceptances with new Acceptances, (c) the conversion of Acceptances to Canadian Revolving Credit Loans, (d) the conversion of Canadian Revolving Credit Loans to Acceptances, (e) the continuation of Multicurrency Loans for additional Interest Periods and (f) the continuation of Alternate Currency Loans for additional interest periods.

"Facility Fee Rate": at any time, the rate per annum set forth below opposite the Level of Coverage Ratio most recently determined:

Level of Coverage Ratio - -----	Facility Fee Rate -----
Level I:	
Coverage Ratio is less than 4.0 to 1	0.250%
Level II:	
Coverage Ratio is equal to or greater than 4.0 to 1 but less than 5.0 to 1	0.225%
Level III:	

Coverage Ratio is  
equal to or greater than 5.0 to 1  
but less than 6.0 to 1 0.175%

Level IV:

Coverage Ratio is 0.150%;  
greater than or equal to 6.0 to 1

25

18

provided that (a) the Facility Fee Rate shall be that set forth above opposite Level I from the Closing Date until the first Adjustment Date following the Closing Date, (b) the Facility Fee Rate determined for any Adjustment Date shall remain in effect until a subsequent Adjustment Date for which the Coverage Ratio falls within a different Level, and (c) if the financial statements and related compliance certificate for any fiscal period are not delivered by the date due pursuant to subsections 13.1 and 13.2(b), the Facility Fee Rate shall be (i) for the first 5 days subsequent to such due date, that in effect on the day prior to such due date, and (ii) thereafter, that set forth above opposite Level I, in either case, until the subsequent Adjustment Date.

"Federal Funds Effective Rate": for any day, the weighted average of the rates per annum on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the General Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Financing Lease": (a) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of the U.S. Borrower and its Subsidiaries and (b) any other such lease to the extent that the then present value of the minimum rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.

"First Lender": as defined in subsection 18.8(c).

"Fixed Rate CAF Advance": any CAF Advance made pursuant to a Fixed Rate CAF Advance Request.

"Fixed Rate CAF Advance Request": any CAF Advance Request requesting the Lenders to offer to make CAF Advances at a fixed rate (as opposed to a rate composed of the LIBO Rate plus (or minus) a margin).

"Foreign Letter of Credit": a Letter of Credit whose beneficiary is a Person which is directly or indirectly extending credit to a Foreign Subsidiary.

"Foreign Subsidiaries": each of the Subsidiaries so designated on Schedule VI and any Subsidiaries organized outside the United States which are created after the effectiveness hereof.

"Foreign Subsidiary Borrower": each Foreign Subsidiary listed as a Foreign Subsidiary Borrower in Schedule II as amended from time to time in accordance with subsection 18.1(b)(i).

26

19

"Foreign Subsidiary Opinion": with respect to any Foreign Subsidiary Borrower, a legal opinion of counsel to such Foreign Subsidiary Borrower addressed to the Administrative Agents and the Lenders covering the matters set forth on Exhibit N, with such assumptions, qualifications and deviations therefrom as the General Administrative Agent shall approve (such

approval not to be unreasonably withheld).

"Funding Commitment Percentage": as at any date of determination (after giving effect to the making and payment of any Loans made on such date pursuant to subsection 2.5), with respect to any U.S. Lender, that percentage which the Available U.S. Revolving Credit Commitment of such U.S. Lender then constitutes of the Aggregate Available U.S. Revolving Credit Commitments.

"GAAP": generally accepted accounting principles in the United States of America in effect from time to time.

"General Administrative Agent": Chase, together with its affiliates, as arranger of the Commitments and as general administrative agent for the Lenders under this Agreement and the other Loan Documents, and any successor thereto appointed pursuant to subsection 17.9.

"Governmental Authority": any nation or government, any state, province or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee Obligation": as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation shall be deemed to be an amount equal to the value as of any date of determination of the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made (unless such Guarantee Obligation shall be expressly limited to a lesser amount, in which case such lesser amount shall apply) or, if not stated or determinable, the value as of any date of determination of the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

"Guarantor Supplement": a supplement to the Subsidiary Guarantee, substantially in the form of Annex A to the Subsidiary Guarantee, whereby a Subsidiary of the U.S. Borrower becomes a "Guarantor" under the Subsidiary Guarantee.

"Hazardous Materials": any solid wastes, toxic or hazardous substances, materials or wastes, defined, listed, classified or regulated as such in or under any Environmental Laws, including, without limitation, asbestos, petroleum or petroleum products (including gasoline, crude oil or any fraction thereof), polychlorinated biphenyls, and urea- formaldehyde insulation, and any other substance the presence of which may give rise to liability under any Environmental Law.

"Indebtedness": of a Person, at a particular date, the sum (without duplication) at such date of (a) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable as obligor, (b) indebtedness secured by any Lien on any property or asset owned or held by such Person regardless of whether the indebtedness secured thereby shall have been assumed by or is a primary liability of such Person, (c) obligations of such Person under Financing Leases, (d) the face amount of all letters of credit issued for the account of such



person and, without duplication, the unreimbursed amount of all drafts drawn thereunder and (e) obligations (in the nature of principal or interest) of such Person in respect of acceptances or similar obligations issued or created for the account of such Person; but excluding (i) trade and other accounts payable in the ordinary course of business in accordance with customary trade terms and which are not overdue for more than 120 days or, if overdue for more than 120 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person, (ii) deferred compensation obligations to employees and (iii) any obligations otherwise constituting Indebtedness the payment of which such Person has provided for pursuant to the terms of such Indebtedness or any agreement or instrument pursuant to which such Indebtedness was incurred, by the irrevocable deposit in trust of an amount of funds or a principal amount of securities, which deposit is sufficient, either by itself or taking into account the accrual of interest thereon, to pay the principal of and interest on such obligations when due.

"Industrial Revenue Bonds": industrial revenue bonds issued for the benefit of the U.S. Borrower or its Subsidiaries and in respect of which the U.S. Borrower or its Subsidiaries will be the source of repayment, provided that such financings (including, without limitation, the indenture related thereto) shall be in form and substance reasonably satisfactory to the Issuing Lender that issues a Letter of Credit backing such Industrial Revenue Bonds.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

28

21

"Intercreditor Agreement": the Intercreditor Agreement, substantially in the form of Exhibit P, to be entered into pursuant to subsection 18.17, as amended or otherwise modified from time to time.

"Interest Payment Date": (a) as to any ABR Loan and any Prime Rate Loan, the last day of each March, June, September and December to occur while such Loan is outstanding, (b) as to any Eurodollar Loan or Multicurrency Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan or Multicurrency Loan having an Interest Period longer than three months, (i) each day which is three months, or a whole multiple thereof, after the first day of such Interest Period and (ii) the last day of such Interest Period and (d) as to any Money Market Rate Swing Line Loan, the last day of the interest period with respect thereto selected by the U.S. Borrower and the Swing Line Lender.

"Interest Period": with respect to any Eurodollar Loan or Multicurrency Loan:

(a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan or Multicurrency Loan and ending one, two, three or six months thereafter, and if deposits in the relevant currency for such longer Interest Periods are available to all relevant Lenders (as determined by such Lenders), nine or twelve months thereafter, as selected by the relevant Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan or Multicurrency Loan and ending one, two, three or six months thereafter, and if deposits in the relevant currency for such longer Interest Periods are available to all relevant Lenders (as determined by such Lenders), nine or twelve months thereafter, as selected by the relevant Borrower by irrevocable notice to the General Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period pertaining to a Eurodollar Loan or Multicurrency Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be

extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period applicable to a Eurodollar Loan or Multicurrency Loan that would otherwise extend beyond the Revolving Credit Termination Date shall end on the Revolving Credit Termination Date; and

29

22

(iii) any Interest Period pertaining to a Eurodollar Loan or Multicurrency Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

"Interest Rate Agreement": any interest rate protection agreement, interest rate swap or other interest rate hedge arrangement (other than any interest rate cap or other similar agreement or arrangement pursuant to which the U.S. Borrower has no credit exposure), to or under which the U.S. Borrower or any of its Subsidiaries is a party or a beneficiary.

"Interest Rate Agreement Obligations": all obligations of the U.S. Borrower or any Subsidiary to any financial institution under any one or more Interest Rate Agreements.

"Interim Term Loan Agreement": the Interim Term Loan Agreement, dated as of May 4, 1999, among the U.S. Borrower, the lenders parties thereto, Chase, as administrative agent, and others, as the same may be amended, supplemented or otherwise modified from time to time, and any Refinancing Agreement in respect thereof.

"Investment Grade Status": shall exist at any time when the actual or implied rating of the U.S. Borrower's senior long-term unsecured debt is at or above BBB- from S&P and at or above Baa3 from Moody's; if either of S&P or Moody's shall change its system of classifications after the date of this Agreement, Investment Grade Status shall exist at any time when the actual or implied rating of the U.S. Borrower's senior long-term unsecured debt is at or above the new rating which most closely corresponds to the above-specified level under the previous rating system.

"Issuing Lender": Chase (or Chase Delaware), in its capacity as issuer of the Letters of Credit and any other U.S. Lender which the U.S. Borrower, the General Administrative Agent and the Majority U.S. Lenders shall have approved, in its capacity as issuer of the Letters of Credit.

"Judgment Currency": as defined in subsection 18.19(b).

"Lear Germany": Lear Corporation Beteiligungs GmbH.

"Lenders": as defined in the preamble hereto, provided that no Person shall become a "Lender" hereunder after the Closing Date without compliance with subsection 18.6(c).

"Letter of Credit Applications": (a) in the case of Standby Letters of Credit, a letter of credit application for a Standby Letter of Credit on the standard form of the applicable Issuing Lender for standby letters of credit, and (b) in the case of Commercial

30

23

Letters of Credit, a letter of credit application for a Commercial Letter of Credit on the standard form of the applicable Issuing Lender for commercial

letters of credit.

"Letter of Credit Obligations": at any particular time, all liabilities of the U.S. Borrower and any Subsidiary with respect to Letters of Credit, whether or not any such liability is contingent, including (without duplication) the sum of (a) the aggregate undrawn face amount of all Letters of Credit then outstanding plus (b) the aggregate amount of all unpaid Reimbursement Obligations and Subsidiary Reimbursement Obligations.

"Letter of Credit Participation Certificate": a participation certificate in the form customarily used by the Issuing Lender for such purpose at the time such certificate is issued.

"Letters of Credit": as defined in subsection 9.1(a).

"LIBO Rate": in respect of any LIBO Rate CAF Advance, the London interbank offered rate for deposits in Dollars for the period commencing on the date of such CAF Advance and ending on the CAF Advance Maturity Date with respect thereto which appears on Telerate Page 3750 as of 11:00 A.M., London time, two Business Days prior to the beginning of such period.

"LIBO Rate CAF Advance": any CAF Advance made pursuant to a LIBO Rate CAF Advance Request.

"LIBO Rate CAF Advance Request": any CAF Advance Request requesting the Lenders to offer to make CAF Advances at an interest rate equal to the LIBO Rate plus (or minus) a margin.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement or any Financing Lease having substantially the same economic effect as any of the foregoing).

"Loan Documents": the collective reference to this Agreement, any Notes, the Drafts, the Acceptances, the Acceptance Notes, any documents or instruments evidencing or governing any Alternate Currency Facility and the Security Documents.

"Loan Parties": the collective reference to the Borrowers, each guarantor or grantor party to any Security Document and each issuer of pledged stock under each Pledge Agreement.

"Loans": the collective reference to the Revolving Credit Loans, the Swing Line Loans, the CAF Advances, the Multicurrency Loans and the Alternate Currency Loans.

31

24

"Loans to be Converted": as defined in subsection 18.8(a).

"London Banking Day": any day on which banks in London are open for general banking business, including dealings in foreign currency and exchange.

"Majority Canadian Lenders": at any time, Canadian Lenders whose Canadian Revolving Credit Commitment Percentages aggregate more than 50%.

"Majority Lenders": (a) at any time prior to the termination of the Revolving Credit Commitments, the Majority U.S. Lenders; and (b) at any time after the termination of the Revolving Credit Commitments, Lenders whose Aggregate Total Outstandings aggregate more than 50% of the Aggregate Total Outstandings of all Lenders; provided that for purposes of this definition the Aggregate Total Outstandings of each Lender shall be adjusted up or down so as to give effect to any participations purchased or sold pursuant to subsection 18.8.

"Majority Multicurrency Lenders": at any time, Multicurrency Lenders whose Multicurrency Commitment Percentages aggregate more than 50%.

"Majority U.S. Lenders": at any time, U.S. Lenders whose U.S. Revolving Credit Commitment Percentages aggregate more than 50%.

"Material Subsidiary": each Loan Party and any other Subsidiary which (a) for the most recent fiscal year of the U.S. Borrower accounted for more than 10% of Consolidated Revenues or (b) as of the end of such fiscal year, was the owner of more than 10% of Consolidated Assets, all as shown on the consolidated financial statements of the U.S. Borrower for such fiscal year.

"Money Market Rate": as defined in subsection 3.2(b).

"Money Market Rate Swing Line Loan": as defined in subsection 3.2(b).

"Moody's": Moody's Investors Service, Inc. or any successor thereto.

"Multicurrency Commitment": as to any Multicurrency Lender at any time, its obligation to make Multicurrency Loans to the U.S. Borrower or Foreign Subsidiary Borrowers in an aggregate amount in Available Foreign Currencies of which the U.S. Dollar Equivalent does not exceed at any time outstanding the lesser of (a) the amount set forth opposite such Multicurrency Lender's name in Schedule I under the heading "Multicurrency Commitment", and (b) the U.S. Revolving Credit Commitment of such Multicurrency Lender, in each case as such amount may be reduced from time to time as provided in subsection 7.4 and the other applicable provisions hereof.

"Multicurrency Commitment Percentage": as to any Multicurrency Lender at any time, the percentage which such Multicurrency Lender's Multicurrency Commitment then

32

25

constitutes of the aggregate Multicurrency Commitments (or, if the Multicurrency Commitments have terminated or expired, the percentage which (a) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of such Multicurrency Lender at such time constitutes of (b) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of all Multicurrency Lenders at such time).

"Multicurrency Lender": each Lender having an amount greater than zero set forth opposite such Lender's name in Schedule I under the heading "Multicurrency Commitment."

"Multicurrency Loans": as defined in subsection 7.1.

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA . "National Currency Unit": the unit of currency (other than a euro unit) of a Participating Member State.

"Net Proceeds": shall mean the gross proceeds received by the U.S. Borrower or any Subsidiary from a sale or other disposition of any asset of the U.S. Borrower or such Subsidiary less (a) all reasonable fees, commissions and other out-of-pocket expenses incurred by the U.S. Borrower or such Subsidiary in connection therewith, (b) Federal, state, local and foreign taxes assessed in connection therewith and (c) the principal amount, accrued interest and any related prepayment fees of any Indebtedness (other than the Loans) which is secured by any such asset and which is required to be repaid in connection with the sale thereof.

"New Revolving Credit Agreement": the Revolving Credit and Term Loan Agreement, dated as of May 4, 1999, among the U.S. Borrower, certain of its Foreign Subsidiaries, the lenders parties thereto, Chase, as administrative agent, and others, as the same may be amended, supplemented or otherwise modified from time to time, and any Refinancing Agreement in respect thereof.

"9 1/2% Subordinated Note Indenture": the Indenture dated as of July 1, 1996, between the U.S. Borrower and The Bank of New York, as trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 14.10.

"9 1/2% Subordinated Notes": the 9 1/2% Subordinated Notes of the U.S. Borrower due 2006, issued pursuant to the 9 1/2% Subordinated Note Indenture.

"Non-Canadian Lender": each U.S. Lender which is not a U.S. Common Lender.

"Non-Multicurrency Lender": each U.S. Lender which is not a Multicurrency Lender.

33

26

"Notes": the collective reference to the U.S. Revolving Credit Notes and the Canadian Revolving Credit Notes.

"Notice of Alternate Currency Outstandings": with respect to each Alternate Currency Facility Agent, a notice from such Alternate Currency Facility Agent containing the information, delivered to the Person, in the manner and by the time, specified for a Notice of Alternate Currency Outstandings in the Administrative Schedule.

"Notice of Multicurrency Loan Borrowing": with respect to a Multicurrency Loan, a notice from the Borrower (or the U.S. Borrower on its behalf) in respect of such Loan, containing the information in respect of such Loan and delivered to the Person, in the manner and by the time, specified for a Notice of Multicurrency Loan Borrowing in respect of the currency of such Loan in the Administrative Schedule.

"Notice of Multicurrency Loan Continuation": with respect to a Multicurrency Loan, a notice from the Borrower (or the U.S. Borrower on its behalf) in respect of such Loan, containing the information in respect of such Loan and delivered to the Person, in the manner and by the time, specified for a Notice of Multicurrency Loan Continuation in respect of the currency of such Loan in the Administrative Schedule.

"Obligations": collectively, the unpaid principal of and interest on the Loans, the Reimbursement Obligations, the Subsidiary Reimbursement Obligations, Interest Rate Agreement Obligations to any Lender, Currency Agreement Obligations to any Lender and all other obligations and liabilities (including, with respect to the Canadian Borrower, Acceptance Reimbursement Obligations) of (a) the U.S. Borrower under or in connection with this Agreement (including, without limitation, the obligations under Section 15 hereof) and the other Loan Documents, (b) the Canadian Borrower under this Agreement and the other Loan Documents, (c) each Foreign Subsidiary Borrower under this Agreement and the other Loan Documents and (d) each Alternate Currency Borrower under any Alternate Currency Facility to which it is a party and under this Loan Agreement and the other Loan Documents (including, without limitation, interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the maturity of the Loans and interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the U.S. Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, the Notes, the Acceptances, the Acceptance Notes, the Letters of Credit, the Letter of Credit Applications, the other Loan Documents or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agents or

34

27

to the Lenders that are required to be paid by any Borrower pursuant to the terms of this Agreement or any other Loan Document).

"Other Credit Agreements": the collective reference to the New Revolving Credit Agreement and the Interim Term Loan Agreement.

"Other Lender": as defined in subsection 18.8(c).

"Participants": as defined in subsection 18.6(b).

"Participating Interest": with respect to any Letter of Credit (a) in the case of the Issuing Lender with respect thereto, its interest in such Letter of Credit and any Letter of Credit Application relating thereto after giving effect to the granting of any participating interests therein pursuant hereto and (b) in the case of each Participating Lender, its undivided participating interest in such Letter of Credit and any Letter of Credit Application relating thereto.

"Participating Lender": any U.S. Lender (other than the Issuing Lender) with respect to its Participating Interest in a Letter of Credit.

"Participating Member State": any member state of the EMU which has the euro as its lawful currency.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Person": an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan which is covered by ERISA and in respect of which the U.S. Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledge Agreements": the collective reference to the Pledge Agreements listed in Schedule IV and each other pledge agreement or similar agreement that may be delivered to the General Administrative Agent as collateral security for any or all of the Obligations of the U.S. Borrower hereunder, and the obligations of the U.S. Borrower under the Other Credit Agreements, in each case as such Pledge Agreements or similar agreements may be amended, supplemented or otherwise modified from time to time.

"Pledged Stock": as defined in each of the Pledge Agreements.

"Powers of Attorney": as defined in subsection 6.2(b).

"Prime Rate": at any day, the greater on such day of (a) the rate per annum announced by the Canadian Administrative Agent from time to time (and in effect on such day) as its prime rate for Canadian Dollar commercial loans made in Canada, as adjusted automatically from time to time and without notice to any of the Borrowers upon change by the Canadian Administrative Agent, and (b) 1% above the CDOR Rate from time to time (and in effect on such day), as advised by the Canadian Administrative Agent to the Canadian Borrower from time to time pursuant hereto. The Prime Rate is not intended to be the lowest rate of interest charged by the Canadian Administrative Agent in connection with extensions of credit in Canadian Dollars to debtors.

"Prime Rate Loans": all Canadian Revolving Credit Loans denominated in Canadian Dollars, which shall bear interest at a rate based upon the Prime Rate.

"Property": each parcel of real property owned or operated by the U.S. Borrower and its Subsidiaries.

"Proprietary Rights": as defined in subsection 11.16.

"Qualified Credit Facility": a credit facility (a) providing for one or more Alternate Currency Lenders to make loans denominated in an Alternate Currency to one or more Alternate Currency Borrowers, (b) providing for such loans to bear interest at a rate or rates determined by the U.S. Borrower and such Alternate Currency Lender or Alternate Currency Lenders and (c) otherwise conforming to the requirements of Section 8.

"Quotation Day": in respect of the determination of the Eurocurrency Rate for any Interest Period for Multicurrency Loans in any Available Foreign Currency, the day on which quotations would ordinarily be given by prime banks in the London interbank market (or, if such Available Foreign Currency is Pounds Sterling, in the Paris interbank market) for deposits in such Available Foreign Currency for delivery on the first day of such Interest Period; provided, that if quotations would ordinarily be given on more than one date, the Quotation Day for such Interest Period shall be the last of such dates. On the date hereof, the Quotation Day in respect of any Interest Period for any Available Foreign Currency (other than the euro) is customarily the last London Banking Day prior to the beginning of such Interest Period which is (a) at least two London Banking Days prior to the beginning of such Interest Period and (b) a day on which banks are open for general banking business in the city which is the principal financial center of the country of issue of such Available Foreign Currency (and, in the case of Pounds Sterling, in Paris); and the Quotation Day in respect of any Interest Period for the euro is the day which is two Target Operating Days prior to the first day of such Interest Period.

"Receivable Financing Transaction": any transaction or series of transactions involving a sale for cash of accounts receivable, without recourse based upon the collectibility of the receivables sold, by the U.S. Borrower or any of its Subsidiaries to a Special Purpose Subsidiary and a subsequent sale or pledge of such accounts receivable

(or an interest therein) by such Special Purpose Subsidiary, in each case without any guarantee by the U.S. Borrower or any of its Subsidiaries (other than the Special Purpose Subsidiary).

"Reference Discount Rate": on any date with respect to each Draft requested to be accepted by a Canadian Lender, (a) if such Canadian Lender is a Schedule I Canadian Lender, the arithmetic average of the discount rates (expressed as a percentage calculated on the basis of a year of 365 days) quoted by the Toronto offices of each of the Schedule I Canadian Reference Lenders, at 10:00 A.M. (Toronto time) on the Borrowing Date as the discount rate at which each such Schedule I Canadian Reference Lender would, in the normal course of its business, purchase on such date Acceptances having an aggregate face amount and term to maturity as designated by the Canadian Borrower pursuant to Section 6.2 and (b) if such Canadian Lender is a Schedule II Canadian Lender, the arithmetic average of the discount rates (expressed as a percentage calculated on the basis of a year of 365 days) quoted by the Toronto offices of each of the Schedule II Canadian Reference Lenders, at 10:00 A.M. (Toronto time) on the Borrowing Date as the discount rate at which each such Schedule II Canadian Reference Lender would, in the normal course of its business, purchase on such date Acceptances having an aggregate face amount and term to maturity as designated by the Canadian Borrower pursuant to subsection 6.2. The Canadian Administrative Agent shall advise the Canadian Borrower and the Canadian Lenders, either in writing or verbally, by 11:00 A.M. (Toronto time) on the Borrowing Date as to the applicable Reference Discount Rate and corresponding Acceptance Purchase Price in respect of Acceptances having the maturities selected by the Canadian Borrower for such Borrowing Date. Notwithstanding the foregoing, the Canadian Borrower, the Canadian Administrative Agent and the Canadian Lenders, may agree upon alternative methods of determining the Reference Discount Rate from time to time.

"Refinancing Agreement": with respect to the Interim Term Loan Agreement or the New Revolving Credit Agreement, as the case may be, a successor agreement satisfying the following criteria: (a) such successor agreement refinances in whole, and replaces the commitments under, the Interim Term Loan Agreement or the New Revolving Credit Agreement, as the case may be, (b) either

(i) the covenants, representations and warranties and events of default set forth in such successor agreement shall be equivalent to the corresponding provisions set forth in the Interim Term Loan Agreement or the New Revolving Credit Agreement, as the case may be or (ii) to the extent such provisions are more restrictive on the U.S. Borrower and its Subsidiaries than the provisions of this Agreement, the U.S. Borrower shall, contemporaneously with entering into such Refinancing Agreement, enter into with the General Administrative Agent an amendment to this Agreement reasonably satisfactory to the General Administrative Agent pursuant to which such more restrictive provisions shall be incorporated herein (the Lenders hereby authorizing the General Administrative Agent to enter into such amendment), (c) such successor agreement shall not be guaranteed by any Person other than the Subsidiary Guarantors pursuant to the Subsidiary Guarantee and, if applicable, the U.S. Borrower and shall not be secured except pursuant to the Security

37

30

Documents and (d) the lenders under such successor agreement (or an agent for such lenders) shall have entered into an intercreditor agreement with the General Administrative Agent, in form and substance reasonably satisfactory to the General Administrative Agent, which shall, in any event, contain customary indemnities, liability limitations, exculpation provisions and other customary protective provisions in favor of the General Administrative Agent, in its capacity as Agent under (and as defined in) the Subsidiary Guarantee and the Security Documents, substantially equivalent to those set forth in the corresponding provisions of the Interim Term Loan Agreement or the New Revolving Credit Agreement, as the case may be.

"Register": as defined in subsection 18.6(d).

"Reimbursement Obligation": the obligation of the U.S. Borrower to reimburse the Issuing Lender in accordance with the terms of this Agreement and the related Letter of Credit Application for any payment made by the Issuing Lender under any Letter of Credit.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, escaping, leaking, dumping, disposing, spreading, depositing or dispersing of any Hazardous Materials in, unto or onto the environment.

"Release Status": shall exist at any time when the actual or implied rating of the U.S. Borrower's senior long-term unsecured debt is at or above BBB- from S&P or at or above Baa3 from Moody's; if either of S&P or Moody's shall change its system of classifications after the date of this Agreement Release Status shall exist at any time when the actual or implied rating of the U.S. Borrower's senior long-term unsecured debt is at or above the new rating which most closely corresponds to the above-specified level under the previous rating system.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under any of subsections .13, .14, .16, .18, .19 or .20 of PBGC Reg. ss. 4043 or any successor regulation thereto.

"Requested Acceptances": as defined in subsection 2.5(a).

"Requested Alternate Currency Loans": as defined in subsection 2.5(c).

"Requested Canadian Revolving Credit Loans": as defined in subsection 2.5(a).

"Requested Multicurrency Loans": as defined in subsection 2.5(b).



"Request for Acceptances": as defined in subsection 6.2(a).

"Requirement of Law": as to (a) any Person, the certificate of incorporation and by-laws or the partnership or limited partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, and (b) any property, any law, treaty, rule, regulation, requirement, judgment, decree or determination of any Governmental Authority applicable to or binding upon such property or to which such property is subject, including, without limitation, any Environmental Laws.

"Responsible Officer": with respect to any Loan Party, the chief executive officer, the president, the chief financial officer, any vice president, the treasurer or the assistant treasurer of such Loan Party.

"Revolving Credit Commitment Period": the period from and including the Closing Date to but not including the Revolving Credit Termination Date, or such earlier date on which the Revolving Credit Commitments shall terminate as provided herein.

"Revolving Credit Commitments": the collective reference to the U.S. Revolving Credit Commitments and the Canadian Revolving Credit Commitments.

"Revolving Credit Loans": the collective reference to the U.S. Revolving Credit Loans and the Canadian Revolving Credit Loans; each, individually, a "Revolving Credit Loan".

"Revolving Credit Termination Date": September 30, 2001.

"Schedule I Canadian Lender": each Canadian Lender listed on Schedule I to the Bank Act (Canada).

"Schedule I Canadian Reference Lenders": The Bank of Nova Scotia, Bank of Montreal, Canadian Imperial Bank of Commerce and Royal Bank of Canada.

"Schedule II Canadian Lender": each Canadian Lender which is not a Schedule I Canadian Lender.

"Schedule II Canadian Reference Lenders": one or more Schedule II Canadian Lenders selected by the U.S. Borrower with the consent of all the Schedule II Canadian Lenders.

"Securities Act": the Securities Act of 1933, as amended.

"Security Documents": the collective reference to the Pledge Agreements, the Subsidiary Guarantee and each other guarantee, security document or similar agreement that may be delivered to the General Administrative Agent as collateral security for any or all of the Obligations, in each case as amended, supplemented or otherwise modified from time to time, including, without limitation, to give effect to any Refinancing Agreement permitted hereunder.

"Single Employer Plan": any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"S&P": Standard & Poor's Ratings Group or any successor thereto.

"Special Affiliate": any Affiliate of the U.S. Borrower (a) as to which the U.S. Borrower holds, directly or indirectly, (i) power to vote 20% or more of the securities having ordinary voting power for the election of directors of such Affiliate or (ii) a 20% ownership interest in such Affiliate

and (b) which is engaged in business of the same or related general type as now being conducted by the U.S. Borrower and its Subsidiaries.

"Special Entity": any Person which is engaged in business of the same or related general type as now being conducted by the U.S. Borrower and its Subsidiaries.

"Special Purpose Subsidiary": any Wholly Owned Subsidiary of the U.S. Borrower created by the U.S. Borrower for the sole purpose of facilitating a Receivable Financing Transaction.

"Standby Letters of Credit": as defined in subsection 9.1(a).

"Subordinated Debt": any obligations (for principal, interest or otherwise) evidenced by or arising under or in respect of the Subordinated Notes and the 9 1/2% Subordinated Notes.

"Subordinated Debt Indentures": the collective reference to the Subordinated Note Indenture and the 9 1/2% Subordinated Note Indenture.

"Subordinated Note Indenture": the Indenture, dated as of February 1, 1994, between the U.S. Borrower and State Street Bank and Trust Company (as successor to The First National Bank of Boston), as trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 14.10.

"Subordinated Notes": the 8 1/4% Subordinated Notes of the U.S. Borrower due 2002, issued pursuant to the Subordinated Note Indenture.

"Subsequent Participant": any member state of the EMU that adopts the euro as its lawful currency after January 1, 1999.

40

33

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person (exclusive of any Affiliate in which such Person has a minority ownership interest). Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the U.S. Borrower.

"Subsidiary and Secured Indebtedness": the collective reference (without duplication) to (a) any Indebtedness of any Subsidiary, other than Indebtedness permitted by paragraphs (a) through (e) of subsection 14.2, (b) any Guarantee Obligation of any Subsidiary, other than Guarantee Obligations permitted by paragraph (a) through (e) of subsection 14.4, (c) any Indebtedness or Guarantee Obligation of any Person that is secured by any Lien on any property, assets or revenues of the U.S. Borrower or any of its Subsidiaries, other than Liens permitted by paragraphs (a) through (n) of subsection 14.3. For purposes of clause (b) of the preceding sentence, the amount of any Guarantee Obligation shall be determined as set forth in the definition of "Guarantee Obligation" in this subsection 1.1; and for purposes of clause (c) of the preceding sentence, the amount of any Indebtedness or Guarantee Obligation that is secured by a Lien on any property, assets or revenues of the U.S. Borrower or any of its Subsidiaries shall equal the lesser of (x) the amount of any such Indebtedness or Guarantee Obligation and (y) the fair market value as of the date of determination of the property, assets or revenues subject to such Lien. At any time of determination, the amount of Subsidiary and Secured Indebtedness outstanding shall be determined without duplication of any other Subsidiary and Secured Indebtedness then outstanding.

"Subsidiary Guarantee": the Subsidiary Guarantee, dated as of the date hereof, made by certain Subsidiaries of the U.S. Borrower in favor of the General Administrative Agent, substantially in the form of Exhibit O, as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Guarantor": each Subsidiary that is a guarantor party to the Subsidiary Guarantee, so long as the Subsidiary Guarantee remains in effect.

"Subsidiary Reimbursement Obligation": the obligation of any Subsidiary to reimburse the Issuing Lender in accordance with the terms of this Agreement and the related Letter of Credit Application for any payment made by the Issuing Lender under any Letter of Credit.

"Swing Line Commitment": as to the Swing Line Lender, in its capacity as a Swing Line Lender, its obligation to make Swing Line Loans to the U.S. Borrower in an aggregate principal amount not to exceed, at any one time outstanding \$150,000,000.

41

34

"Swing Line Lender": Chase, in its capacity as provider of the Swing Line Loans.

"Swing Line Loans" and "Swing Line Loan": as defined in subsection 3.1.

"Target Operating Day": any day that is not (a) a Saturday or Sunday, (b) Christmas Day or New Year's Day or (c) any other day on which the Trans-European Real-time Gross Settlement Operating System (or any successor settlement system) is not operating (as determined by the General Administrative Agent).

"Tax Act": the Income Tax Act (Canada), as amended from time to time.

"Taxes": as defined in subsection 10.12(a).

"Tranche": the collective reference to Eurodollar Loans or Multicurrency Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Transferee": as defined in subsection 18.6(f).

"Treaty on European Union": the Treaty of Rome of March 25, 1957, as amended by the Single European Act 1986 and the Maastricht Treaty (which was signed at Maastricht on February 7, 1992, and came into force on November 1, 1993), as amended from time to time.

"Type": as to any U.S. Revolving Credit Loan, its nature as an ABR Loan or a Eurodollar Loan, and as to any Canadian Revolving Credit Loan, its nature as a Canadian Base Rate Loan or a Prime Rate Loan.

"U.S. Borrower": as defined in the preamble hereto.

"U.S. Common Lender": each U.S. Lender which has a Counterpart Lender.

"U.S. Dollar Equivalent": with respect to an amount denominated in any currency other than U.S. Dollars, the equivalent in U.S. Dollars of such amount determined at the Exchange Rate on the date of determination of such equivalent. In making any determination of the U.S. Dollar Equivalent for purposes of calculating the amount of Loans to be borrowed from, or the face amount of Acceptances to be created by, the respective Lenders on any Borrowing Date, the General Administrative Agent or the Canadian Administrative Agent, as the case may be, shall use the relevant Exchange Rate in effect on the date on which the interest rate for such Loans or the Acceptance Purchase Price for such Acceptances, as the case may be, is determined pursuant to the provisions of this Agreement and the other Loan Documents.

"U.S. Lenders": the Lenders listed in Part A of Schedule I hereto.

"U.S. Prime Rate": the rate of interest per annum publicly announced from time to time by the General Administrative Agent as its prime rate in effect at its principal office in New York City. The U.S. Prime Rate is not intended to be the lowest rate of interest charged by the General Administrative Agent in connection with extensions of credit to borrowers.

"U.S. Reference Lenders": Chase and The Bank of Nova Scotia.

"U.S. Revolving Credit Commitment": as to any U.S. Lender at any time, its obligation to make U.S. Revolving Credit Loans to, and/or participate in Swing Line Loans made to and Letters of Credit issued for the account of, the U.S. Borrower and its Subsidiaries in an aggregate amount not to exceed at any time outstanding the U.S. Dollar amount set forth opposite such U.S. Lender's name in Schedule I under the heading "U.S. Revolving Credit Commitment", as such amount may be reduced from time to time pursuant to subsection 2.4 and the other applicable provisions hereof.

"U.S. Revolving Credit Commitment Percentage": as to any U.S. Lender at any time, the percentage which such U.S. Lender's U.S. Revolving Credit Commitment then constitutes of the aggregate U.S. Revolving Credit Commitments of all U.S. Lenders (or, if the U.S. Revolving Credit Commitments have terminated or expired, the percentage which (a) the Aggregate U.S. Revolving Credit Outstandings of such U.S. Lender at such time then constitutes of (b) the Aggregate U.S. Revolving Credit Outstandings of all U.S. Lenders at such time).

"U.S. Revolving Credit Lender": each U.S. Lender having an amount greater than zero set forth under the heading "U.S. Revolving Credit Commitment" opposite its name on Schedule I.

"U.S. Revolving Credit Loan": as defined in subsection 2.1.

"U.S. Revolving Credit Note": as defined in subsection 2.2(e).

"UT Automotive Acquisition": the acquisition by the U.S. Borrower (or a Subsidiary as its designee) of the capital stock of Lear Corporation Automotive Holdings, a Delaware corporation formerly known as UT Automotive, Inc., and certain related entities, pursuant to the UT Automotive Acquisition Agreement.

"UT Automotive Acquisition Agreement": the Stock Purchase Agreement, dated as of March 16, 1999, between Nevada Bond Investment Corp. II, a Nevada corporation, as Seller, and the U.S. Borrower (or a Subsidiary as its designee), as Buyer, as amended, supplemented or otherwise modified, and certain related agreements.

"Wholly Owned Subsidiary": as to any Person, a corporation, partnership or other entity of which (a) 100% of the common capital stock or other ownership interests of such corporation, partnership or other entity or (b) more than 95% of the common capital

stock or other ownership interests of such corporation, partnership or other entity where the portion of the common capital stock or other ownership interests not held by such Person is held by other Persons to satisfy applicable legal requirements, is owned, directly or indirectly, by such Person; provided, however, that so long as the U.S. Borrower owns, directly or indirectly, more than 95% of the capital stock of Lear Italia, Lear Italia shall be deemed a Wholly Owned Subsidiary of the U.S. Borrower.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes, the other Loan Documents or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the Notes and any other Loan

Document, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to the U.S. Borrower and its Subsidiaries not defined in subsection 1.1 and accounting terms partly defined in subsection 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

## SECTION 2. AMOUNT AND TERMS OF U.S. REVOLVING CREDIT COMMITMENTS

2.1 U.S. Revolving Credit Commitments. (a) Subject to the terms and conditions hereof, each U.S. Lender severally agrees to make revolving credit loans (each, a "U.S. Revolving Credit Loan") in U.S. Dollars to the U.S. Borrower from time to time during the Revolving Credit Commitment Period so long as after giving effect thereto (i) the Available U.S. Revolving Credit Commitment of each U.S. Lender is greater than or equal to zero and (ii) the Aggregate Total Outstandings of all Lenders do not exceed the Aggregate U.S. Revolving Credit Commitments. During the Revolving Credit Commitment Period the U.S. Borrower may use the U.S. Revolving Credit Commitments by borrowing, prepaying the U.S. Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The U.S. Revolving Credit Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans or (iii) a combination thereof, as determined by the U.S. Borrower and notified to the General Administrative Agent in accordance with subsections 2.3 and 10.2, provided that no U.S. Revolving Credit Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Revolving Credit Termination Date.

44

37

2.2 Repayment of U.S. Revolving Credit Loans; Evidence of Debt. (a) The U.S. Borrower hereby unconditionally promises to pay to the General Administrative Agent for the account of each U.S. Lender the then unpaid principal amount of each U.S. Revolving Credit Loan of such U.S. Lender (whether made before or after the termination or expiration of the U.S. Revolving Credit Commitments) on the Revolving Credit Termination Date and on such other date(s) and in such other amounts as may be required from time to time pursuant to this Agreement. The U.S. Borrower hereby further agrees to pay interest on the unpaid principal amount of the U.S. Revolving Credit Loans from time to time outstanding until payment thereof in full at the rates per annum, and on the dates, set forth in subsection 10.1.

(b) Each U.S. Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the U.S. Borrower to such U.S. Lender resulting from each U.S. Revolving Credit Loan of such U.S. Lender from time to time, including the amounts of principal and interest payable thereon and paid to such U.S. Lender from time to time under this Agreement.

(c) The General Administrative Agent (together with the Canadian Administrative Agent) shall maintain the Register pursuant to subsection 18.6(d), and a subaccount therein for each U.S. Lender, in which shall be recorded (i) the date and amount of each U.S. Revolving Credit Loan made hereunder, the Type thereof and each Interest Period applicable thereto, (ii) the date of each continuation thereof pursuant to subsection 10.2, (iii) the date of each conversion of all or a portion thereof to another Type pursuant to subsection 10.2, (iv) the date and amount of any principal or interest due and payable or to become due and payable from the U.S. Borrower to each U.S. Lender hereunder in respect of the U.S. Revolving Credit Loans and (v) both the date and amount of any sum received by the General Administrative Agent

hereunder from the U.S. Borrower in respect of the U.S. Revolving Credit Loans and each U.S. Lender's share thereof.

(d) The entries made in the Register and the accounts of each U.S. Lender maintained pursuant to subsection 2.2(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the U.S. Borrower therein recorded; provided, however, that the failure of any U.S. Lender or the Administrative Agents to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligations of the U.S. Borrower to repay (with applicable interest) the U.S. Revolving Credit Loans made to the U.S. Borrower by such U.S. Lender in accordance with the terms of this Agreement.

(e) The U.S. Borrower agrees that, upon the request to the General Administrative Agent by any U.S. Lender, the U.S. Borrower will execute and deliver to such U.S. Lender a promissory note of the U.S. Borrower evidencing the Revolving Credit Loans of such U.S. Lender, substantially in the form of Exhibit A with appropriate insertions as to date and principal amount (each, a "U.S. Revolving Credit Note"); provided, that the delivery of such U.S. Revolving Credit Notes shall not be a condition precedent to the Closing Date.

45

38

2.3 Procedure for U.S. Revolving Credit Borrowing. The U.S. Borrower may borrow under the U.S. Revolving Credit Commitments during the Revolving Credit Commitment Period on any Business Day, provided that the U.S. Borrower shall give the General Administrative Agent irrevocable notice (which notice must be received by the General Administrative Agent prior to 12:00 Noon, New York City time, at least (a) three Business Days prior to the requested Borrowing Date, if all or any part of the requested U.S. Revolving Credit Loans are to be initially Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, otherwise), specifying in each case (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be of Eurodollar Loans, ABR Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the amount of such Type of Loan and the length of the initial Interest Period therefor. Each borrowing under the U.S. Revolving Credit Commitments (other than a borrowing under subsection 2.5, subsection 3.4 or to pay a like amount of Reimbursement Obligations or Subsidiary Reimbursement Obligations) shall be in an amount equal to (A) in the case of ABR Loans, except any ABR Loan made pursuant to subsection 3.4, \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof (or, if the then Aggregate Available U.S. Revolving Credit Commitments are less than \$10,000,000, such lesser amount) and (B) in the case of Eurodollar Loans, \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof. Upon receipt of any such notice from the U.S. Borrower, the General Administrative Agent shall promptly notify each U.S. Lender and the Canadian Administrative Agent thereof. Not later than 12:00 Noon, New York City time, on each requested Borrowing Date each U.S. Lender shall make an amount equal to its Funding Commitment Percentage of the principal amount of the U.S. Revolving Credit Loans requested to be made on such Borrowing Date available to the General Administrative Agent at its office specified in subsection 18.2 in U.S. Dollars and in immediately available funds. Except as otherwise provided in subsection 2.5 or 3.4, the General Administrative Agent shall on such date credit the account of the U.S. Borrower on the books of such office with the aggregate of the amounts made available to the General Administrative Agent by the U.S. Lenders and in like funds as received by the General Administrative Agent.

2.4 Termination or Reduction of U.S. Revolving Credit Commitments. The U.S. Borrower shall have the right, upon not less than five Business Days' notice to the General Administrative Agent, to terminate the U.S. Revolving Credit Commitments or, from time to time, to reduce the amount of the U.S. Revolving Credit Commitments; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Available U.S. Revolving Credit Commitment or Available Multicurrency Commitment of any U.S. Lender, or the Available Canadian Revolving Credit Commitment of any Canadian Lender, would not be greater than or equal to zero. Any such reduction shall be in an amount equal to \$2,500,000 or a whole multiple of \$500,000 in excess thereof and shall reduce permanently the U.S. Revolving Credit Commitments then in effect.

2.5 Borrowings of U.S. Revolving Credit Loans and Refunding of Loans. (a) If on any Borrowing Date on which the Canadian Borrower has requested the Canadian Lenders to make Canadian Revolving Credit Loans (the "Requested Canadian Revolving Credit Loans") or to create Acceptances (the "Requested Acceptances"), (i) the sum of (A) the principal amount of

46

39

the Requested Canadian Revolving Credit Loans to be made by any Canadian Lender and (B) the aggregate undiscounted face amount of the Requested Acceptances to be created by such Canadian Lender exceeds the Available Canadian Revolving Credit Commitment of such Canadian Lender on such Borrowing Date (before giving effect to the making and payment of any Loans required to be made pursuant to this subsection 2.5 on such Borrowing Date) and (ii) the U.S. Dollar Equivalent of the amount of such excess is less than or equal to the aggregate Available U.S. Revolving Credit Commitments of all Non-Canadian Lenders (before giving effect to the making and payment of any Loans pursuant to this subsection 2.5 on such Borrowing Date), each Non-Canadian Lender shall make a U.S. Revolving Credit Loan to the U.S. Borrower on such Borrowing Date, and the proceeds of such U.S. Revolving Credit Loans shall be simultaneously applied to repay outstanding U.S. Revolving Credit Loans, Multicurrency Loans and/or Alternate Currency Loans of the U.S. Common Lenders (as directed by the U.S. Borrower) in each case in amounts such that, after giving effect to (1) such borrowings and repayments and (2) the borrowing from the Canadian Lenders of the Requested Canadian Revolving Credit Loans or the creation by the Canadian Lenders of the Requested Acceptances, the Committed Outstandings Percentage of each U.S. Lender will equal (as nearly as possible) its U.S. Revolving Credit Commitment Percentage. To effect such borrowings and repayments, (x) not later than 12:00 Noon, New York City time, on such Borrowing Date, the proceeds of such U.S. Revolving Credit Loans shall be made available by each Non-Canadian Lender to the General Administrative Agent at its office specified in subsection 18.2 in U.S. Dollars and in immediately available funds and the General Administrative Agent shall apply the proceeds of such U.S. Revolving Credit Loans toward repayment of outstanding U.S. Revolving Credit Loans, Multicurrency Loans and/or Alternate Currency Loans of the U.S. Common Lenders (as directed by the U.S. Borrower) and (y) concurrently with the repayment of such Loans on such Borrowing Date, (I) the Canadian Lenders shall, in accordance with the applicable provisions hereof, make the Requested Canadian Revolving Credit Loans (or create the Requested Acceptances) in an aggregate amount equal to the amount so requested by the Canadian Borrower (but not in any event greater than the Aggregate Available Canadian Revolving Credit Commitments after giving effect to the making of such repayment of any Loans on such Borrowing Date) and (II) the relevant Borrower shall pay to the General Administrative Agent for the account of the Lenders whose Loans to such Borrower are repaid on such Borrowing Date pursuant to this subsection 2.5 all interest accrued on the amounts repaid to the date of repayment, together with any amounts payable pursuant to subsection 10.11 in connection with such repayment.

(b) If on any Borrowing Date on which a Borrower has requested the Multicurrency Lenders to make Multicurrency Loans (the "Requested Multicurrency Loans"), (i) the principal amount of the Requested Multicurrency Loans to be made by any Multicurrency Lender exceeds the Available Multicurrency Commitment of such Multicurrency Lender on such Borrowing Date (before giving effect to the making and payment of any Loans required to be made pursuant to this subsection 2.5 on such Borrowing Date) and (ii) the U.S. Dollar Equivalent of the amount of such excess is less than or equal to the aggregate Available U.S. Revolving Credit Commitments of all Non-Multicurrency Lenders (before giving effect to the making and payment of any Loans pursuant to this subsection 2.5 on such Borrowing Date), each Non-Multicurrency Lender shall make a U.S. Revolving Credit Loan to the U.S. Borrower on such

47

40

Borrowing Date, and the proceeds of such U.S. Revolving Credit Loans shall be simultaneously applied to repay outstanding U.S. Revolving Credit Loans, Canadian Revolving Credit Loans, Multicurrency Loans and/or Alternate Currency Loans of the Multicurrency Lenders or their Counterpart Lenders (as directed by

the U.S. Borrower) in each case in amounts such that, after giving effect to (1) such borrowings and repayments and (2) the borrowing from the Multicurrency Lenders of the Requested Multicurrency Loans, the Committed Outstandings Percentage of each U.S. Lender will equal (as nearly as possible) its U.S. Revolving Credit Commitment Percentage. To effect such borrowings and repayments, (x) not later than 12:00 Noon, New York City time, on such Borrowing Date, the proceeds of such U.S. Revolving Credit Loans shall be made available by each Non-Multicurrency Lender to the General Administrative Agent at its office specified in subsection 18.2 in U.S. Dollars and in immediately available funds and the General Administrative Agent shall apply the proceeds of such U.S. Revolving Credit Loans toward repayment of outstanding U.S. Revolving Credit Loans, Canadian Revolving Credit Loans, Multicurrency Loans and/or Alternate Currency Loans of the Multicurrency Lenders or their Counterpart Lenders (as directed by the U.S. Borrower) and (y) concurrently with the repayment of such Loans on such Borrowing Date, (I) the Multicurrency Lenders shall, in accordance with the applicable provisions hereof, make the Requested Multicurrency Loans in an aggregate amount equal to the amount so requested by such Borrower (but not in any event greater than the Aggregate Available Multicurrency Commitments after giving effect to the making of such repayment of any Loans on such Borrowing Date) and (II) the relevant Borrower shall pay to the General Administrative Agent for the account of the Lenders whose Loans to such Borrower are repaid on such Borrowing Date pursuant to this subsection 2.5 all interest accrued on the amounts repaid to the date of repayment, together with any amounts payable pursuant to subsection 10.11 in connection with such repayment.

(c) If on any Borrowing Date on which an Alternate Currency Borrower has requested Alternate Currency Lenders to make Alternate Currency Loans (the "Requested Alternate Currency Loans") under an Alternate Currency Facility to which such Alternate Currency Borrower and Alternate Currency Lenders are parties (i) the aggregate principal amount of the Requested Alternate Currency Loans exceeds the aggregate unused portions of the commitments of such Alternate Currency Lenders under such Alternate Currency Facility on such Borrowing Date (before giving effect to the making and payment of any U.S. Revolving Credit Loans required to be made pursuant to this subsection 2.5 on such Borrowing Date), (ii) after giving effect to the Requested Alternate Currency Loans, the U.S. Dollar Equivalent of the aggregate outstanding principal amount of Alternate Currency Loans of such Alternate Currency Borrower will be less than or equal to the aggregate commitments of such Alternate Currency Lenders under such Alternate Currency Facility and (iii) the U.S. Dollar Equivalent of the amount of the excess described in clause (i) above is less than or equal to the Aggregate Available U.S. Revolving Credit Commitments of all U.S. Lenders other than such Alternate Currency Lenders (before giving effect to the making and payment of any U.S. Revolving Credit Loans pursuant to this subsection 2.5 on such Borrowing Date), each such other U.S. Lender shall make a U.S. Revolving Credit Loan to the U.S. Borrower on such Borrowing Date, and the proceeds of such U.S. Revolving Credit Loans shall be simultaneously applied to repay outstanding U.S. Revolving Credit Loans, Canadian Revolving Credit Loans, Multicurrency Loans and/or Alternate Currency Loans of such Alternate Currency Lenders or their Counterpart

Lenders (as directed by the U.S. Borrower) in each case in amounts such that, after giving effect to (1) such borrowings and repayments and (2) the borrowing from such Alternate Currency Lenders of the Requested Alternate Currency Loans, the Committed Outstandings Percentage of each U.S. Lender will equal (as nearly as possible) its U.S. Revolving Credit Commitment Percentage. To effect such borrowings and repayments, (x) not later than 12:00 Noon, New York City time, on such Borrowing Date, the proceeds of such U.S. Revolving Credit Loans shall be made available by each such other Lender to the General Administrative Agent at its office specified in subsection 18.2 in U.S. Dollars and in immediately available funds and the General Administrative Agent shall apply the proceeds of such U.S. Revolving Credit Loans toward repayment of outstanding U.S. Revolving Credit Loans, Canadian Revolving Credit Loans, Multicurrency Loans and/or Alternate Currency Loans of such Alternate Currency Lenders or their Counterpart Lenders (as directed by the U.S. Borrower) and (y) concurrently with the repayment of such Loans on such Borrowing Date, (I) such Alternate Currency Lenders shall, in accordance with the applicable provisions hereof, make the Requested Alternate Currency Loans in an aggregate amount equal to the amount so requested by such Alternate Currency Borrower and (II) the relevant Borrower shall pay to the General Administrative Agent for the account of the Lenders whose Loans to such Borrower are repaid on such Borrowing Date pursuant to this



subsection 2.5 all interest accrued on the amounts repaid to the date of repayment, together with any amounts payable pursuant to subsection 10.11 in connection with such repayment.

(d) If any borrowing of U.S. Revolving Credit Loans is required pursuant to this subsection 2.5, the U.S. Borrower shall notify the General Administrative Agent in the manner provided for U.S. Revolving Credit Loans in subsection 2.3, except that the minimum borrowing amounts and threshold multiples in excess thereof applicable to ABR Loans set forth in subsection 2.3 shall not be applicable to the extent that such minimum borrowing amounts exceed the amounts of U.S. Revolving Credit Loans required to be made pursuant to this subsection 2.5.

### SECTION 3. AMOUNT AND TERMS OF SWING LINE COMMITMENTS

3.1 Swing Line Commitments. Subject to the terms and conditions hereof, the Swing Line Lender agrees to make swing line loans (individually, a "Swing Line Loan"; collectively, the "Swing Line Loans") in U.S. Dollars to the U.S. Borrower from time to time during the Revolving Credit Commitment Period in an aggregate principal amount at any one time outstanding not to exceed \$150,000,000, so long as after giving effect thereto (i) the Available U.S. Revolving Credit Commitment of each U.S. Lender is greater than or equal to zero and (ii) the Aggregate Total Outstandings of all Lenders do not exceed the Aggregate U.S. Revolving Credit Commitments. Amounts borrowed by the U.S. Borrower under this Section 3 may be repaid and, during the Revolving Credit Commitment Period, reborrowed.

3.2 Procedure for Swing Line Borrowings; Interest Rate. (a) The U.S. Borrower shall give the Swing Line Lender irrevocable notice (which notice must be received by such Swing Line Lender prior to 12:00 P.M., New York City time on the requested Borrowing Date)

49

42

specifying the amount of the requested Swing Line Loan, which shall be in an aggregate principal amount of not less than \$100,000 or a whole multiple of \$100,000 in excess thereof. The proceeds of the Swing Line Loan will be made available by the Swing Line Lender to the U.S. Borrower at the office of the Swing Line Lender by crediting the account of the U.S. Borrower at such office with such proceeds in U.S. Dollars.

(b) Unless otherwise agreed between the U.S. Borrower and the Swing Line Lender, each Swing Line Loan shall be an ABR Loan. Any such ABR Loan may not be converted into a Eurodollar Loan. If, however, the U.S. Borrower and the Swing Line Lender agree that a Swing Line Loan (a "Money Market Rate Swing Line Loan") shall bear interest at a fixed interest rate (a "Money Market Rate") for a fixed interest period of up to 7 days, such Money Market Rate Swing Line Loan shall bear interest for such interest period at such interest rate so agreed upon. If a Money Market Rate Swing Line Loan is not repaid on the last day of the interest period with respect thereto, it shall on such date be converted automatically to an ABR Loan. A Money Market Rate Swing Line Loan shall not be optionally prepayable prior to the last day of the interest period with respect thereto except with the consent of the Swing Line Lender.

3.3 Repayment of Swing Line Loans; Evidence of Debt. (a) The U.S. Borrower hereby unconditionally promises to pay to the Swing Line Lender the then unpaid principal amount of the Swing Line Loans on the Revolving Credit Termination Date and on such other dates and in such other amounts as may be required from time to time pursuant to this Agreement. The U.S. Borrower hereby further agrees to pay interest on the unpaid principal amount of the Swing Line Loans from time to time outstanding until payment thereof in full at the rates per annum, and on the dates, set forth in subsection 10.1.

(b) The Swing Line Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the U.S. Borrower resulting from each Swing Line Loan made by it from time to time, including the amounts of principal and interest payable thereon and paid from time to time under this Agreement.

(c) The General Administrative Agent (together with the

Canadian Administrative Agent) shall maintain the Register pursuant to subsection 18.6(d), and a subaccount therein for the Swing Line Lender, in which shall be recorded (i) the date and amount of each Swing Line Loan made hereunder, (ii) the amount of each U.S. Lender's participating interest in such Swing Line Loans, (iii) the date and amount of any principal or interest due and payable or to become due and payable from the U.S. Borrower hereunder in respect of the Swing Line Loans and (iv) both the date and amount of any sum received by the General Administrative Agent hereunder from the U.S. Borrower in respect of the Swing Line Loans, each U.S. Lender's participating interest therein (if any) and the amount thereof payable to the Swing Line Lender.

(d) The entries made in the Register and the accounts of the Swing Line Lender maintained pursuant to this subsection 3.3 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the U.S. Borrower therein recorded; provided, however, that the failure of the Swing Line Lender or the

50

43

Administrative Agents to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the U.S. Borrower to repay (with applicable interest) the Swing Line Loans made to the U.S. Borrower by the Swing Line Lender in accordance with the terms of this Agreement.

3.4 Refunding of Swing Line Borrowings. The Swing Line Lender, at any time in its sole and absolute discretion may, on behalf of the U.S. Borrower (which hereby irrevocably directs and authorizes the Swing Line Lender to act on its behalf), request each U.S. Lender, including Chase, to make a U.S. Revolving Credit Loan (which shall be an ABR Loan) in an amount equal to such U.S. Lender's Funding Commitment Percentage of the principal amount of the Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date such notice is given; provided that the provisions of this subsection shall not affect the U.S. Borrower's obligations to repay Swing Line Loans in accordance with the provisions of subsections 3.3 and 10.4(d) and (g). Unless the U.S. Revolving Credit Commitments shall have expired or terminated (in which event the procedures of subsection 3.5 shall apply), each U.S. Lender will make the proceeds of the U.S. Revolving Credit Loan made by it pursuant to the immediately preceding sentence available to the General Administrative Agent at the office of the General Administrative Agent specified in subsection 18.2 prior to 12:00 Noon, New York City time, in funds immediately available on the Business Day next succeeding the date such notice is given. The proceeds of such U.S. Revolving Credit Loans shall be immediately made available by the General Administrative Agent to the Swing Line Lender for application to the payment in full of the Refunded Swing Line Loans. Upon any request by the Swing Line Lender to the U.S. Lenders pursuant to this subsection 3.4, the General Administrative Agent shall promptly give notice to the U.S. Borrower of such request.

3.5 Participating Interests. (a) If the U.S. Revolving Credit Commitments shall expire or terminate at any time while Swing Line Loans are outstanding, at the request of the Swing Line Lender in its sole discretion, either (i) each U.S. Lender (including Chase) shall, notwithstanding the expiration or termination of the U.S. Revolving Credit Commitments, make a U.S. Revolving Credit Loan (which shall be an ABR Loan) or (ii) each U.S. Lender (other than Chase) shall purchase an undivided participating interest in the Swing Line Loans of the Swing Line Lender, in either case in an amount equal to such U.S. Lender's Funding Commitment Percentage (determined on the date of, and immediately prior to, expiration or termination of the U.S. Revolving Credit Commitments) of the aggregate principal amount of such Swing Line Loans. Each U.S. Lender will make the proceeds of any U.S. Revolving Credit Loan made by it pursuant to the immediately preceding sentence available to the General Administrative Agent for the account of the Swing Line Lender at the office of the General Administrative Agent specified in subsection 18.2 prior to 12:00 Noon, New York City time, in funds immediately available on the Business Day next succeeding the date of the request by the Swing Line Lender. The proceeds of such U.S. Revolving Credit Loans shall be immediately applied to repay the Swing Line Loans outstanding on the date of termination or expiration of the U.S. Revolving Credit Commitments. In the event that any of the U.S. Lenders purchase undivided participating interests pursuant to the first sentence of this subsection 3.5(a), each U.S. Lender shall immediately transfer to the Swing Line Lender, in immediately available funds, the amount of its participation in

the Swing Line Loans of the Swing Line Lender and upon receipt thereof the

51

44

Swing Line Lender will deliver to any such U.S. Lender that so requests a confirmation of such U.S. Lender's undivided participating interest in the Swing Line Loans of the Swing Line Lender dated the date of receipt of such funds and in such amount.

(b) Whenever, at any time after the Swing Line Lender has received payment from any U.S. Lender in respect of such U.S. Lender's participating interest in a Swing Line Loan of the Swing Line Lender, the Swing Line Lender receives any payment on account thereof, the Swing Line Lender will distribute to such U.S. Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such U.S. Lender's participating interest was outstanding and funded); provided, however, that in the event that any such payment received by the Swing Line Lender is required to be returned, such U.S. Lender will return to the Swing Line Lender any portion thereof previously distributed by the Swing Line Lender to it.

#### SECTION 4. AMOUNT AND TERMS OF CAF ADVANCES

4.1 CAF Advances. Subject to the terms and conditions of this Agreement, the U.S. Borrower may borrow CAF Advances in U.S. Dollars from time to time on any Business Day during the CAF Advance Availability Period. CAF Advances may be borrowed in amounts such that the Aggregate Total Outstandings of all Lenders at any time shall not exceed the Aggregate U.S. Revolving Credit Commitments at such time. Within the limits and on the conditions hereinafter set forth with respect to CAF Advances, the U.S. Borrower from time to time may borrow, repay and reborrow CAF Advances.

4.2 Procedure for CAF Advance Borrowing. (a) The U.S. Borrower shall request CAF Advances by delivering a CAF Advance Request to the General Administrative Agent, not later than 12:00 Noon, New York City time, four Business Days prior to the proposed Borrowing Date (in the case of a LIBO Rate CAF Advance Request), and not later than 10:00 A.M., New York City time one Business Day prior to the proposed Borrowing Date (in the case of a Fixed Rate CAF Advance Request). Each CAF Advance Request in respect of any Borrowing Date may solicit bids for CAF Advances on such Borrowing Date in an aggregate principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and having not more than five alternative CAF Advance Maturity Dates. The CAF Advance Maturity Date for each CAF Advance shall be the date set forth therefor in the relevant CAF Advance Request, which date shall be (i) not less than 7 days nor more than 360 days after the Borrowing Date therefor, in the case of a Fixed Rate CAF Advance, (ii) one, two, three, six, nine or twelve months after the Borrowing Date therefor, in the case of a LIBO CAF Advance and (iii) not later than the Revolving Credit Termination Date, in the case of any CAF Advance. The General Administrative Agent shall notify each Lender promptly by facsimile transmission of the contents of each CAF Advance Request received by the General Administrative Agent.

(b) In the case of a LIBO Rate CAF Advance Request, upon receipt of notice from the General Administrative Agent of the contents of such CAF Advance Request, each Lender may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances

52

45

at the applicable LIBO Rate plus (or minus) a margin determined by such Lender in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the General Administrative Agent, before 10:30 A.M., New York City time, on the day that is three Business Days before the proposed Borrowing Date, setting forth:

(i) the maximum amount of CAF Advances for each CAF Advance Maturity Date and the aggregate maximum amount of CAF Advances for all CAF Advance Maturity Dates which such Lender would be willing

to make (which amounts may, subject to subsection 4.1, exceed such Lender's U.S. Revolving Credit Commitment); and

(ii) the margin above or below the applicable LIBO Rate at which such Lender is willing to make each such CAF Advance.

The General Administrative Agent shall advise the U.S. Borrower before 11:00 A.M., New York City time, on the date which is three Business Days before the proposed Borrowing Date of the contents of each such CAF Advance Offer received by it. If the General Administrative Agent, in its capacity as a Lender, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the U.S. Borrower of the contents of its CAF Advance Offer before 10:15 A.M., New York City time, on the date which is three Business Days before the proposed Borrowing Date.

(c) In the case of a Fixed Rate CAF Advance Request, upon receipt of notice from the General Administrative Agent of the contents of such CAF Advance Request, each Lender may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances at a rate of interest determined by such Lender in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the General Administrative Agent before 9:30 A.M., New York City time, on the proposed Borrowing Date, setting forth:

(i) the maximum amount of CAF Advances for each CAF Advance Maturity Date, and the aggregate maximum amount of CAF Advances for all CAF Advance Maturity Dates, which such Lender would be willing to make (which amounts may, subject to subsection 4.1, exceed such Lender's U.S. Revolving Credit Commitment); and

(ii) the rate of interest at which such Lender is willing to make each such CAF Advance.

The General Administrative Agent shall advise the U.S. Borrower before 10:00 A.M., New York City time, on the proposed Borrowing Date of the contents of each such CAF Advance Offer received by it. If the General Administrative Agent, in its capacity as a Lender, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the U.S. Borrower of the contents of its CAF Advance Offer before 9:15 A.M., New York City time, on the proposed Borrowing Date.

53

46

(d) Before 11:30 A.M., New York City time, three Business Days before the proposed Borrowing Date (in the case of CAF Advances requested by a LIBO Rate CAF Advance Request) and before 10:30 A.M., New York City time, on the proposed Borrowing Date (in the case of CAF Advances requested by a Fixed Rate CAF Advance Request), the U.S. Borrower, in its absolute discretion, shall:

(i) cancel such CAF Advance Request by giving the General Administrative Agent telephone notice to that effect, or

(ii) by giving telephone notice to the General Administrative Agent (immediately confirmed by delivery to the General Administrative Agent of a CAF Advance Confirmation by facsimile transmission) (A) subject to the provisions of subsection 4.2(e), accept one or more of the offers made by any Lender or Lenders pursuant to subsection 4.2(b) or subsection 4.2(c), as the case may be, and (B) reject any remaining offers made by Lenders pursuant to subsection 4.2(b) or subsection 4.2(c), as the case may be.

(e) The U.S. Borrower's acceptance of CAF Advances in response to any CAF Advance Offers shall be subject to the following limitations:

(i) the amount of CAF Advances accepted for each CAF Advance Maturity Date specified by any Lender in its CAF Advance Offer shall not exceed the maximum amount for such CAF Advance Maturity Date specified in such CAF Advance Offer;

(ii) the aggregate amount of CAF Advances accepted for all CAF Advance Maturity Dates specified by any Lender in its CAF Advance Offer shall not exceed the aggregate maximum amount specified in such CAF Advance Offer for all such CAF Advance Maturity Dates;

(iii) the U.S. Borrower may not accept offers for CAF Advances for any CAF Advance Maturity Date in an aggregate principal amount in excess of the maximum principal amount requested in the related CAF Advance Request; and

(iv) if the U.S. Borrower accepts any of such offers, it must accept offers based solely upon pricing for each relevant CAF Advance Maturity Date and upon no other criteria whatsoever, and if two or more Lenders submit offers for any CAF Advance Maturity Date at identical pricing and the U.S. Borrower accepts any of such offers but does not wish to (or, by reason of the limitations set forth in subsection 4.1, cannot) borrow the total amount offered by such Lenders with such identical pricing, the U.S. Borrower shall accept offers from all of such Lenders in amounts allocated among them pro rata according to the amounts offered by such Lenders (with appropriate rounding, in the sole discretion of the U.S. Borrower, to assure that each accepted CAF Advance is an integral multiple of \$1,000,000); provided that if the number of Lenders that submit offers for any CAF Advance Maturity Date at identical pricing is such that, after the U.S. Borrower accepts such offers pro rata in accordance with the foregoing provisions of this

54

47

paragraph, the CAF Advance to be made by any such Lender would be less than \$5,000,000 principal amount, the number of such Lenders shall be reduced by the General Administrative Agent by lot until the CAF Advances to be made by each such remaining Lender would be in a principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof.

(f) If the U.S. Borrower notifies the General Administrative Agent that a CAF Advance Request is cancelled pursuant to subsection 4.2(d)(i), the General Administrative Agent shall give prompt telephone notice thereof to the Lenders. If the U.S. Borrower fails to notify the General Administrative Agent of its cancellation or acceptance of CAF Advance Offers by the times specified in subsection 4.2(d), the corresponding CAF Advance Request shall be deemed cancelled.

(g) If the U.S. Borrower accepts pursuant to subsection 4.2(d)(ii) one or more of the offers made by any Lender or Lenders, the General Administrative Agent promptly shall notify each Lender which has made such an offer of (i) the aggregate amount of such CAF Advances to be made on the applicable Borrowing Date for each CAF Advance Maturity Date and (ii) the acceptance or rejection of any offers to make such CAF Advances made by such Lender. Before 12:00 Noon, New York City time, on the Borrowing Date specified in the applicable CAF Advance Request, each Lender whose CAF Advance Offer has been accepted shall make available to the General Administrative Agent at its office set forth in subsection 18.2 the amount of CAF Advances to be made by such Lender, in immediately available funds. The General Administrative Agent will make such funds available to the U.S. Borrower as soon as practicable on such date at such office of the General Administrative Agent. As soon as practicable after each Borrowing Date, the General Administrative Agent shall notify each Lender of the aggregate amount of CAF Advances advanced on such Borrowing Date and the respective CAF Advance Maturity Dates thereof.

4.3 CAF Advance Payments. (a) The U.S. Borrower shall pay to the General Administrative Agent, for the account of each Lender which has made a CAF Advance, on the applicable CAF Advance Maturity Date the then unpaid principal amount of such CAF Advance. The U.S. Borrower shall not have the right to prepay any principal amount of any CAF Advance without the consent of the Lender to which such CAF Advance is owed.

(b) The U.S. Borrower shall pay interest on the unpaid principal amount of each CAF Advance from the Borrowing Date to the applicable CAF Advance Maturity Date at the rate of interest specified in the CAF Advance Offer accepted by the U.S. Borrower in connection with such CAF Advance (calculated on the basis of a 360-day year for actual days elapsed), payable on each applicable CAF Advance Interest Payment Date.

(c) If any principal of, or interest on, any CAF Advance shall

not be paid when due (whether at the stated maturity, by acceleration or otherwise), such CAF Advance shall, without limiting any rights of any Lender under this Agreement, bear interest from the date on which such payment was due at a rate per annum which is 2% above the rate which would otherwise be applicable to such CAF Advance until the stated CAF Advance Maturity Date of

55

48

such CAF Advance, and for each day thereafter at a rate per annum which is 2% above the ABR, in each case until paid in full (as well after as before judgment). Interest accruing pursuant to this paragraph (c) shall be payable from time to time on demand.

4.4 Evidence of Debt. (a) The U.S. Borrower unconditionally promises to pay to the General Administrative Agent, for the account of each Lender that makes a CAF Advance, on the CAF Advance Maturity Date with respect thereto, the principal amount of such CAF Advance. The U.S. Borrower further unconditionally promises to pay interest on each such CAF Advance for the period from and including the Borrowing Date of such CAF Advance on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, subsection 4.3(b).

(b) Each Lender shall maintain in accordance with its usual practice appropriate records evidencing indebtedness of the U.S. Borrower to such Lender resulting from each CAF Advance of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time in respect of such CAF Advance.

(c) The General Administrative Agent shall maintain the Register pursuant to subsection 18.6(d), and a subaccount therein for each Lender, in which shall be recorded (i) the date and amount of each CAF Advance made by such Lender, the CAF Advance Maturity Date thereof, the interest rate applicable thereto and each CAF Advance Interest Payment Date applicable thereto, and (ii) the date and amount of any sum received by the General Administrative Agent hereunder from the U.S. Borrower on account of such CAF Advance.

(d) The entries made in the Register and the records of each Lender maintained pursuant to this subsection 4.4 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the U.S. Borrower therein recorded; provided, however, that the failure of any Lender or the General Administrative Agent to maintain the Register or any such record, or any error therein, shall not in any manner affect the obligation of the U.S. Borrower to repay (with applicable interest) the CAF Advances made by such Lender in accordance with the terms of this Agreement.

4.5 Certain Restrictions. A CAF Advance Request may request offers for CAF Advances to be made on not more than one Borrowing Date and to mature on not more than five CAF Advance Maturity Dates. No CAF Advance Request may be submitted earlier than five Business Days after submission of any other CAF Advance Request.

## SECTION 5. AMOUNT AND TERMS OF THE CANADIAN COMMITMENTS

5.1 Canadian Revolving Credit Commitments. Subject to the terms and conditions hereof, each Canadian Lender severally agrees to make revolving credit loans (each, a "Canadian Revolving Credit Loan") to the Canadian Borrower in Canadian Dollars or in U.S. Dollars from time to time during the Revolving Credit Commitment Period so long as after

56

49

giving effect thereto (i) the Available Canadian Revolving Credit Commitment of each Canadian Lender is greater than or equal to zero and (ii) the Aggregate Total Outstandings of all Lenders do not exceed the Aggregate U.S. Revolving

Credit Commitments. During the Revolving Credit Commitment Period, the Canadian Borrower may use the Canadian Revolving Credit Commitments by borrowing, repaying the Canadian Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Canadian Revolving Credit Loans denominated in Canadian Dollars shall be Prime Rate Loans, and the Canadian Revolving Credit Loans denominated in U.S. Dollars shall be Canadian Base Rate Loans.

5.2 Repayment of Canadian Revolving Credit Loans; Evidence of Debt. (a) The Canadian Borrower hereby unconditionally promises to pay to the Canadian Administrative Agent for the account of each Canadian Lender the then unpaid principal amount of each Canadian Revolving Credit Loan of such Canadian Lender (whether made before or after the termination or expiration of the Canadian Revolving Credit Commitments) on the Revolving Credit Termination Date and on such other date(s) and in such other amounts as may be required from time to time pursuant to this Agreement. The Canadian Borrower hereby further agrees to pay interest on the unpaid principal amount of the Canadian Revolving Credit Loans from time to time outstanding until payment thereof in full at the rates per annum, and on the dates, set forth in subsection 10.1.

(b) Each Canadian Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Canadian Borrower to such Canadian Lender resulting from each Canadian Revolving Credit Loan of such Canadian Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Canadian Lender from time to time under this Agreement.

(c) The Canadian Administrative Agent (together with the General Administrative Agent) shall maintain the Register pursuant to subsection 18.6(d), and a subaccount therein for each Canadian Lender, in which shall be recorded (i) the date and amount of each Canadian Revolving Credit Loan made hereunder, (ii) the date and amount of any principal or interest due and payable or to become due and payable from the Canadian Borrower to each Canadian Lender hereunder in respect of the Canadian Revolving Credit Loans and (iii) both the date and amount of any sum received by the Canadian Administrative Agent hereunder from the Canadian Borrower in respect of the Canadian Revolving Credit Loans and each Canadian Lender's share thereof.

(d) The entries made in the Register and the accounts of each Canadian Lender maintained pursuant to subsection 5.2(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Canadian Borrower therein recorded; provided, however, that the failure of any Canadian Lender or the General Administrative Agents to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Canadian Borrower to repay (with applicable interest) the Canadian Revolving Credit Loans made to the Canadian Borrower by such Canadian Lender in accordance with the terms of this Agreement.

57

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(e) The Canadian Borrower agrees that, upon the request to the Canadian Administrative Agent by any Canadian Lender, it will execute and deliver to such Canadian Lender a promissory note of the Canadian Borrower evidencing the Canadian Revolving Credit Loans of such Canadian Lender, substantially in the form of Exhibit B with appropriate insertions as to date and principal amount (each, a "Canadian Revolving Credit Note"); provided, that the delivery of such Canadian Revolving Credit Notes shall not be a condition precedent to the Closing Date.

5.3 Procedure for Canadian Revolving Credit Borrowing. The Canadian Borrower may borrow under the Canadian Revolving Credit Commitments during the Revolving Credit Commitment Period on any Business Day, provided that the Canadian Borrower shall give the Canadian Administrative Agent irrevocable notice (which notice must be received by the Canadian Administrative Agent prior to 12:00 Noon, Toronto time, at least one Business Day prior to the requested Borrowing Date), specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date. Each borrowing in Canadian Dollars under the Canadian Revolving Credit Commitments shall be in an amount equal to C\$5,000,000 or a whole multiple of C\$1,000,000 in excess thereof, and each borrowing in U.S. Dollars under the Canadian Revolving Credit Commitments shall be in an amount equal to \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof (or, in each case, if the then Aggregate Available Canadian Revolving Credit Commitments are

less than C\$5,000,000 or \$5,000,000, as the case may be, such lesser amount). Upon receipt of any such notice from the Canadian Borrower, the Canadian Administrative Agent shall promptly notify the General Administrative Agent and each Canadian Lender thereof. Not later than 12:00 Noon, Toronto time, on each requested Borrowing Date each Canadian Lender shall make an amount equal to its Canadian Revolving Credit Commitment Percentage of the principal amount of Canadian Revolving Credit Loans requested to be made on such Borrowing Date available to the Canadian Administrative Agent at its office specified in subsection 18.2 in Canadian Dollars or U.S. Dollars, as the case may be, and in immediately available funds. The Canadian Administrative Agent shall on such date credit the account of the Canadian Borrower on the books of such office with the aggregate of the amounts made available to the Canadian Administrative Agent by the Canadian Lenders and in like funds as received by the Canadian Administrative Agent.

5.4 Termination or Reduction of Canadian Revolving Credit Commitments. The U.S. Borrower shall have the right, upon not less than three Business Days' notice to the Canadian Administrative Agent, to terminate the Canadian Revolving Credit Commitments or, from time to time, to reduce the amount of the Canadian Revolving Credit Commitments; provided that no such termination or reduction shall be permitted (i) unless the U.S. Borrower elects to terminate or reduce the U.S. Revolving Credit Commitments of the U.S. Common Lenders by an amount equal to the U.S. Dollar Equivalent of the aggregate Canadian Revolving Credit Commitments of all Canadian Lenders being reduced or terminated or (ii) if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Available Canadian Revolving Credit Commitment of any Canadian Lender would be less than zero. Any such reduction shall be in an amount equal to C\$5,000,000 or a whole multiple of C\$1,000,000 in excess thereof and shall reduce permanently the Canadian Revolving Credit Commitments then in effect.

58

51

#### SECTION 6. AMOUNT AND TERMS OF CANADIAN ACCEPTANCE FACILITY

6.1 Acceptance Commitments. (a) Subject to the terms and conditions hereof, each Canadian Lender severally agrees to create Acceptances for the Canadian Borrower on any Business Day during the Revolving Credit Commitment Period by accepting Drafts drawn by the Canadian Borrower so long as after giving effect to such acceptance, (i) the Available Canadian Revolving Credit Commitment of such Canadian Lender would be greater than or equal to zero and (ii) the Aggregate Total Outstandings of all Lenders do not exceed the Aggregate U.S. Revolving Credit Commitments.

(b) The Canadian Borrower may utilize the Canadian Revolving Credit Commitments in the manner contemplated by this Section 6 by authorizing each Canadian Lender in the manner provided for in subsection 6.2(b) to draw Drafts on such Canadian Lender and having such Drafts accepted pursuant to subsection 6.2, paying its obligations with respect thereto pursuant to subsection 6.5, and again, from time to time, authorizing Drafts to be drawn on the Canadian Lenders and having them presented for acceptance, all in accordance with the terms and conditions of this Section 6.

(c) For the purposes of this Agreement, all Acceptances shall be considered a utilization of the Canadian Revolving Credit Commitments in an amount equal to the undiscounted face amount of such Acceptance.

6.2 Creation of Acceptances. (a) The Canadian Borrower may request the creation of Acceptances hereunder by submitting to the Canadian Administrative Agent at its office specified in subsection 18.2 prior to 11:00 A.M., Toronto time, two Business Days prior to the requested Borrowing Date, (i) a request for acceptances (each, a "Request for Acceptances") completed in a manner and in form and substance reasonably satisfactory to the Canadian Administrative Agent and specifying, among other things, the Borrowing Date, maturity and face amount of the Drafts to be accepted and discounted, (ii) to the extent not theretofore supplied to each Canadian Lender, a sufficient number of Drafts to be drawn on the Canadian Lenders, to be appropriately completed in accordance with subsection 6.2(d) and (iii) such other certificates, documents



and other papers and information as the Canadian Administrative Agent may reasonably request. Upon receipt of any such Request for Acceptances, the Canadian Administrative Agent shall promptly notify each Canadian Lender and the General Administrative Agent of its receipt thereof.

(b) The Canadian Borrower hereby agrees that it shall deliver to the Canadian Administrative Agent on or prior to the Closing Date, Powers of Attorney substantially in the form annexed hereto as Exhibit D (the "Powers of Attorney") authorizing each Canadian Lender to draw Drafts on such Canadian Lender on behalf of the Canadian Borrower and to complete such Drafts in accordance with the Requests for Acceptances submitted from time to time pursuant to subsection 6.2(a).

59

52

(c) Each Request for Acceptances made by or on behalf of the Canadian Borrower hereunder shall contain a request for Acceptances denominated in Canadian Dollars and having an aggregate undiscounted face amount equal to C\$5,000,000 or a whole multiple of C\$1,000,000 in excess thereof. Each Acceptance shall be dated the Borrowing Date specified in the Request for Acceptances with respect thereto and shall be stated to mature on a Business Day which is not less than 30 days and not more than 180 days after the date thereof (and, in any event, prior to the Revolving Credit Termination Date).

(d) Not later than 12:00 Noon, Toronto time, on the Borrowing Date specified in the relevant Request for Acceptances, and upon fulfillment of the applicable conditions set forth in subsection 12.2, each Canadian Lender will, in accordance with such Request for Acceptances, (i) sign each Draft on behalf of the Canadian Borrower pursuant to the Power of Attorney, (ii) complete the date, amount and maturity of each Draft to be accepted, (iii) accept such Drafts and give notice to the Canadian Administrative Agent of such acceptance and (iv) upon such acceptance, purchase such Acceptances to the extent contemplated by subsection 6.3. Alternatively, at the request of the Canadian Administrative Agent, the Canadian Borrower shall deliver to the Canadian Administrative Agent a "depository note" which complies with the requirements of the Depository Bills and Notes Act (Canada), and consents to the deposit of any such depository note in the book-based debt clearance system maintained by the Canadian Depository of Securities. In such circumstances, the delivery of Acceptances shall be governed by the clearance procedures established thereunder.

6.3 Discount of Acceptances. (a) Each Canadian Lender hereby severally agrees, on the terms and subject to the conditions set forth in this Agreement, to purchase Acceptances created by it on the Borrowing Date with respect thereto at the applicable Reference Discount Rate by making available to the Canadian Borrower an amount in immediately available funds equal to the Acceptance Purchase Price in respect thereof, and to notify the Canadian Administrative Agent that such Draft has been accepted, discounted and purchased by such accepting Canadian Lender.

(b) In the event that the Canadian Borrower has made a Request for Acceptances, then (i) prior to 11:00 A.M., Toronto time, on the Borrowing Date with respect thereto, the Canadian Administrative Agent will notify the General Administrative Agent, the Canadian Borrower and the Canadian Lenders of the applicable Reference Discount Rate for such Acceptances and the corresponding Acceptance Purchase Price and (ii) each Canadian Lender shall make the Acceptance Purchase Price for such Acceptances discounted by it available to the Canadian Administrative Agent, for the account of the Canadian Borrower, at the office of the Canadian Administrative Agent specified in subsection 18.2 prior to 12:00 Noon, Toronto time, on the Borrowing Date, in Canadian Dollars and in funds immediately available to the Canadian Administrative Agent. Such borrowing will then be made available to the Canadian Borrower by the Canadian Administrative Agent crediting the account of the Canadian Borrower on the books of such office with the aggregate of the amounts made available to the Canadian Administrative Agent by the Canadian Lenders and in like funds as received by the Canadian Administrative Agent.

60

53

(c) Acceptances purchased by any Canadian Lender may be held by it for its own account until maturity or sold by it at any time prior thereto

in the relevant market therefor in Canada in such Canadian Lender's sole discretion. The doctrine of merger shall not apply with respect to any Acceptance held by a Lender at maturity.

6.4 Stamping Fees. On the Borrowing Date with respect to each Acceptance, the Canadian Borrower shall pay to the Canadian Administrative Agent, for the account of the Canadian Lenders, a stamping fee at a rate per annum equal to the Applicable Margin in effect on such Borrowing Date for Eurodollar Loans, computed for the period from and including the Borrowing Date with respect to such Acceptance to but not including the maturity of such Acceptance, on the basis of a 365-day year, of the undiscounted face amount of such Acceptance.

6.5 Acceptance Reimbursement Obligations. (a) The Canadian Borrower hereby unconditionally agrees to pay to the Canadian Administrative Agent for the account of each Canadian Lender, on the maturity date (whether at stated maturity, by acceleration or otherwise) for each Acceptance created by such Canadian Lender for the account of the Canadian Borrower, the aggregate undiscounted face amount of each such then-maturing Acceptance.

(b) The obligation of the Canadian Borrower to reimburse the Canadian Lenders for then-maturing Acceptances may be satisfied by the Canadian Borrower by:

(i) paying to the Canadian Administrative Agent, for the account of the Canadian Lenders, an amount in Canadian Dollars and in immediately available funds equal to the aggregate undiscounted face amount of all Acceptances created for the account of the Canadian Borrower hereunder which are then maturing by 12:00 Noon, Toronto time, on such maturity date; provided that the Canadian Borrower shall have given not less than one Business Day's prior notice to the Canadian Administrative Agent (which shall promptly notify each Canadian Lender thereof) of its intent to reimburse the Canadian Lenders in the manner contemplated by this clause (i);

(ii) having new Drafts accepted and discounted by the Canadian Lenders in the manner contemplated by subsections 6.2 and 6.3 in substitution for the then-maturing Acceptances; provided that (A) the Canadian Borrower shall have delivered to the Canadian Administrative Agent (which shall promptly provide a copy thereof to each Canadian Lender) a duly completed Request for Acceptances not later than 2:00 P.M., Toronto time, one Business Day prior to such maturity date, together with the documents, instruments, certificates and other papers and information contemplated by subsections 6.2(a)(ii) and 6.2(a)(iii), (B) if any Default or Event of Default has occurred and is then continuing, the Request for Acceptances shall be deemed to be a request for a Canadian Revolving Credit Loan in an amount equal to the undiscounted face amount of the Acceptances requested, (C) each Canadian Lender shall retain the Acceptance Purchase Price for the Acceptance created by it and apply such Acceptance Purchase Price to the Acceptance Reimbursement Obligations of the Canadian Borrower in respect of the maturing Acceptance created by such Canadian Lender, (D) if the Acceptance Purchase Price so retained by such Canadian Lender is less than the undiscounted face amount of

the then-maturing Acceptance, the Canadian Borrower shall have made arrangements reasonably satisfactory to such Canadian Lender for payment of such deficiency and (E) if the Acceptance Purchase Price so retained by the Canadian Lender is greater than the undiscounted face amount of the then-maturing Acceptance, the Canadian Lender shall make such excess available to the Canadian Administrative Agent, which in turn shall make such excess available to the Canadian Borrower, all in accordance with subsection 6.3(b); or

(iii) to the extent that the Canadian Borrower has not given to the Canadian Administrative Agent a notice contemplated by clause (i) or (ii) above, then the Canadian Borrower shall be deemed to have requested a borrowing pursuant to subsection 5.1 of Canadian Revolving Credit Loans in an aggregate principal amount equal to the undiscounted face amount of such then-maturing Acceptance. The Borrowing Date with

respect to such borrowing shall be the maturity date for such Acceptance. Except to the extent that any of the events contemplated by paragraph (i) of Section 16 with respect to the Canadian Borrower has occurred and is then continuing, each Canadian Lender shall be obligated to make the Canadian Revolving Credit Loan contemplated by this subsection 6.5(b)(iii) regardless of whether the conditions precedent to borrowing set forth in this Agreement are then satisfied. The proceeds of any Canadian Revolving Credit Loans made pursuant to this subsection 6.5(b)(iii) shall be retained by the Canadian Lenders and applied by them to the Acceptance Reimbursement Obligations of the Canadian Borrower in respect of the then-maturing Acceptance.

(c) The unpaid amount of any such Acceptance Reimbursement Obligations shall be treated as a Canadian Revolving Credit Loan for the purposes hereof and interest shall accrue on the amount of any such unpaid Acceptance Reimbursement Obligation from the date such amount becomes due until paid in full at a fluctuating rate per annum equal to the rate which would then be payable on Canadian Revolving Credit Loans. Such interest shall be payable by the Canadian Borrower on demand by the Canadian Administrative Agent.

(d) In no event shall the Canadian Borrower claim from any Canadian Lender any grace period with respect to the payment at maturity of any Acceptances created by such Canadian Lender pursuant to this Agreement.

6.6 Converting Canadian Revolving Credit Loans to Acceptances and Acceptances to Canadian Revolving Credit Loans. (a) Subject to subsection 6.6(b), the Canadian Borrower may at any time and from time to time request that any then outstanding Canadian Revolving Credit Loan denominated in Canadian Dollars be converted into an Acceptance by delivering to the Canadian Administrative Agent (which shall promptly notify the General Administrative Agent and each Canadian Lender of its receipt thereof) a Request for Acceptances, together with a statement that the Acceptances so requested are to be created pursuant to this subsection 6.6(a), such notice to be given not later than one Business Day prior to the requested conversion date.

62

55

(b) In the event that the Canadian Administrative Agent receives such a Request for Acceptances and the accompanying statement described in subsection 6.6(a), then the Canadian Borrower shall pay on the requested Borrowing Date to the Canadian Administrative Agent, for the account of the Canadian Lenders, the principal amount of the then outstanding Canadian Revolving Credit Loans being so converted, and each Canadian Lender shall accept and discount the Canadian Borrower's Draft having an aggregate face amount at least equal to the principal amount of the Canadian Revolving Credit Loans of such Canadian Lender which are then being repaid; it being understood and agreed that for the purposes of this subsection 6.6(b), such payment by the Canadian Borrower of such outstanding Canadian Revolving Credit Loans may be from the proceeds of such discounted Drafts, provided that, (i) following the occurrence and during the continuance of a Default or an Event of Default, no Acceptances may be created and (ii) no Acceptance which is permitted to be created hereunder shall have a maturity that extends beyond the Revolving Credit Termination Date.

(c) The creation of Acceptances pursuant to this subsection 6.6 shall not be subject to the satisfaction of the conditions precedent to borrowing set forth in this Agreement.

(d) The Canadian Borrower may elect from time to time to convert outstanding Acceptances to Canadian Revolving Credit Loans denominated in Canadian Dollars by giving the Canadian Administrative Agent at least one Business Day's irrevocable notice of such election prior to the maturity of such Acceptances; provided that any such conversion of Acceptances may only be made on the maturity thereof.

6.7 Allocation of Acceptances. The Canadian Borrower hereby agrees that each Request for Acceptances, reimbursement of Acceptances and conversion of Canadian Revolving Credit Loans to Acceptances shall be made in a manner so that any such Request for Acceptances, reimbursement or conversion shall apply ratably to all Canadian Lenders in accordance with their respective Canadian Revolving Credit Commitment Percentages. In the event that the aggregate undiscounted face amount of Acceptances requested by the Canadian Borrower to be created by all Canadian Lenders hereunder pursuant to any Request for Acceptances is an amount which, if divided ratably among the Canadian

Lenders in accordance with their respective Canadian Revolving Credit Commitment Percentages, would not result in each Canadian Lender accepting a Draft which has an undiscounted face amount equal to C\$100,000 or a whole multiple of C\$100,000 in excess thereof, then, notwithstanding any provision in this subsection 6.7 to the contrary, the Canadian Administrative Agent is authorized by the Canadian Borrower and the Canadian Lenders to allocate among the Canadian Lenders the Acceptances to be issued in such manner and amounts as the Canadian Administrative Agent may, in its sole discretion, acting reasonably, consider necessary, rounding up or down, so as to ensure that no Canadian Lender is required to accept a Draft for a fraction of \$100,000 and, in such event, the Canadian Lenders' ratable share with respect to such Acceptances shall be adjusted accordingly.

6.8 Special Provisions Relating to Acceptance Notes. (a) The Canadian Borrower and each Canadian Lender hereby acknowledge and agree that from time to time certain Canadian Lenders which are not Canadian chartered banks or which are Schedule II

63

56

Canadian Lenders may not be authorized to or may, as a matter of general corporate policy, elect not to accept Drafts, and the Canadian Borrower and each Canadian Lender agree that any such Canadian Lender may purchase Acceptance Notes of the Canadian Borrower in accordance with the provisions of subsection 6.8(b) in lieu of creating Acceptances for its account.

(b) In the event that any Canadian Lender described in subsection 6.8(a) above is unable to, or elects as a matter of general corporate policy not to, create Acceptances hereunder, such Canadian Lender shall not create Acceptances hereunder, but rather, if the Canadian Borrower requests the creation of such Acceptances, the Canadian Borrower shall deliver to such Canadian Lender non-interest bearing promissory notes (each, an "Acceptance Note") of the Canadian Borrower, substantially in the form of Exhibit E, having the same maturity as the Acceptances to be created and in an aggregate principal amount equal to the undiscounted face amount of such Acceptances. Each such Canadian Lender hereby agrees to purchase Acceptance Notes from the Canadian Borrower at a purchase price equal to the Acceptance Purchase Price which would have been applicable if a Draft in the same aggregate face amount as the principal amount of its Acceptance Notes and of the same maturity had been accepted by it (less any stamping fee which would have been paid pursuant to subsection 5.4 if such Lender had created an Acceptance) and such Acceptance Notes shall be governed by the provisions of this Section 6 as if they were Acceptances.

6.9 Existing Acceptances and Acceptance Notes. Any Acceptances or Acceptance Notes that (i) are outstanding under the Existing Credit Agreement on the Closing Day and (ii) were created by or issued to, as the case may be, lenders under the Existing Credit Agreement that are also Lenders hereunder, shall continue to be outstanding as Acceptances or Acceptance Notes, as the case may be, under this Agreement from and after the Closing Date and shall be governed by the terms hereof as if such Acceptances and Acceptance Notes had been created or issued hereunder.

## SECTION 7. AMOUNT AND TERMS OF MULTICURRENCY COMMITMENT

7.1 Multicurrency Commitments. Subject to the terms and conditions hereof, each Multicurrency Lender severally agrees to make revolving credit loans (each, a "Multicurrency Loan") in any Available Foreign Currency to the U.S. Borrower or any Foreign Subsidiary Borrower from time to time during the Revolving Credit Commitment Period so long as after giving effect thereto (a) the Available Multicurrency Commitment of such Multicurrency Lender is greater than or equal to zero, (b) the aggregate outstanding principal amount of Multicurrency Loans does not exceed an amount of which the U.S. Dollar Equivalent is \$500,000,000 and (c) the Aggregate Total Outstandings of all Lenders do not exceed the Aggregate U.S. Revolving Credit Commitments. During the Revolving Credit Commitment Period, the U.S. Borrower and Foreign Subsidiary Borrowers may use the Multicurrency Commitments by borrowing, repaying the Multicurrency Loans in whole or in part, and reborrowing, all in accordance with

7.2 Repayment of Multicurrency Loans; Evidence of Debt.

(a) Each of the U.S. Borrower and each Foreign Subsidiary Borrower hereby unconditionally promises to pay to the General Administrative Agent for the account of each Multicurrency Lender the then unpaid principal amount of each Multicurrency Loan of such Multicurrency Lender to such Borrower on the Revolving Credit Termination Date and on such other date(s) and in such other amounts as may be required from time to time pursuant to this Agreement. Each of the U.S. Borrower and each Foreign Subsidiary Borrower hereby further agrees to pay interest on the unpaid principal amount of the Multicurrency Loans advanced to it and from time to time outstanding until payment thereof in full at the rates per annum, and on the dates, set forth in subsection 10.1.

(b) Each Multicurrency Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of each Borrower to such Multicurrency Lender resulting from each Multicurrency Loan of such Multicurrency Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Multicurrency Lender from time to time under this Agreement.

(c) The General Administrative Agent shall maintain the Register pursuant to subsection 18.6(d), and a subaccount therein for each Multicurrency Lender, in which shall be recorded (i) the date and amount of each Multicurrency Loan made hereunder, (ii) the date and amount of any principal or interest due and payable or to become due and payable from each Borrower to each Multicurrency Lender hereunder in respect of the Multicurrency Loans and (iii) both the date and amount of any sum received by the General Administrative Agent hereunder from each Borrower in respect of the Multicurrency Loans and each Multicurrency Lender's share thereof.

(d) The entries made in the Register and the accounts of each Multicurrency Lender maintained pursuant to subsection 7.2(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of each Borrower therein recorded; provided, however, that the failure of any Multicurrency Lender or the General Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of such Borrower to repay (with applicable interest) the Multicurrency Loans made to such Borrower by such Multicurrency Lender in accordance with the terms of this Agreement.

7.3 Procedure for Multicurrency Borrowing. The U.S. Borrower or any Foreign Subsidiary Borrower may request the Multicurrency Lenders to make Multicurrency Loans during the Revolving Credit Commitment Period on any Business Day by delivering a Notice of Multicurrency Loan Borrowing. Each borrowing under the Multicurrency Commitments shall be in an amount in an Available Foreign Currency of which the U.S. Dollar Equivalent is equal to at least \$10,000,000 (or, if the then Aggregate Available Multicurrency Commitments are less than \$10,000,000, such lesser amount). Upon receipt of any such Notice of Multicurrency Borrowing from any Borrower, the General Administrative Agent shall promptly notify each Multicurrency Lender thereof. Not later than the funding time for the relevant Available Foreign Currency set forth in the Administrative Schedule each Multicurrency Lender shall make an amount equal to its Multicurrency Commitment Percentage of the principal amount of Multicurrency Loans

requested to be made on such Borrowing Date available to the General Administrative Agent at the funding office for the relevant Available Foreign Currency set forth in the Administrative Schedule in the relevant Available Foreign Currency and in immediately available funds. The amounts made available by each Multicurrency Lender will then be made available on such Borrowing Date to the relevant Borrower at the funding office for the relevant Available Foreign Currency set forth in the Administrative Schedule and in like funds as

received by the General Administrative Agent.

7.4 Termination or Reduction of Multicurrency Commitments. The U.S. Borrower shall have the right, upon not less than three Business Days' notice to the General Administrative Agent, to terminate the Multicurrency Commitments or, from time to time, to reduce the amount of the Multicurrency Commitments; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Available Multicurrency Commitment of any Multicurrency Lender would be less than zero. Any such reduction shall be in an amount equal to \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof and shall reduce permanently the Multicurrency Commitments then in effect.

7.5 Redenomination and Alternative Currencies. Each obligation under this Agreement of a party to this Agreement which has been denominated in the national currency unit of a Subsequent Participant state shall be redenominated into the euro unit in accordance with EMU legislation immediately upon such Subsequent Participant becoming a Participating Member State (but otherwise in accordance with EMU Legislation).

#### SECTION 8. ALTERNATE CURRENCY FACILITIES

8.1 Terms of Alternate Currency Facilities. (a) Subject to the provisions of this Section 8, the U.S. Borrower may in its discretion from time to time designate any Subsidiary of the U.S. Borrower organized under the laws of any jurisdiction outside the United States as an "Alternate Currency Borrower" and any Qualified Credit Facility to which such Alternate Currency Borrower and any one or more Alternate Currency Lenders is a party as an "Alternate Currency Facility", with the consent of each such Alternate Currency Lender in its sole discretion, by delivering an Alternate Currency Facility Addendum to the General Administrative Agent and the Lenders (through the General Administrative Agent) executed by the U.S. Borrower, each such Alternate Currency Borrower (or the U.S. Borrower on its behalf) and each such Alternate Currency Lender, provided, that on the effective date of such designation no Event of Default shall have occurred and be continuing. Concurrently with the delivery of an Alternate Currency Facility Addendum, the U.S. Borrower or the relevant Alternate Currency Borrower shall furnish to the General Administrative Agent copies of all documentation executed and delivered by any Alternate Currency Borrower in connection therewith, together with, if applicable, an English translation thereof. Except as otherwise provided in this Section 8 or in the definition of "Qualified Credit Facility" in subsection 1.1, the terms and conditions of each Alternate Currency Facility shall be determined by mutual agreement of the relevant Alternate

Currency Borrower(s) and Alternate Currency Lender(s). The documentation governing each Alternate Currency Facility shall (i) contain an express acknowledgment that such Alternate Currency Facility shall be subject to the provisions of this Section 8 and (ii) if more than one Alternate Currency Lender is a party thereto, designate an Alternate Currency Facility Agent for such Alternate Currency Facility. Each of the U.S. Borrower and, by agreeing to any Alternate Currency Facility designation as contemplated hereby, each relevant Alternate Currency Lender (if any) party thereto which is an affiliate, branch or agency of a Lender, acknowledges and agrees that each reference in this Agreement to any "Lender" shall, to the extent applicable, be deemed to be a reference to such Alternate Currency Lender. In the event of any inconsistency between the terms of this Agreement and the terms of any Alternate Currency Facility, the terms of this Agreement shall prevail.

(b) The documentation governing each Alternate Currency Facility shall set forth (i) the maximum amount (expressed in U.S. Dollars) available to be borrowed from all Alternate Currency Lenders under such Alternate Currency Facility (as the same may be modified from time to time, an "Alternate Currency Facility Maximum Borrowing Amount") and (ii) with respect to each Alternate Currency Lender party to such Alternate Currency Facility, the maximum amount (expressed in U.S. Dollars) available to be borrowed from such Alternate Currency Lender thereunder (as the same may be modified from time to time, an "Alternate Currency Lender Maximum Borrowing Amount").

(c) Except as otherwise required by applicable law, in no event shall the Alternate Currency Lenders party to an Alternate Currency Facility have the right to accelerate the Alternate Currency Loans outstanding thereunder, or to terminate their commitments (if any) to make such Alternate Currency Loans prior to the earlier of the stated termination date in respect thereof or the Revolving Credit Termination Date, except, in each case, in connection with an acceleration of the Loans or a termination of the Commitments pursuant to Section 16, provided, that nothing in this paragraph (c) shall be deemed to require any Alternate Currency Lender to make an Alternate Currency Loan if the applicable conditions precedent to the making of such Alternate Currency Loan set forth in the documentation governing the relevant Alternate Currency Facility have not been satisfied. No Alternate Currency Loan may be made under an Alternate Currency Facility if (i) the conditions precedent in subsection 12.2 are not satisfied on the date such Alternate Currency Loan is requested to be made or (ii) after giving effect to the making of such Alternate Currency Loan and the simultaneous application of the proceeds thereof, the Aggregate Total Outstandings of all Lenders at any time exceeds the Aggregate U.S. Revolving Credit Commitments.

(d) The relevant Alternate Currency Borrower(s) shall furnish to the General Administrative Agent copies of any amendment, supplement or other modification (including any change in commitment amounts or in the Alternate Currency Lenders participating in any Alternate Currency Facility) to the terms of any Alternate Currency Facility promptly after the effectiveness thereof (together with, if applicable, an English translation thereof). If any such amendment, supplement or other modification to an Alternate Currency Facility shall (i) add an Alternate Currency Lender thereunder or (ii) change the Alternate Currency Facility Maximum Borrowing Amount or any Alternate Currency Lender Maximum Borrowing Amount with

67

60

respect thereto, the U.S. Borrower shall promptly furnish an appropriately revised Alternate Currency Facility Addendum, executed by the U.S. Borrower, the relevant Alternate Currency Borrower(s) (or the U.S. Borrower on its behalf) and the affected Alternate Currency Lenders (or any agent acting on their behalf), to the General Administrative Agent and the Lenders (through the General Administrative Agent).

(e) The U.S. Borrower may terminate its designation of a facility as an Alternate Currency Facility, with the consent of each Alternate Currency Lender party thereto at the time of such redesignation in its sole discretion, by written notice to the General Administrative Agent, which notice shall be executed by the U.S. Borrower, the relevant Alternate Currency Borrower(s) (or the U.S. Borrower on its behalf) and each Alternate Currency Lender party to such Alternate Currency Facility (or any agent acting on their behalf). Once notice of such termination is received by the General Administrative Agent, such Alternate Currency Facility and the loans and other obligations outstanding thereunder shall immediately cease to be subject to the terms of this Agreement.

(f) At no time shall the aggregate Alternate Currency Facility Maximum Borrowing Amount of all Alternative Currency Facilities exceed \$250,000,000.

8.2 Reporting of Alternate Currency Outstandings. (a) On the date of the making of any Alternate Currency Loan having a fixed maturity of 30 or more days to an Alternate Currency Borrower and on the last Business Day of each month on which an Alternate Currency Borrower has any outstanding Alternate Currency Loans, the Alternate Currency Facility Agent for such Alternate Currency Facility shall deliver to the General Administrative Agent a Notice of Alternate Currency Outstandings. The General Administrative Agent will, at the request of any Alternate Currency Facility Agent, advise such Alternate Currency Facility Agent of the Exchange Rate used by the General Administrative Agent in calculating the U.S. Dollar Equivalent of Alternate Currency Loans under the related Alternate Currency Facility on any date.

(b) For purposes of any calculation under this Agreement in which the amount of the Aggregate Alternate Currency Outstandings of any Lender is a component, the General Administrative Agent shall make such calculation on the basis of the Notices of Alternate Currency Outstandings received by it at least two Business Days prior to the date of such calculation.

## SECTION 9. LETTERS OF CREDIT

9.1 Letters of Credit. (a) Subject to the terms and conditions of this Agreement, Chase Delaware, as Issuing Lender, agrees, and any other Issuing Lender may, as agreed between the U.S. Borrower and such Issuing Lender, agree, on behalf of the U.S. Lenders, and in reliance on the agreement of the Lenders set forth in subsection 9.3, to issue for the account of the U.S. Borrower (or in connection with any Foreign Letter of Credit, for the joint and several accounts of the U.S. Borrower and such applicable Foreign Subsidiary) letters of credit in an aggregate

68

60

face amount not to exceed at any time outstanding an amount of which the U.S. Dollar Equivalent is \$250,000,000, as follows:

(i) standby letters of credit (collectively, the "Standby Letters of Credit") in the form of either (A) in the case of standby letters of credit to be used for the purposes described in subsection 9.8(a) or (c), the Issuing Lender's standard standby letter of credit or (B) in the case of standby letters of credit to be used for the purposes described in subsection 9.8(b), a letter of credit reasonably satisfactory to the Issuing Lender, and in either case, in favor of such beneficiaries as the U.S. Borrower shall specify from time to time (which shall be reasonably satisfactory to the Issuing Lender); and

(ii) commercial letters of credit in the form of the Issuing Lender's standard commercial letters of credit ("Commercial Letters of Credit") in favor of sellers of goods or services to the U.S. Borrower, its Subsidiaries or joint ventures that are Special Entities (the Standby Letters of Credit and Commercial Letters of Credit being referred to collectively as the "Letters of Credit");

provided that on the date of the issuance of any Letter of Credit, and after giving effect to such issuance, (i) the Available U.S. Revolving Credit Commitment of each U.S. Lender is greater than or equal to zero and (ii) the Aggregate Total Outstandings of all Lenders do not exceed the Aggregate U.S. Revolving Credit Commitments at such time. Each Standby Letter of Credit shall (i) have an expiry date no later than (A) with respect to any Standby Letter of Credit to be used for the purposes described in subsection 9.8(a) or (c), one year from the date of issuance thereof or, if earlier, the Revolving Credit Termination Date or (B) with respect to any Standby Letter of Credit to be used for the purposes described in subsection 9.8(b), the Revolving Credit Termination Date, (ii) be denominated in Dollars or another freely-convertible currency acceptable to the Issuing Lender and (iii) be in a minimum face amount of which the U.S. Dollar Equivalent is a minimum of \$500,000 determined at the time of issuance. Each Commercial Letter of Credit shall (i) provide for the payment of sight drafts when presented for honor thereunder, or of time drafts, in each case in accordance with the terms thereof and when accompanied by the documents described or when such documents are presented, as the case may be, (ii) be denominated in Dollars or another freely-convertible currency acceptable to the Issuing Lender and (iii) have an expiry date no later than six months from the date of issuance thereof or, if earlier, five Business Days prior to the Revolving Credit Termination Date.

(b) Pursuant to the Existing Credit Agreement, Chase (or Chase Delaware, as the case may be), as Issuing Lender, has issued certain letters of credit which are outstanding on the Closing Date (the "Existing Letters of Credit"). From and after the Closing Date, the Existing Letters of Credit shall for all purposes be deemed to be Letters of Credit outstanding under this Agreement.

9.2 Procedure for Issuance of Letters of Credit. The U.S. Borrower may from time to time request, upon at least three Business Days' notice, Chase Delaware, as Issuing Lender, to issue a Letter of Credit by delivering to such Issuing Lender at its address specified in subsection 18.2 a Letter of Credit Application, completed to the satisfaction of such Issuing



Lender, together with such other certificates, documents and other papers and information as such Issuing Lender may reasonably request. Upon receipt of any Letter of Credit Application from the U.S. Borrower, or, in the case of a Foreign Letter of Credit, from the U.S. Borrower and the Foreign Subsidiary that is an account party on such Letter of Credit, such Issuing Lender will promptly, but in no event later than five Business Days following receipt of such Letter of Credit Application, notify each U.S. Lender thereof. Upon receipt of any Letter of Credit Application, Chase Delaware, as Issuing Lender, will process such Letter of Credit Application, and the other certificates, documents and other papers delivered in connection therewith, in accordance with its customary procedures and shall promptly issue such Letter of Credit (but in no event earlier than three Business Days after receipt by such Issuing Lender of the Letter of Credit Application relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof and by furnishing a copy thereof to the U.S. Borrower and the Participating Lenders. In addition, the U.S. Borrower may from time to time agree with Issuing Lenders other than Chase Delaware upon procedures for issuance by such Issuing Lenders of Letters of Credit and cause Letters of Credit to be issued by following such procedures. Such procedures shall be reasonably satisfactory to the General Administrative Agent. Prior to the issuance of any Letter of Credit, the Issuing Lender will confirm with the General Administrative Agent that the issuance of such Letter of Credit is permitted pursuant to Section 9 and subsection 12.2. Additionally, each Issuing Lender and the U.S. Borrower shall inform the General Administrative Agent of any modifications made to outstanding Letters of Credit, of any payments made with respect to such Letters of Credit, and of any other information regarding such Letters of Credit as may be reasonably requested by the General Administrative Agent, in each case pursuant to procedures established by the General Administrative Agent.

9.3 Participating Interests. In the case of each Existing Letter of Credit, effective on the Closing Date, and in the case of each Letter of Credit issued in accordance with the terms hereof on or after the Closing Date, effective as of the date of the issuance thereof, the Issuing Lender in respect of such Letter of Credit agrees to allot, and does allot, to each other U.S. Lender, and each such U.S. Lender severally and irrevocably agrees to take and does take, a Participating Interest in such Letter of Credit and the related Letter of Credit Application in a percentage equal to such U.S. Lender's U.S. Revolving Credit Commitment Percentage. On the date that any Purchasing Lender becomes a party to this Agreement in accordance with subsection 18.6, Participating Interests in any outstanding Letter of Credit held by the U.S. Lender from which such Purchasing Lender acquired its interest hereunder shall be proportionately reallocated between such Purchasing Lender and such transferor U.S. Lender. Each Participating Lender hereby agrees that its obligation to participate in each Letter of Credit issued in accordance with the terms hereof and to pay or to reimburse the Issuing Lender in respect of such Letter of Credit for its participating share of the drafts drawn thereunder shall be irrevocable and unconditional; provided that no Participating Lender shall be liable for the payment of any amount under subsection 9.4(b) resulting solely from such Issuing Lender's gross negligence or willful misconduct.

9.4 Payments. (a) The U.S. Borrower agrees (and in the case of a Foreign Letter of Credit, the Foreign Subsidiary for whose account such Letter of Credit was issued shall also agree, jointly and severally) (i) to reimburse the General Administrative Agent for the account of

the relevant Issuing Lender, forthwith upon its demand and otherwise in accordance with the terms of the Letter of Credit Application, if any, relating thereto, for any payment made by such Issuing Lender under any Letter of Credit issued by such Issuing Lender for its account and (ii) to pay to the General Administrative Agent for the account of such Issuing Lender, interest on any unreimbursed portion of any such payment from the date of such payment until reimbursement in full thereof at a fluctuating rate per annum equal to the rate then borne by ABR Loans pursuant to subsection 10.1(b) plus 2%.

(b) In the event that an Issuing Lender makes a payment under

any Letter of Credit and is not reimbursed in full therefor, forthwith upon demand of such Issuing Lender, and otherwise in accordance with the terms hereof or of the Letter of Credit Application, if any, relating to such Letter of Credit, such Issuing Lender will promptly through the General Administrative Agent notify each Participating Lender that acquired its Participating Interest in such Letter of Credit from such Issuing Lender. No later than the close of business on the date such notice is given (if such notice is received by such Participating Lender by 12:00 Noon, otherwise no later than 12:00 Noon of the immediately following Business Day), each such Participating Lender will transfer to the General Administrative Agent, for the account of such Issuing Lender, in immediately available funds, an amount equal to such Participating Lender's pro rata share of the unreimbursed portion of such payment. Upon its receipt from such Participating Lender of such amount, such Issuing Lender will, if so requested by such Participating Lender, complete, execute and deliver to such Participating Lender a Letter of Credit Participation Certificate dated the date of such receipt and in such amount.

(c) Whenever, at any time, after an Issuing Lender has made payment under a Letter of Credit and has received from any Participating Lender such Participating Lender's pro rata share of the unreimbursed portion of such payment, such Issuing Lender receives any reimbursement on account of such unreimbursed portion or any payment of interest on account thereof, such Issuing Lender will distribute to the General Administrative Agent, for the account of such Participating Lender, its pro rata share thereof; provided, however, that in the event that the receipt by such Issuing Lender of such reimbursement or such payment of interest (as the case may be) is required to be returned, such Participating Lender will promptly return to the General Administrative Agent, for the account of such Issuing Lender, any portion thereof previously distributed by such Issuing Lender to it.

9.5 Further Assurances. (a) The U.S. Borrower hereby agrees, from time to time, to do and perform any and all acts and to execute any and all further instruments reasonably requested by an Issuing Lender more fully to effect the purposes of this Agreement and the issuance of the Letters of Credit hereunder.

(b) It is understood that in connection with Letters of Credit issued for the purposes described in subsection 9.8(b) it may be customary for the Issuing Lender in respect of such Letter of Credit to obtain an opinion of its counsel relating to such Letter of Credit, and each Issuing Lender that issues such a Letter of Credit agrees to cooperate with the U.S. Borrower in obtaining such customary opinion, which opinion shall be at the U.S. Borrower's expense unless otherwise agreed to by such Issuing Lender.

71

64

9.6 Obligations Absolute. The payment obligations of the U.S. Borrower under subsection 9.4 shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, under the following circumstances:

(a) the existence of any claim, set-off, defense or other right which the U.S. Borrower may have at any time against any beneficiary, or any transferee, of any Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any Issuing Lender or any Participating Lender, or any other Person, whether in connection with this Agreement, the transactions contemplated herein, or any unrelated transaction;

(b) any statement or any other document presented under any Letter of Credit opened for its account proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect, except under circumstances involving the gross negligence or willful misconduct of the Issuing Lender; or

(c) payment by an Issuing Lender under any Letter of Credit against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit, except payment resulting solely from the gross negligence or willful misconduct of such Issuing Lender; or

(d) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing, except circumstances or happenings resulting from the gross negligence or willful misconduct of such Issuing Lender.

9.7 Letter of Credit Application. To the extent not inconsistent with the terms of this Agreement (in which case the provisions of this Agreement shall prevail), provisions of any Letter of Credit Application related to any Letter of Credit are supplemental to, and not in derogation of, any rights and remedies of the Issuing Lenders and the Participating Lenders under this Section 9 and applicable law. The U.S. Borrower acknowledges and agrees that all rights of the Issuing Lender under any Letter of Credit Application shall inure to the benefit of each Participating Lender to the extent of its Participating Interest as fully as if such Participating Lender was a party to such Letter of Credit Application.

9.8 Purpose of Letters of Credit. Each Standby Letter of Credit shall be used by the U.S. Borrower solely (a) to provide credit support for borrowings by the U.S. Borrower, its Subsidiaries or joint ventures which are Special Entities, (b) to pay or secure the payment of the principal amount of, and accrued interest on, and other obligations with respect to, Industrial Revenue Bonds in accordance with the provisions of the indenture related thereto, or (c) for other working capital purposes of the U.S. Borrower and Subsidiaries in the ordinary course of business. Each Commercial Letter of Credit will be used by the U.S. Borrower and Subsidiaries solely to provide the primary means of payment in connection with the purchase of goods or services by the U.S. Borrower and Subsidiaries in the ordinary course of business.

72

65

9.9 Currency Adjustments. (a) Notwithstanding anything to the contrary contained in this Agreement, for purposes of calculating any fee in respect of any Letter of Credit in respect of any Business Day, the General Administrative Agent shall convert the amount available to be drawn under any Letter of Credit denominated in a currency other than U.S. Dollars into an amount of U.S. Dollars based upon the Exchange Rate.

(b) Notwithstanding anything to the contrary contained in this Section 9, prior to demanding any reimbursement from the Participating Lenders pursuant to subsection 9.4(b) in respect of any Letter of Credit denominated in a currency other than U.S. Dollars, the Issuing Lender shall convert the relevant Borrower's obligation under subsection 9.4 to reimburse the Issuing Lender in such currency into an obligation to reimburse the Issuing Lender in U.S. Dollars. The U.S. Dollar amount of the reimbursement obligation of the relevant Borrower and the Participating Lenders shall be computed by the Issuing Lender based upon the Exchange Rate in effect for the day on which such conversion occurs.

#### SECTION 10. GENERAL PROVISIONS APPLICABLE TO LOANS

10.1 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such Interest Period plus the Applicable Margin in effect for such day.

(b) Each ABR Loan shall bear interest for each day on which it is outstanding at a rate per annum equal to the Alternate Base Rate for such day.

(c) Each Prime Rate Loan shall bear interest for each day on which it is outstanding at a rate per annum equal to the Prime Rate for such day.

(d) Each Canadian Base Rate Loan shall bear interest for each day on which it is outstanding at a rate per annum equal to the Canadian Base Rate for such day.

(e) Each Multicurrency Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurocurrency Rate determined for such Interest Period plus the Applicable Margin in effect for such day.

(f) If all or a portion of (i) the principal amount of any Loan, (ii) any interest payable thereon or (iii) any fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this subsection plus 2%.

(g) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (f) of this subsection shall be payable from time to time on demand.

73

66

(h) Each Money Market Rate Swing Line Loan shall bear interest during the interest period applicable thereto at a rate per annum equal to the applicable Money Market Rate; provided, that any Money Market Rate Swing Line Loan in which Lenders purchase participating interests pursuant to subsection 3.5(a) shall, from and after the date of such purchase, bear interest until the end of the interest period applicable thereto at a rate per annum equal to the ABR.

10.2 Conversion and Continuation Options. (a) The U.S. Borrower may elect from time to time to convert outstanding Eurodollar Loans (in whole or in part) to ABR Loans by giving the General Administrative Agent at least one Business Day's prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto unless the U.S. Borrower shall agree to pay the costs associated therewith as set forth in subsection 10.11(d). The U.S. Borrower may elect from time to time to convert outstanding ABR Loans made to it (other than Swing Line Loans) (in whole or in part) to Eurodollar Loans by giving the General Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the General Administrative Agent shall promptly notify each U.S. Lender thereof. All or any part of outstanding Eurodollar Loans and ABR Loans may be converted as provided herein, provided that (i) no ABR Loan may be converted into a Eurodollar Loan when any Default or Event of Default has occurred and is continuing and the General Administrative Agent or the Majority U.S. Lenders have determined that such conversion is not appropriate, (ii) any such conversion may only be made if, after giving effect thereto, subsection 10.3 shall not have been violated, (iii) no ABR Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Revolving Credit Termination Date and (iv) Swing Line Loans may not be converted to Eurodollar Loans.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the U.S. Borrower giving notice to the General Administrative Agent of the length of the next Interest Period to be applicable to such Loans determined in accordance with the applicable provisions of the term "Interest Period" set forth in subsection 1.1, provided that no Eurodollar Loan may be continued as such (i) when any Default or Event of Default has occurred and is continuing and the General Administrative Agent or the Majority U.S. Lenders have determined that such continuation is not appropriate, (ii) if, after giving effect thereto, subsection 10.3 would be contravened or (iii) after the date that is one month prior to the Revolving Credit Termination Date, and provided, further, that if the U.S. Borrower shall fail to give such notice or if such continuation is not permitted pursuant to the preceding proviso such Eurodollar Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period.

(c) Any Multicurrency Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the U.S. Borrower or the relevant Foreign Subsidiary Borrower giving a Notice of Multicurrency Loan Continuation, provided, that if the relevant Foreign Subsidiary Borrower shall fail to give such Notice of Multicurrency Loan

74

67

Continuation, such Multicurrency Loans shall automatically be continued for an Interest Period of one month.

10.3 Minimum Amounts of Tranches. (a) All borrowings, conversions and continuations of U.S. Revolving Credit Loans and Multicurrency Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, (i) the aggregate principal amount of the Eurodollar Loans comprising each Tranche shall be equal to \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof, (ii) the aggregate principal amount of the Multicurrency Loans comprising each Tranche shall be in an amount of which the U.S. Dollar Equivalent is at least \$2,500,000 (determined at the time of borrowing or continuation) and (iii) there shall not be more than 25 Tranches at any one time outstanding.

(b) All Acceptances created hereunder, all conversions and continuations thereof and all selections of maturity dates with respect thereto shall be made pursuant to such elections so that, after giving effect thereto, there shall be no more than 10 Acceptance Tranches at any one time outstanding.

10.4 Optional and Mandatory Prepayments. (a) The U.S. Borrower may at any time and from time to time prepay U.S. Revolving Credit Loans and/or Swing Line Loans (other than Money Market Rate Swing Line Loans), in whole or in part without premium or penalty upon at least three Business Days' irrevocable notice to the General Administrative Agent (in the case of Eurodollar Loans) and at least one Business Day's irrevocable notice to the General Administrative Agent (in the case of U.S. Revolving Credit Loans that are ABR Loans) specifying the date and amount of prepayment and whether the prepayment of U.S. Revolving Credit Loans is of Eurodollar Loans, ABR Loans or a combination thereof, and, if a combination thereof, the amount allocable to each. Upon the receipt of any such notice the General Administrative Agent shall promptly notify each U.S. Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein. Partial prepayments of the U.S. Revolving Credit Loans shall be in an aggregate principal amount of \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof (or in such lower amount as may be then outstanding). Partial prepayments of the Swing Line Loans shall be in aggregate principal amount of \$100,000 or a whole multiple of \$100,000 in excess thereof (or in such lower amount as may be then outstanding).

(b) The Canadian Borrower may at any time and from time to time prepay, without premium or penalty, the Canadian Revolving Credit Loans, in whole or in part, upon at least one Business Day's irrevocable notice to the Canadian Administrative Agent specifying the date and amount of prepayment. Upon the receipt of any such notice, the Canadian Administrative Agent shall promptly notify each Canadian Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein. Partial prepayments of Canadian Revolving Credit Loans shall be in an aggregate principal amount of C\$5,000,000 or a whole multiple of C\$1,000,000 in excess thereof (in the case of Canadian Revolving Credit Loans denominated in Canadian Dollars), U.S.\$5,000,000 or a whole multiple of US\$1,000,000 in excess thereof (in the case of Canadian Revolving Credit Loans

75

68

denominated in U.S. Dollars, (or in such lower amount as may be then outstanding for either denomination).

(c) The U.S. Borrower and Foreign Subsidiary Borrowers may at any time and from time to time prepay, without premium or penalty, the Multicurrency Loans, in whole or in part, upon at least three Business Days' irrevocable notice to the General Administrative Agent specifying the date and amount of prepayment. Upon the receipt of any such notice, the General Administrative Agent shall promptly notify each Multicurrency Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein. Partial prepayments of Multicurrency Loans shall be in an aggregate principal amount of which the U.S. Dollar Equivalent is at least \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof.

(d) If, at any time during the Revolving Credit Commitment

Period, for any reason the Aggregate Total Outstandings of all Lenders exceed the Aggregate U.S. Revolving Credit Commitments then in effect by more than 5%, or the Aggregate Committed Outstandings of any Lender exceeds the Revolving Credit Commitment of such Lender then in effect by more than 5%, (i) the U.S. Borrower shall, upon learning thereof or upon the request of the General Administrative Agent, immediately prepay the Swing Line Loans and the U.S. Revolving Credit Loans and/or (ii) the Canadian Borrower shall, upon learning thereof or upon the request of the General Administrative Agent, immediately prepay the Canadian Revolving Credit Loans and/or (iii) the Foreign Subsidiary Borrowers shall, upon learning thereof or upon the request of the General Administrative Agent, immediately prepay the Multicurrency Loans and/or (iv) the Alternate Currency Borrower shall, upon learning thereof or upon the request of the General Administrative Agent, immediately prepay Alternate Currency Loans, in an aggregate principal amount at least sufficient to reduce any such excess to 0%; provided, however, that nothing in this subsection shall be construed as requiring the Canadian Borrower to so prepay in amounts (i) that would be in violation of, and its obligations to so prepay are subject to, the restrictions on financial assistance set out in the Business Corporations Act (Ontario) or (ii) outstanding by way of Acceptances; and, provided, further, that the preceding proviso shall not be construed in any way as limiting or derogating from the obligations of the Borrowers (other than the Canadian Borrower) set out in this subsection.

(e) Each prepayment of Loans pursuant to this subsection 10.4 shall be accompanied by accrued and unpaid interest on the amount prepaid to the date of prepayment and any amounts payable under subsection 10.11 in connection with such prepayment.

(f) Notwithstanding the foregoing, mandatory prepayments of Revolving Credit Loans, Multicurrency Loans or Alternate Currency Loans that would otherwise be required pursuant to this subsection 10.4 solely as a result of fluctuations in Exchange Rates from time to time shall only be required to be made pursuant to this subsection 10.4 on the last Business Day of each month on the basis of the Exchange Rate in effect on such Business Day.

76

69

(g) The U.S. Borrower shall prepay all Swing Line Loans then outstanding (other than Money Market Rate Swing Line Loans) simultaneously with each borrowing of U.S. Revolving Credit Loans.

10.5 Facility Fees; Other Fees. (a) The U.S. Borrower agrees to pay to the General Administrative Agent for the account of each U.S. Lender, a facility fee for the period from and including the Closing Date to but excluding the Revolving Credit Termination Date (or such earlier date on which the Revolving Credit Commitments shall terminate as provided herein); each such facility fee shall be computed at the Facility Fee Rate on the amount of the U.S. Revolving Credit Commitment of such U.S. Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Credit Termination Date or such earlier date on which the U.S. Revolving Credit Commitments shall terminate as provided herein, commencing on the first such date to occur after the date hereof. Each U.S. Common Lender and its Counterpart Lender may elect, upon notice to the U.S. Borrowers and the Administrative Agents, to have all or a portion of the facility fees owed to such U.S. Common Lender by the U.S. Borrower paid by the Canadian Borrower in Canadian Dollars directly to the Canadian Administrative Agent for the account of such U.S. Common Lender's Counterpart Lender. Each U.S. Common Lender and its Counterpart Lender may make such election no more often than once in any year. If any such election is made, amounts otherwise due in U.S. Dollars in respect of facility fees shall be converted to Canadian Dollars at the then Exchange Rate on the date which is one Business Day prior to the date such amount is due.

(b) The U.S. Borrower shall pay (without duplication of any other fee payable under this subsection 10.5) to Chase and CSI, for their respective accounts, all fees separately agreed to by the U.S. Borrower and Chase or CSI, as the case may be.

(c) The Canadian Borrower shall (without duplication of any other fee payable under this subsection 10.5) pay to the Canadian Administrative Agent all fees separately agreed to by the Canadian Borrower and the Canadian Administrative Agent.

(d) The U.S. Borrower shall (without duplication of any other fee payable under this subsection 10.5) pay to the General Administrative Agent all fees separately agreed to by the U.S. Borrower and the General Administrative Agent.

(e) In lieu of any letter of credit commissions and fees provided for in any Letter of Credit Application (other than any standard issuance, amendment and negotiation fees), the U.S. Borrower will pay the General Administrative Agent, (i) for the account of the Issuing Lender, a non-refundable fronting fee equal to 0.125% per annum and (ii) for the account of the U.S. Lenders, a non-refundable Letter of Credit fee equal to the Applicable Margin less 0.125%, in each case on the amount available to be drawn under such Letter of Credit. Such fee shall be payable quarterly in arrears on the last Business Day of each calendar quarter, and shall be calculated on the average daily amount available to be drawn under the Letters of Credit.

77

70

(f) The U.S. Borrower agrees to pay the Issuing Lender for its own account its customary administration, amendment, transfer and negotiation fees charged by the Issuing Lender in connection with its issuance and administration of Letters of Credit.

10.6 Computation of Interest and Fees. (a) Interest based on the Eurodollar Rate, the Eurocurrency Rate, the Money Market Rate or the Alternate Base Rate when it is based upon the Federal Funds Effective Rate shall be calculated on the basis of a 360-day year for the actual days elapsed; and facility fees and interest (other than interest based upon the Eurodollar Rate, the Eurocurrency Rate, the Money Market Rate or the Alternative Base Rate when it is based upon the Federal Funds Effective Rate) shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The General Administrative Agent shall as soon as practicable notify the U.S. Borrower and the U.S. Lenders of each determination of a Eurodollar Rate or Eurocurrency Rate. Any change in the interest rate on a Loan resulting from a change in the Alternate Base Rate or a change in the Prime Rate shall become effective as of the opening of business on the day on which such change becomes effective. The General Administrative Agent shall as soon as practicable notify the U.S. Borrower and the Lenders of the effective date and the amount of each such change in the Alternate Base Rate, and the Canadian Administrative Agent shall as soon as practicable notify the U.S. Borrower and Canadian Borrower and the Canadian Lenders of each such change in the Prime Rate and the Canadian Base Rate; provided that a failure by the General Administrative Agent or the Canadian Administrative Agent to notify the U.S. Borrower or the Canadian Borrower of such respective rate changes does not affect the obligation of the U.S. Borrower or the Canadian Borrower to pay interest at the applicable rate as changed. For purposes of the Interest Act (Canada), whenever any interest under this Agreement is calculated based on a period which is less than a year (the "Lesser Period"), the interest rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (i) the applicable rate based on such Lesser Period, (ii) multiplied by the actual number of days in the calendar year in which the period for which such interest is payable ends, and (iii) divided by the number of days in such Lesser Period. The rates of interest specified in this Agreement are nominal rates and all interest payments and computations are to be made without allowance or deduction for deemed reinvestment of interest.

(b) Each determination of an interest rate by the General Administrative Agent or the Canadian Administrative Agent, as the case may be, pursuant to any provision of this Agreement shall be conclusive and binding on the Borrowers and the Lenders in the absence of manifest error. Each Administrative Agent shall, at the request of a Borrower, deliver to such Borrower a statement showing in reasonable detail the calculations used by such Administrative Agent in determining any interest rate pursuant to subsection 10.1(a).

(c) (i) If any U.S. Reference Lender shall for any reason no longer have a U.S. Revolving Credit Commitment or any U.S. Revolving Credit Loans, such U.S. Reference Lender shall thereupon cease to be a U.S. Reference Lender, and if, as a result, there shall only be one U.S. Reference Lender remaining, the General Administrative Agent, with the consent of the U.S. Borrower (after consultation with U.S. Lenders) shall, by notice to the U.S.

Borrower and the U.S. Lenders, designate another U.S. Lender as a U.S. Reference Lender so that there shall at all times be at least two U.S. Reference Lenders.

78

71

(ii) If any Canadian Reference Lender shall for any reason no longer have a Canadian Revolving Credit Commitment or any Canadian Revolving Credit Loans, such Canadian Reference Lender shall thereupon cease to be a Canadian Reference Lender, and if, as a result, there shall only be one Schedule I Canadian Reference Lender or Schedule II Canadian Reference Lender (as the case may be) remaining, the Canadian Administrative Agent, with the consent of the Canadian Borrower (after consultation with the Schedule I Canadian Lenders or the Schedule II Canadian Lenders, as applicable) shall, by notice to the Canadian Borrower and the Canadian Lenders, designate another Schedule I Canadian Lender or Schedule II Canadian Lender, as applicable, as a Schedule I Canadian Reference Lender or a Schedule II Canadian Reference Lender, as applicable, so that there shall at all times be at least two Schedule I Canadian Reference Lenders and two Schedule II Canadian Reference Lenders.

(d) Each U.S. and Canadian Reference Lender shall use its best efforts to furnish quotations of rates to the applicable Administrative Agent as contemplated hereby. If any of the U.S. or Canadian Reference Lenders shall be unable or shall otherwise fail to supply such rates to the applicable Administrative Agent upon its request, the rate of interest shall, subject to the provisions of subsection 10.7, be determined on the basis of the quotations of the remaining U.S. or Canadian Reference Lenders or Reference Lender, as applicable.

10.7 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the General Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrowers) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate or the Eurocurrency Rate, as the case may be, for such Interest Period, or

(b) the General Administrative Agent has received notice from the Majority U.S. Lenders that the Eurodollar Rate or Eurocurrency Rate, as the case may be, determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such U.S. Lenders of making or maintaining their Eurodollar Loans or Multicurrency Loans, as the case may be, during such Interest Period,

the General Administrative Agent shall give telecopy or telephonic notice thereof to the U.S. Borrower and the U.S. Lenders as soon as practicable thereafter. Until such time as the Eurodollar Rate or the Eurocurrency Rate, as the case may be, can be determined by the General Administrative Agent in the manner specified in the definitions of such terms in subsection 1.1, no further Eurodollar Loans or Multicurrency Loans (with respect to the Available Currency for which the Eurocurrency Rate cannot be determined only) shall be continued as such at the end of the then current Interest Periods or (other than any Eurodollar Loans or Multicurrency Loans previously requested and with respect to which the Eurodollar Rate or Eurocurrency Rate, as the case may be, was determined) shall be made, nor shall the U.S. Borrower have the right to convert ABR Loans into Eurodollar Loans.

79

72

10.8 Pro Rata Treatment and Payments. (a) (i) Except as provided in subsection 2.5, each borrowing of U.S. Revolving Credit Loans by the U.S. Borrower from the U.S. Lenders hereunder shall be made pro rata according to the Funding Commitment Percentages of the U.S. Lenders in effect on the date of such borrowing. Each payment by the U.S. Borrower on account of any facility fee hereunder shall be allocated by the General Administrative Agent among the U.S. Lenders in accordance with the respective amounts which such U.S. Lenders are entitled to receive pursuant to subsection 10.5(a). Any reduction of the U.S. Revolving Credit Commitments of the U.S. Lenders shall be allocated by the



General Administrative Agent among the U.S. Lenders pro rata according to the U.S. Revolving Credit Commitment Percentages of the U.S. Lenders. Except as provided in subsection 2.5 or subsection 10.4(d), each payment (other than any optional prepayment) by the U.S. Borrower on account of principal of or interest on the U.S. Revolving Credit Loans or the CAF Advances shall be allocated by the General Administrative Agent pro rata according to the respective principal amounts thereof then due and owing to each U.S. Lender. Each optional prepayment by the U.S. Borrower on account of principal of or interest on the U.S. Revolving Credit Loans shall be allocated by the General Administrative Agent pro rata according to the respective outstanding principal amounts thereof. All payments (including prepayments) to be made by the U.S. Borrower hereunder (other than with respect to Multicurrency Loans), whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the General Administrative Agent, for the account of the U.S. Lenders, at the General Administrative Agent's office specified in subsection 18.2, in Dollars and in immediately available funds. The General Administrative Agent shall distribute such payments to the U.S. Lenders entitled to receive the same promptly upon receipt in like funds as received.

(ii) Each borrowing of Canadian Revolving Credit Loans by the Canadian Borrower from the Canadian Lenders hereunder shall be made, and any reduction of the Canadian Revolving Credit Commitments of the Canadian Lenders shall be allocated by the Canadian Administrative Agent, pro rata according to the Canadian Revolving Credit Commitment Percentages of the Canadian Lenders. Except as provided in subsection 10.4(d), each payment (other than any optional prepayment) by the Canadian Borrower on account of principal of or interest on the Canadian Revolving Credit Loans shall be allocated by the Canadian Administrative Agent pro rata according to the respective principal amounts of the Canadian Revolving Credit Loans then due and owing to each Canadian Lender. Each optional prepayment by the Canadian Borrower on account of principal of or interest on the Canadian Revolving Credit Loans shall be allocated by the Canadian Administrative Agent pro rata according to the respective outstanding principal amounts thereof. All payments (including prepayments) to be made by the Canadian Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made prior to 12:00 Noon, Toronto time, on the due date thereof to the Canadian Administrative Agent, for the account of the Canadian Lenders, at the Canadian Administrative Agent's office specified in subsection 18.2, in Canadian Dollars and in immediately available funds. The Canadian Administrative Agent shall distribute such payments to the Canadian Lenders entitled to receive the same promptly upon receipt in like funds as received.

80

73

(iii) Each borrowing of Multicurrency Loans by the U.S. Borrower or any Foreign Subsidiary Borrower shall be made, and any reduction of the Multicurrency Commitments shall be allocated by the General Administrative Agent, pro rata according to the Multicurrency Commitment Percentages of the Multicurrency Lenders. Except as provided in subsection 10.4(d), each payment (including each prepayment) by the U.S. Borrower or a Foreign Subsidiary Borrower on account of principal of and interest on Multicurrency Loans shall be allocated by the General Administrative Agent pro rata according to the respective principal amounts of the Multicurrency Loans then due and owing by such Foreign Subsidiary Borrower to each Multicurrency Lender. All payments (including prepayments) to be made by a Borrower hereunder in respect of Multicurrency Loans, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made at or before the payment time for the currency of such Multicurrency Loan set forth in the Administrative Schedule, on the due date thereof to the General Administrative Agent, for the account of the Multicurrency Lenders, at the payment office for the currency of such Multicurrency Loan set forth in the Administrative Schedule, in the currency of such Multicurrency Loan and in immediately available funds. The General Administrative Agent shall distribute such payments to the Multicurrency Lenders entitled to receive the same promptly upon receipt in like funds as received.

(iv) If any payment hereunder (other than payments on the Eurodollar Loans, the Multicurrency Loans and the Acceptances) becomes due and payable on a day other than a Business Day, the maturity of such payment shall

be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a Eurodollar Loan or a Multicurrency Loan becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day (and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension) unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. Acceptances may only mature on a Business Day.

(b) A payment in euro shall be deemed to have been made by the General Administrative Agent on the date on which it is required to be made under this Agreement if the General Administrative Agent has, on or before that date, taken all relevant steps to make that payment. With respect to the payment of any amount denominated in euro, the General Administrative Agent shall not be liable to any Borrower or any of the Lenders in any way whatsoever for any delay, or the consequences of any delay, in the crediting to any account of any amount required by this Agreement to be paid by the General Administrative Agent if the General Administrative Agent shall have taken all relevant steps to achieve, on the date required by this Agreement, the payment of such amount in immediately available, freely transferable, cleared funds in the euro unit to the account with the bank in the principal financial center in the Participating Member State which the relevant Borrower or, as the case may be, any Lender shall have specified for such purpose. In this paragraph (b), "all relevant steps" means all such steps as may be prescribed from time to time by the regulations or operating procedures of such clearing

81

74

or settlement system as the General Administrative Agent may from time to time determine for the purpose of clearing or settling payments of euro.

(c) Unless the applicable Administrative Agent shall have been notified in writing by any Lender prior to a Borrowing Date that such Lender will not make the amount that would constitute its share of such borrowing available to such Administrative Agent, such Administrative Agent may assume that such Lender is making such amount available to such Administrative Agent, and such Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. If such amount is not made available to such Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to such Administrative Agent, on demand, such amount with interest thereon at a rate per annum equal to (i) the daily average Federal Funds Effective Rate (in the case of a borrowing of U.S. Revolving Credit Loans or CAF Advances), (ii) the Canadian Administrative Agent's reasonable estimate of its average daily cost of funds (in the case of a borrowing of Canadian Revolving Credit Loans or Acceptances) and (iii) the General Administrative Agent's reasonable estimate of its average daily cost of funds (in the case of a borrowing of Multicurrency Loans), in each case for the period until such Lender makes such amount immediately available to such Administrative Agent. A certificate of such Administrative Agent submitted to any Lender with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to such Administrative Agent by such Lender within three Business Days of such Borrowing Date, the applicable Borrower shall repay such Lender's share of such borrowing (together with interest thereon from the date such amount was made available to such Borrower (i) at the rate per annum applicable to ABR Loans hereunder (in the case of amounts made available to the U.S. Borrower and amounts made available in U.S. Dollars to the Canadian Borrower), (ii) at the rate per annum applicable to Prime Rate Loans hereunder (in the case of amounts made available in Canadian Dollars to the Canadian Borrower) and (iii) the General Administrative Agent's reasonable estimate of its average daily cost of funds plus the Applicable Margin applicable to Multicurrency Loans (in the case of a borrowing of Multicurrency Loans)) to such Administrative Agent not later than three Business Days after receipt of written notice from such Administrative Agent specifying such Lender's share of such borrowing that was not made available to such Administrative Agent. Nothing contained in this subsection 10.8(b) shall prejudice any claims otherwise available to any Borrower against any Lender as a result of such Lender's failure to make its share of any borrowing available to an Administrative Agent for the account of a Borrower.

(d) Any amount payable by the General Administrative Agent to the Lenders under this Agreement in the currency of a Participating Member State shall be paid in the euro unit.

(e) If, in relation to the currency of any Subsequent Participant, the basis of accrual of interest or fees expressed in this Agreement with respect to such currency shall be inconsistent with any convention or practice in the London Interbank Market or, as the case may be, the Paris Interbank Market for the basis of accrual of interest or fees in respect of the euro, such convention or practice shall replace such expressed basis effective as of and from the date

82

75

on which such Subsequent Participant becomes a Participating Member State; provided, that if any Multicurrency Loan in the currency of such Subsequent Participant is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Multicurrency Loan, at the end of the then current Interest Period.

(f) Without prejudice and in addition to any method of conversion or rounding prescribed by the EMU legislation, each reference in this Agreement to a minimum amount (or an integral multiple thereof) in a national currency unit to be paid to or by the General Administrative Agent shall be replaced by a reference to such reasonably comparable and convenient amount (or an integral multiple thereof) in the euro unit as the General Administrative Agent may from time to time specify.

10.9 Illegality. (i) Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans or Multicurrency Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans or Multicurrency Loans, continue Eurodollar Loans or Multicurrency Loans as such and convert ABR Loans to Eurodollar Loans shall forthwith be cancelled until such time as it shall no longer be unlawful for such Lender to make or maintain the affected Loans, (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Eurodollar Loans or within such earlier period as may be required by law and (c) such Lender's Multicurrency Loans shall be prepaid on the last day of the then current Interest Period with respect thereto. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the U.S. Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to subsection 10.11.

(ii) Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Canadian Lender to create or maintain Acceptances as contemplated by this Agreement, (a) the commitment of such Canadian Lender hereunder to accept Drafts, purchase Acceptances, continue Acceptances as such and convert Canadian Revolving Credit Loans to Acceptances shall forthwith be cancelled until such time as it shall no longer be unlawful for such Canadian Lender to create or maintain Acceptances and (b) such Canadian Lender's then outstanding Acceptances, if any, shall be converted automatically to Prime Rate Loans on the respective maturities thereof or within such earlier period as may be permitted and required by law.

(iii) Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Canadian Lender to make or maintain Canadian Base Rate Loans, (a) the commitment of such Canadian Lender hereunder to make Canadian Base Rate Loans shall forthwith be cancelled until such time as it shall no longer be unlawful for such Canadian Lender to make or maintain Canadian Base Rate Loans and (b) such Canadian Lender's then outstanding Canadian Base Rate Loans, if any, shall be converted automatically to Canadian Dollars and Prime Rate Loans on the

respective maturities thereof or within such earlier period as may be permitted and required by law.

10.10 Requirements of Law. (a) In the event that any Requirement of Law (or any change therein or in the interpretation or application thereof) or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority:

(i) does or shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Note, any Acceptance created by it, any Letter of Credit issued or participated in by it or any Loans made by it, or change the basis of taxation of payments to such Lender of principal, fees, interest or any other amount payable hereunder (except for taxes covered by subsection 10.12 and changes in the rate of tax on the overall net income of such Lender);

(ii) does or shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender which are not otherwise included in the determination of the Eurodollar Rate or Eurocurrency Rate, including, without limitation, the imposition of any reserves with respect to Eurocurrency Liabilities under Regulation D of the Board; or

(iii) does or shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by any amount which such Lender deems to be material, of making, renewing or maintaining advances or extensions of credit or to reduce any amount receivable hereunder, in each case in respect of its Loans, its Acceptances or its Participating Interests, then, in any such case, the applicable Borrower shall promptly pay such Lender, upon receipt of its demand setting forth in reasonable detail, any additional amounts necessary to compensate such Lender for such additional cost or reduced amount receivable, such additional amounts together with interest on each such amount from the date two Business Days after the date demanded until payment in full thereof at the ABR. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by such Lender, through the General Administrative Agent, to the applicable Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and payment of all amounts outstanding hereunder.

(b) In the event that any Lender shall have determined that the adoption of any law, rule, regulation or guideline regarding capital adequacy (or any change therein or in the interpretation or application thereof) or compliance by any Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any central bank or Governmental Authority, including, without limitation, the issuance of any final rule, regulation or guideline, does or shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations

hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the U.S. Borrower (with a copy to the General Administrative Agent) of a written request therefor, the U.S. Borrower shall promptly pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

(c) If the obligation of any Lender to make Eurodollar Loans or Multicurrency Loans has been suspended pursuant to subsection 10.7 or 10.9 for more than three consecutive months or any Lender has demanded compensation under subsection 10.10(a) or 10.10(b), the U.S. Borrower shall have the right to substitute a financial institution or financial institutions (which may be one or more of the Lenders) reasonably satisfactory to the General Administrative Agent by causing such financial institution or financial institutions to purchase the rights (by paying to such Lender the principal amount of its outstanding Loans together with accrued interest thereon and all other amounts accrued for its account or owed to it hereunder and executing an Assignment and Acceptance) and to assume the obligations of such Lender under the Loan Documents. Upon such purchase and assumption by such substituted financial institution or financial institutions, the obligations of such Lender hereunder shall be discharged; provided such Lender shall retain its rights hereunder with respect to periods prior to such substitution including, without limitation, its rights to compensation under this subsection 10.10.

10.11 Indemnity. Each Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of (a) default by such Borrower in payment when due of the principal amount of or interest on any Loans of such Lender, (b) default by such Borrower in making a borrowing or conversion after the Borrower has given a notice of borrowing or a notice of conversion in accordance with this Agreement, (c) default by such Borrower in making any prepayment after such Borrower has given a notice in accordance with this Agreement, (d) the making of a prepayment of a Eurodollar Loan or Multicurrency Loan on a day which is not the last day of an Interest Period with respect thereto or the making by the U.S. Borrower of a prepayment of Money Market Rate Swing Line Loans on a day which is not the last day of the interest period with respect thereto, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it or from fees payable to terminate the deposits from which such funds were obtained, or (e) the prepayment of an Acceptance or an Acceptance Note on a day which is not the maturity date thereof, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it to maintain its Eurodollar Loans or Multicurrency Loans hereunder or from fees payable to terminate the deposits from which such funds were obtained. A certificate as to any such loss or expense submitted by such Lender shall be conclusive, absent manifest error. This covenant shall survive termination of this Agreement and payment of all amounts outstanding hereunder.

10.12 Taxes. (a) All payments made by any Borrower under this Agreement shall be made free and clear of, and without reduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions

or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority excluding, in the case of each Administrative Agent and each Lender, income or franchise taxes imposed on such Administrative Agent or such Lender by the jurisdiction under the laws of which such Administrative Agent or such Lender is organized or any political subdivision or taxing authority thereof or therein or by any jurisdiction in which such Lender's lending office is located or any political subdivision or taxing authority thereof or therein or as a result of a connection between such Lender and any jurisdiction other than a connection resulting solely from entering into this Agreement (all such non-excluded taxes, levies, imposts, deductions, charges or withholdings being hereinafter called "Taxes"). Subject to the provisions of subsection 10.12(d), if any Taxes are required to be withheld from any amounts payable by such Borrower to any Administrative Agent or any Lender hereunder or under the Notes, the amounts so payable to such Administrative Agent or such Lender shall be increased to the extent necessary to yield to such Administrative Agent or such Lender (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes. Whenever any Taxes are paid by any Borrower with respect to payments made in connection with this Agreement, as promptly as possible thereafter, such Borrower shall send to the applicable Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by such Borrower showing payment thereof. Subject to the provisions of

subsection 10.12(d), if any Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the applicable Administrative Agent the required receipts or other required documentary evidence, such Borrower shall indemnify such Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by such Administrative Agent or any Lenders as a result of any such failure.

(b) Each U.S. Lender that is not incorporated or organized under the laws of the United States of America or a state thereof agrees that, prior to the first date any payment is due to be made to it hereunder or under any Note, it will deliver to the U.S. Borrower and the General Administrative Agent (i) two valid, duly completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, certifying in each case that such Lender is entitled to receive payments by the U.S. Borrower under this Agreement and the Notes payable to it, without deduction or withholding of any United States federal income taxes, and (ii) a valid, duly completed Internal Revenue Service Form W-8 or W-9 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax. Each Lender which delivers to the U.S. Borrower and the General Administrative Agent a Form 1001 or 4224 and Form W-8 or W-9 pursuant to the next preceding sentence further undertakes to deliver to the U.S. Borrower and the General Administrative Agent two further copies of the said Form 1001 or 4224 and Form W-8 or W-9, or successor applicable forms, or other manner or certification, as the case may be, on or before the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding tax, or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the U.S. Borrower, and such extensions or renewals thereof as may reasonably be requested by the U.S. Borrower, certifying in the case of a Form 1001 or 4224 or successor applicable form that such Lender is entitled to receive payments by the U.S. Borrower under this Agreement without deduction or

86

79

withholding of any United States federal income taxes, unless any change in treaty, law or regulation or official interpretation thereof has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such letter or form with respect to it and such Lender advises the U.S. Borrower that it is not capable of receiving payments without any deduction or withholding of United States federal income tax, and in the case of a Form W-8 or W-9 or successor applicable form, establishing an exemption from United States backup withholding tax (it being agreed that final and temporary Treasury Regulations promulgated in T.O. 8734 shall not constitute a change in law, regardless of their effective date).

(c) Each Multicurrency Lender shall, upon request by a Foreign Subsidiary Borrower (or the U.S. Borrower on its behalf), within a reasonable period of time after such request, deliver to such Foreign Subsidiary Borrower or the applicable governmental or taxing authority, as the case may be, any form or certificate required in order that any payment by such Foreign Subsidiary Borrower under this Agreement or any Notes to such Lender may be made free and clear of, and without deduction or withholding for or on account of any Taxes (or to allow any such deduction or withholding to be at a reduced rate) imposed on such payment under the laws of the jurisdiction under which such Foreign Subsidiary Borrower is incorporated or organized, provided that such Lender is legally entitled to complete, execute and deliver such form or certificate and in such Lender's reasonable judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(d) Neither the U.S. Borrower nor any other Borrower shall be required to pay any additional amounts to any Administrative Agent or any Lender (or Transferee except to the extent such Transferee's transferor was entitled, at the time of transfer, to receive additional amounts from the U.S. Borrower) in respect of Taxes pursuant to subsection 10.12(a) if (i) the obligation to pay such additional amounts would not have arisen but for a failure by the General Administrative Agent or such Lender (or Transferee) to comply with the requirements of subsection 10.12(b) or (c) (or in the case of a Transferee, the requirements of subsection 18.6(h)).

(e) The Canadian Borrower shall not be requested to pay any additional amounts pursuant to this subsection 10.12 to any Canadian Lender in respect of any time after which such Canadian Lender has ceased to maintain its status as a resident of Canada for the purposes of the Tax Act.

(f) Each Lender agrees to use reasonable efforts (including reasonable efforts to change its lending office) to avoid or to minimize any amounts which might otherwise be payable pursuant to this subsection 10.12; provided, however, that such efforts shall not impose on such Lender any additional costs or legal or regulatory burdens deemed by such Lender in its reasonable judgment to be material.

(g) The agreements in subsection 10.12(a) shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder until the expiration of the applicable statute of limitations for such taxes.

87

80

#### 10.13 Assignment of Commitments Under Certain Circumstances.

(a) In the event that any Lender shall have delivered a notice or certificate pursuant to subsection 10.10 or any Borrower has been required to pay any Taxes in respect of any Lender pursuant to subsection 10.12, the U.S. Borrower shall have the right, at its own expense, upon notice to such Lender and the General Administrative Agent, to require such Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in subsection 18.6) all its interests, rights and obligations under this Agreement to another bank or financial institution identified by the U.S. Borrower and reasonably acceptable to the General Administrative Agent (subject to the restrictions contained in subsection 18.6) which shall assume such obligations; provided that (i) no such assignment shall conflict with any law, rule or regulation or order of any Governmental Authority and (ii) the Borrower or the assignee, as the case may be, shall pay to the transferor Lender in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder, including, without limitation, amounts payable pursuant to subsection 10.10 and any amounts that would be payable under Subsection 10.11 if such amount were a prepayment made in the amount and on the date of such assignment.

(b) In the event that any Multicurrency Lender (including a Transferee) does not, for any reason, deliver all forms and certificates required to permit all payments by all Foreign Subsidiary Borrowers hereunder to be made free and clear of, and without deduction or withholding for or on account of, any Taxes, the U.S. Borrower may, so long as no Event of Default has occurred and is continuing, require such Multicurrency Lender, upon five Business Days' prior written notice from the U.S. Borrower, to assign the entire then outstanding principal amount of the Multicurrency Loans owing to such Multicurrency Lender and the entire Multicurrency Commitment of such Multicurrency Lender to one or more Lenders selected by the U.S. Borrower which, after giving effect to such assignment, will have a U.S. Revolving Credit Commitment in excess of its Multicurrency Commitment. In the case of any such assignment to another Lender, such assignee Lender shall assign to such assignor Multicurrency Lender a principal amount of outstanding U.S. Revolving Credit Loans owing to such assignee Lender equal to the lesser of (i) the U.S. Dollar Equivalent of the amount of Multicurrency Loans assigned to such assignee Lender and (ii) the aggregate outstanding principal amount of U.S. Revolving Credit Loans owing to such assignee Lender. Any such assignments pursuant to the two precedent sentences shall be effected in accordance with subsection 18.6(c) and, as a condition to such assignment, simultaneously with such assignment, the U.S. Borrower shall pay or cause to be paid all amounts due to the assignor Multicurrency Lender and the assignee Lender hereunder on the effective date of such assignments.

10.14 Use of Proceeds. The proceeds of the Loans shall be used for general corporate purposes of the U.S. Borrower and its Subsidiaries, including acquisitions permitted hereunder.

88

81

## SECTION 11. REPRESENTATIONS AND WARRANTIES

To induce the Lenders to enter into this Agreement and to make the Loans, and to induce the Issuing Lender to issue Letters of Credit, each Borrower hereby represents and warrants to each Administrative Agent and to each Lender that:

11.1 Financial Statements. The audited consolidated balance sheets of the U.S. Borrower as of December 31, 1998 and the related statements of income and cash flow for the fiscal year ending on such date, heretofore furnished to the General Administrative Agent and the Lenders and certified by a Responsible Officer of the U.S. Borrower are complete and correct in all material respects and fairly present the financial condition of the U.S. Borrower on such date in conformity with GAAP applied on a consistent basis (subject to normal year-end adjustments). All liabilities, direct and contingent, of the U.S. Borrower on such date required to be disclosed pursuant to GAAP are disclosed in such financial statements.

11.2 No Change. There has been no material adverse change in the business, operations, assets or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole from that reflected on the financial statements dated December 31, 1998 referred to in subsection 11.1.

11.3 Corporate Existence; Compliance with Law. The U.S. Borrower and each of its Material Subsidiaries (a) is duly organized, validly existing and in good standing (or the functional equivalent thereof in the case of Foreign Subsidiaries) under the laws of the jurisdiction of its organization, (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing (or the functional equivalent thereof in the case of Foreign Subsidiaries) under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except where the failure to be so qualified and in good standing would not, individually or in the aggregate, have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole and would not adversely affect the ability of any Loan Party to perform its respective obligations under the Loan Documents to which it is a party and (d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, assets or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole and would not reasonably be expected to adversely affect the ability of any Loan Party to perform its obligations under the Loan Documents to which it is a party.

11.4 Corporate Power; Authorization; Enforceable Obligations. (a) Each Loan Party has the corporate power and authority, and the legal right, to execute, deliver and perform each of the Loan Documents to which it is a party or to which this Agreement requires it to become a party. The U.S. Borrower has the corporate power and authority to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and

conditions of this Agreement and the U.S. Revolving Credit Notes. The Canadian Borrower has the corporate power and authority to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions of this Agreement and the Canadian Revolving Credit Notes. Each Loan Party has taken all necessary corporate action to authorize the execution, delivery and performance of each of the Loan Documents to which it is a party or to which this Agreement requires it to become a party.

(b) No consent or authorization of, filing with or other act by or in respect of any Person (including, without limitation, any Governmental Authority) is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents or the consummation of any of the transactions contemplated hereby or



thereby, except for consents, authorizations, or filings which have been obtained and are in full force and effect.

(c) This Agreement and each other Loan Document to which any Loan Party is a party has been, and each other Loan Document to be executed by a Loan Party hereunder will be, duly executed and delivered on behalf of such Loan Party. This Agreement and each other Loan Document to which any Loan Party is a party constitutes, and each other Loan Document to be executed by a Loan Party hereunder will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

11.5 No Legal Bar; Senior Debt. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party, the borrowings hereunder and the use of the proceeds thereof, (a) will not violate any Requirement of Law or any Contractual Obligation of the U.S. Borrower or any other Loan Party (including, without limitation, the 9 1/2% Subordinated Note Indenture and the Subordinated Note Indenture) except for violations of Requirements of Law and Contractual Obligations (other than such Indentures) which, individually or in the aggregate will not have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole and will not adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party and (b) will not result in, or require, the creation or imposition of any Lien (other than the Liens created by the Security Documents) on any of its or their respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation. The Obligations of the U.S. Borrower constitute "Senior Indebtedness" benefitting from the subordination provisions contained in the Subordinated Debt, except to the extent that such Obligations are owed to an Affiliate of the U.S. Borrower.

11.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the U.S. Borrower, overtly threatened by or against the U.S. Borrower or any of its Subsidiaries or against any of its or their respective properties or revenues (a) with respect to any Loan Document or any of the transactions contemplated hereby or thereby, (b) which would reasonably be expected to

90

83

have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole or (c) which would be reasonably expected to adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party.

11.7 No Default. Neither the U.S. Borrower nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation or any order, award or decree of any Governmental Authority or arbitrator binding upon it or any of its properties in any respect which would have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole or which would adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party. No Default or Event of Default has occurred and is continuing.

11.8 Ownership of Property; Liens. The U.S. Borrower and each of its Material Subsidiaries has good record and marketable title in fee simple to, or a valid and subsisting leasehold interest in all its material real property, and good title to all its other property, and none of such property is subject to any Lien, except as permitted in subsection 14.3 and except, in each case, where any failure to have good title or a valid and subsisting leasehold interest or the existence of any Lien would not reasonably be expected to have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole.

11.9 Taxes. (a) The U.S. Borrower and each of its Material

Subsidiaries has filed or caused to be filed all tax returns which to the knowledge of the U.S. Borrower are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than those which, in the aggregate, are not substantial in amount or those the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the U.S. Borrower or its Subsidiaries, as the case may be and except insofar as the failure to make such filings or payments would not reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole); and (b) no tax lien (other than a Lien permitted in subsection 14.3) has been filed and, to the knowledge of the U.S. Borrower, no claim is being asserted with respect to any such tax, fee or other charge.

11.10 Securities Law, etc. Compliance. All transactions contemplated by this Agreement and the other Loan Documents comply in all material respects with all applicable laws and any rules and regulations thereunder, including takeover, disclosure and other federal, state and foreign securities law and Regulations T, U and X of the Federal Reserve Board.

11.11 ERISA. As to each Plan other than a Multiemployer Plan, neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has

91

84

complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred and no Lien under the Code or ERISA in favor of PBGC or a Single Employer Plan has arisen during the five-year period prior to the date as of which this representation is deemed made. The present value of all accrued benefits under each Single Employer Plan maintained by the U.S. Borrower or any Commonly Controlled Entity (based on those assumptions used to fund the Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits, either individually or in the aggregate with all other Single Employer Plans under which such accrued benefits exceed such assets, by more than \$125,000,000. Neither the U.S. Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan during the five year period prior to the date as of which this representation is made or deemed made, and neither the U.S. Borrower nor any Commonly Controlled Entity would become subject to liability under ERISA in the aggregate which exceeds \$145,000,000 if the U.S. Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date hereof, and no such withdrawal is likely to occur. No such Multiemployer Plan is in Reorganization or Insolvent. The present value (determined using actuarial and other assumptions which are reasonable in respect of the benefits provided and the employees participating) of the liability of the U.S. Borrower and each Commonly Controlled Entity for post retirement benefits to be provided to their current and former employees under Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits by an amount in excess of \$145,000,000.

11.12 Investment Company Act; Other Regulations. The U.S. Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The U.S. Borrower is not subject to regulation under any federal or state statute or regulation which limits its ability to incur Indebtedness.

11.13 Subsidiaries, etc. The Subsidiaries of the U.S. Borrower as of the Closing Date are those listed on Schedule VI. The U.S. Borrower owns, as of the Closing Date, the percentage of the issued and outstanding capital stock or other evidences of the ownership of each Subsidiary listed on Schedule VI as set forth on such Schedule. Except as disclosed on Schedule VI, no such Subsidiary has issued any securities convertible into shares of its capital stock (or other evidence of ownership) or any options, warrants or other rights,

to acquire such shares or securities convertible into such shares (or other evidence of ownership), and the outstanding stock and securities (or other evidence of ownership) of such Subsidiaries are owned by the U.S. Borrower and its Subsidiaries free and clear of all Liens, warrants, options or rights of others of any kind whatsoever except for Liens permitted by subsection 14.3.

11.14 Accuracy and Completeness of Information. All information, reports and other papers and data with respect to the U.S. Borrower or this Agreement or any transaction contemplated hereby furnished to the Lenders by the U.S. Borrower or on behalf of the U.S. Borrower, were, at the time the same were so furnished, complete and correct in all material respects, or have been subsequently supplemented by other information, reports or other papers

92

85

or data, to the extent necessary to give the Lenders a true and accurate knowledge of the subject matter in all material respects. All projections with respect to the U.S. Borrower and its Subsidiaries, so furnished by the U.S. Borrower, as supplemented, were prepared and presented in good faith by the U.S. Borrower, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ materially from the projected results. No document furnished or statement made in writing to the Lenders by the U.S. Borrower in connection with the negotiation, preparation or execution of this Agreement contains any untrue statement of a material fact, or, to the knowledge of the U.S. Borrower after due inquiry, omits to state any such material fact necessary in order to make the statements contained therein not misleading, in either case which has not been corrected, supplemented or remedied by subsequent documents furnished or statements made in writing to the Lenders.

11.15 Security Documents. Each Pledge Agreement is effective to create in favor of the General Administrative Agent, for the ratable benefit of the Lenders, a legal, valid and enforceable security interest in the pledged assets described therein. Each Pledge Agreement constitutes a fully perfected first Lien on, and security interest in, all right, title and interest of the Loan Party thereto in the pledged assets described therein.

11.16 Patents, Copyrights, Permits and Trademarks. Each of the U.S. Borrower and its Subsidiaries owns, or has a valid license or sub-license in, all domestic and foreign letters patent, patents, patent applications, patent and know-how licenses, inventions, technology, permits, trademark registrations and applications, trademarks, trade names, trade secrets, service marks, copyrights, product designs, applications, formulae, processes and the industrial property rights ("Proprietary Rights") used in the operation of its businesses in the manner in which they are currently being conducted and which are material to the business, operations, assets or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole. Neither the U.S. Borrower nor any of its Subsidiaries is aware of any existing or threatened infringement or misappropriation of any Proprietary Rights of others by the U.S. Borrower or any of its Subsidiaries or of any Proprietary Rights of the U.S. Borrower or any of its Subsidiaries by others which is material to the business operations, assets or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole.

11.17 Environmental Matters. Except as disclosed in Schedule VII, and other than such exceptions to any of the following that would not reasonably be expected to give rise to a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole:

(a) To the best knowledge of the U.S. Borrower and its Subsidiaries, after reasonable investigation, the Properties do not contain, and have not previously contained, any Hazardous Materials in amounts or concentrations or under such conditions which (A) constitute a violation of, or (B) could reasonably give rise to any liability under any applicable Environmental Laws.

(b) To the best knowledge of the U.S. Borrower and its Subsidiaries, after reasonable investigation, the Properties and all operations at the Properties are in compliance, and have been in compliance for the time period that each of the Properties has been owned by the U.S. Borrower or its Subsidiaries, with all Environmental Laws, and there is no contamination at, on or under the Properties, or violation of any Environmental Laws with respect to the Properties which could interfere with the continued operation of the Properties or impair the fair saleable value thereof. Neither the U.S. Borrower nor any Subsidiary has knowingly assumed any liability, by contract or otherwise, of any person under any Environmental Laws.

(c) Neither the U.S. Borrower nor any of its Subsidiaries has received any Environmental Complaint with regard to any of the Properties or the operations of the U.S. Borrower or any of its Subsidiaries, nor does the U.S. Borrower or any of its Subsidiaries have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) To the best knowledge of the U.S. Borrower and its Subsidiaries, based on the U.S. Borrower's and the Subsidiaries' customary practice of contracting only with licensed haulers for removal of Hazardous Materials from the Properties only to facilities authorized to receive such Hazardous Materials, Hazardous Materials have not been transported or disposed of from the Properties in violation of, or in a manner or to a location which could reasonably give rise to liability under, Environmental Laws, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could reasonably give rise to liability under any Environmental Laws.

(e) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of the U.S. Borrower and its Subsidiaries, threatened, under any Environmental Law to which the U.S. Borrower and its Subsidiaries are or will be named as a party with respect to the Properties, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties.

(f) To the best knowledge of the U.S. Borrower and its Subsidiaries after reasonable investigation, there has been no release or threat of release of Hazardous Materials at or from the Properties, or arising from or related to the operations of the U.S. Borrower or its Subsidiaries in connection with the Properties in violation of or in amounts or in a manner that could reasonably give rise to liability under any Environmental Laws.

11.18 Year 2000 Matters. Any reprogramming required to permit the proper functioning, in and following the year 2000, of (i) the U.S. Borrower's computer systems and (ii) equipment containing embedded microchips (including systems and equipment supplied by others or with which the U.S. Borrower's systems interface) and the testing of all such systems

and equipment, as so reprogrammed, are expected to be completed within such period of time as is required to avoid a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole as a result of the failure to complete such reprogramming. The cost to the U.S. Borrower of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to the U.S. Borrower (including, without limitation, reprogramming errors and the failure of others' systems or equipment) would not reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole.

SECTION 12. CONDITIONS PRECEDENT

12.1 Conditions to Closing Date. The Closing Date shall occur on the date of satisfaction of the following conditions precedent:

(a) Agreement. The General Administrative Agent shall have received counterparts of this Agreement, duly executed by a Responsible Officer of each Borrower and by each Agent and Lenders constituting the Majority Lenders (as defined in the Existing Credit Agreement).

(b) Subsidiary Guarantee. The General Administrative Agent shall have received the Subsidiary Guarantee duly executed by each guarantor party thereto.

(c) Domestic Pledge Agreement. The General Administrative Agent shall have received the Domestic Pledge Agreement listed on Schedule IV, duly executed by each pledgor party thereto.

(d) Pledged Stock; Stock Powers. The General Administrative Agent shall have received the certificates representing the shares pledged pursuant to the Domestic Pledge Agreement listed on Schedule IV, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(e) Perfection Actions. The General Administrative Agent shall have received evidence in form and substance satisfactory to it that all filings, recordings, registrations and other actions necessary or, in the opinion of the General Administrative Agent, desirable to perfect the Liens created by the Domestic Pledge Agreements shall have been completed.

(f) UT Automotive Acquisition. The UT Automotive Acquisition shall have been consummated in accordance with the UT Automotive Acquisition Agreement, and the Administrative Agent shall have received a certificate of a Responsible Officer to such effect.

95

88

(g) UT Automotive Financial Statements. The Lenders shall have received the audited financial statements of Lear Corporation Automotive Holdings (formerly known as UT Automotive, Inc.) for the fiscal year ended December 31, 1998.

(h) Consents. The General Administrative Agent shall have received, and made available to each Lender, true and correct copies (in each case certified as to authenticity on such date by a duly authorized officer of the U.S. Borrower) of all documents and instruments, including all consents, authorizations and filings, required under any Requirement of Law or by Contractual Obligation of the U.S. Borrower or any of its Subsidiaries, in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the other Loan Documents, and such consents, authorizations and filings shall be satisfactory in form and substance to the Lenders and be in full force and effect.

(i) Incumbency Certificates. The General Administrative Agent shall have received, with a copy for each Lender, a certificate of the Secretary or Assistant Secretary of each Domestic Loan Party and the Canadian Borrower, dated the Closing Date, as to the incumbency and signature of their respective officers executing each Loan Document to be entered into on the Closing Date to which it is a party, together with satisfactory evidence of the incumbency of such Secretary or Assistant Secretary.

(j) Corporate Proceedings. The General Administrative Agent shall have received, with a copy for each Lender, a copy of the resolutions in form and substance satisfactory to the General Administrative Agent, of the Board of Directors (or the executive committee thereof) of each Domestic Loan Party and the Canadian Borrower authorizing (i) the execution, delivery and performance of

each Loan Document to be entered into on the Closing Date to which it is a party, and (ii) the granting by it of the pledge and security interests, if any, granted by it pursuant to such Loan Document, certified by their respective Secretary or an Assistant Secretary as of the Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate.

(k) Fees. The General Administrative Agent shall have received all fees required to be paid to the General Administrative Agent and/or the Lenders pursuant to Section 10.5 and/or any other written agreement on or prior to the Closing Date.

(l) Legal Opinion of Counsel to U.S. Borrower. The General Administrative Agent shall have received, with a copy for each Lender, an opinion, dated the Closing Date, of Winston & Strawn, special counsel to the U.S. Borrower and its Subsidiaries and in substantially the form of Exhibit L and covering such other matters incident to the transactions contemplated hereby as the Lenders may reasonably require.

(m) Legal Opinion of Canadian Counsel. The General Administrative Agent shall have received, with a copy for each Lender, an opinion of Tory, Tory, Deslauriers & Binnington, Canadian counsel to the U.S. Borrower and the Canadian Borrower, in

96

89

substantially the form of Exhibit M and covering such other matters incident to the transactions contemplated hereby as the General Administrative Agent may reasonably require.

(n) Subordinated Debt Indentures. The General Administrative Agent shall have received, with a copy for each Lender, a certified true copy of the outstanding Subordinated Debt Indentures.

(o) Existing Credit Agreement. The General Administrative Agent shall have received evidence that all amounts payable to lenders under the Existing Credit Agreement shall have been paid (other than the principal amount of, and accrued interest on, loans outstanding thereunder owing to lenders thereunder, which loans shall become Loans hereunder on the Closing Date, and other than acceptances and acceptance notes created thereunder by lenders thereunder, which acceptances and acceptance notes shall become Acceptances and Acceptance Notes hereunder on the Closing Date).

(p) Closing Date under Other Credit Agreements. The Closing Date under (and as defined in) the Other Credit Agreements shall have occurred or shall occur simultaneously with the Closing Date hereunder.

12.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any Extension of Credit requested to be made by it on any date (including, without limitation, the Closing Date), is subject to the satisfaction of the following conditions precedent as of the date such Extension of Credit is requested to be made:

(a) Representations and Warranties. The representations and warranties made by each of the Loan Parties in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date (except that any representation or warranty which by its terms is made as of a specified date shall be true and correct in all material respects as of such specified date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Extension of Credit requested to be made on such date.

(c) Foreign Subsidiary Opinion. If such requested Extension of Credit is the initial Multicurrency Loan to be made to any Foreign Subsidiary Borrower that is not a party to the Existing Credit Agreement on the Closing Date, the General Administrative Agent shall

have received (with a copy for each Lender) a Foreign Subsidiary Opinion in respect of such Foreign Subsidiary Borrower.

(d) Usage of Revolving Credit Facility under New Revolving Credit Agreement. If such Extension of Credit is any U.S. Revolving Credit Loan to the U.S. Borrower, all commitments under the New Revolving Credit Agreement shall have been utilized in full, and such commitments shall not have been optionally reduced after the Closing Date.

97

90

Each Extension of Credit made to a Borrower hereunder shall constitute a representation and warranty by such Borrower as of the date of such Extension of Credit that the conditions contained in this subsection 12.2 have been satisfied.

#### SECTION 13. AFFIRMATIVE COVENANTS

The U.S. Borrower hereby agrees that, so long as the Commitments (or any of them) remain in effect, any Loan, Acceptance Reimbursement Obligation, Acceptance Note, Reimbursement Obligation or Subsidiary Reimbursement Obligation remains outstanding and unpaid or any other amount is owing to any Lender or either Administrative Agent hereunder or under any other Loan Document, the U.S. Borrower shall and shall cause each of its Subsidiaries to:

13.1 Financial Statements. Furnish to each Lender (or to the General Administrative Agent on behalf of such Lender):

(a) as soon as available, but in any event within 95 days after the end of each fiscal year of the U.S. Borrower, a copy of the audited consolidated balance sheet of the U.S. Borrower and its consolidated Subsidiaries as at the end of such year and the related consolidated statements of income and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing;

(b) as soon as available, but in any event not later than 50 days after the end of each of the first three quarterly periods of each fiscal year of the U.S. Borrower, the unaudited consolidated balance sheet of the U.S. Borrower and its consolidated Subsidiaries as at the end of each such quarter and the related unaudited consolidated statements of income and cash flows of the U.S. Borrower and its consolidated Subsidiaries for such quarter and the portion of the fiscal year through such date, setting forth in each case in comparative form the figures for the corresponding quarterly period of the previous year, certified by a Responsible Officer (subject to normal year-end audit adjustments).

The U.S. Borrower covenants and agrees that all such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP (subject, in the case of interim statements, to normal year-end adjustments and to the fact that such financial statements may be abbreviated and may omit footnotes or contain incomplete footnotes) applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein).

13.2 Certificates; Other Information. Furnish to each Lender (or to the General Administrative Agent on behalf of such Lender):

98

91

(a) concurrently with the delivery of the financial statements referred to in subsection 13.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in subsection 13.1(a) and (b), a certificate of a Responsible Officer of the U.S. Borrower (i) stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) stating, to the best of such Responsible Officer's knowledge, that all such financial statements are complete and correct in all material respects (subject, in the case of interim statements, to normal year-end audit adjustments) and have been prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as disclosed therein) and (iii) showing in detail the calculations supporting such statements in respect of subsection 14.1;

(c) promptly upon receipt thereof, copies of all final reports submitted to the U.S. Borrower by independent certified public accountants in connection with each annual, interim or special audit of the books of the U.S. Borrower made by such accountants, including, without limitation, any management letter commenting on the U.S. Borrower's internal controls submitted by such accountants to management in connection with their annual audit;

(d) promptly after the same are sent, copies of all financial statements and reports which the U.S. Borrower sends to its public equity holders, and within five days after the same are filed, copies of all financial statements and reports which the U.S. Borrower may make to, or file with, the Securities and Exchange Commission or any successor or analogous Governmental Authority; and

(e) promptly, subject to reasonable confidentiality requirements and confidentiality agreements to which the U.S. Borrower or any of its Subsidiaries is a party, such additional financial and other information as any Lender may from time to time reasonably request.

13.3 Performance of Obligations. Perform in all material respects all of its obligations under the terms of each material mortgage, indenture, security agreement and other debt instrument by which it is bound or to which it is a party and pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided for on the books of the U.S. Borrower or its Subsidiaries, as the case may be.

13.4 Conduct of Business, Maintenance of Existence and Compliance with Obligations and Laws. Continue to engage in business of the same general type as now conducted by it and preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business except as otherwise permitted pursuant to subsection 14.5 and except, with respect to the corporate existence of Subsidiaries that are not Loan Parties and any rights, privileges and franchises, to the extent that the Board of Directors of the U.S. Borrower shall determine in good faith that the preservation or maintenance thereof is no longer desirable in the conduct of the business of the U.S. Borrower and its Subsidiaries; comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole and would not reasonably be expected to adversely affect the ability of the U.S. Borrower or any of its Subsidiaries to



perform their respective obligations under any of the Loan Documents to which they are a party.

13.5 Maintenance of Property; Insurance. Keep all property useful and necessary in its business in good working order and condition where the failure to maintain such property in good working order and condition would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole; maintain with financially sound and reputable insurance companies such insurance coverage as is reasonable for the business activities of the U.S. Borrower and its Subsidiaries; and furnish to the General Administrative Agent, upon written request, full information as to the insurance carried.

13.6 Inspection of Property; Books and Records; Discussions. Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of any Lender (subject to reasonable confidentiality requirements) to visit and inspect any of its properties and examine and make abstracts from any of its books and records upon reasonable notice and at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the U.S. Borrower and its Subsidiaries with officers and employees of the U.S. Borrower and its Subsidiaries and, provided the U.S. Borrower is given an opportunity to participate, with its independent certified public accountants.

13.7 Notices. Promptly give notice to the General Administrative Agent and each Lender:

(a) of the occurrence of any Default or Event of Default;

(b) of any (i) default or event of default under any Contractual Obligation of the U.S. Borrower or any of its Subsidiaries or (ii) litigation, investigation or proceeding which may exist at any time between the U.S. Borrower or any of its Subsidiaries and any Governmental Authority, which in the case of either clause (i) or (ii) above, would

100

93

reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole or would reasonably be expected to adversely affect the ability of the U.S. Borrower or any of its Subsidiaries to perform their respective obligations under any of the Loan Documents to which they are a party;

(c) of any litigation or proceeding affecting the U.S. Borrower or any of its Subsidiaries in which the then reasonably anticipated exposure of the U.S. Borrower and its Subsidiaries is \$20,000,000 or more and not covered by insurance, or in which injunctive or similar relief is sought which is then reasonably anticipated to have an adverse economic effect on the U.S. Borrower and its Subsidiaries of \$20,000,000 or more;

(d) of the following events, as soon as possible and in any event within 30 days after the U.S. Borrower knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to any Single Employer Plan, unless such failure is cured within such 30 days, any Lien under the Code or ERISA in favor of the PBGC or a Single Employer Plan, or any withdrawal from, or the termination, Reorganization or Insolvency of any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the U.S. Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Single Employer or Multiemployer Plan, where, in connection with any of the events described in clauses (i) or (ii), the resulting liability would reasonably be expected to cause a material adverse change in the

business, assets, operations or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole;

(e) of any Environmental Complaint which would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries, taken as a whole, and any notice from any Person of (i) the occurrence of any release, spill or discharge of any Hazardous Material that is reportable under any Environmental Law, (ii) the commencement of any clean up pursuant to or in accordance with any Environmental Law of any Hazardous Material at, on, under or within the Property or any part thereof or (iii) any other condition, circumstance, occurrence or event, any of which would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries, taken as a whole, under any Environmental Law;

(f) of (i) the incurrence of any Lien (other than Liens permitted pursuant to subsection 14.3) on, or claim asserted against any of the collateral security in the Security Documents or (ii) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the collateral under any Security Document; and

101

94

(g) of a material adverse change in the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole.

Each notice pursuant to this subsection 13.7 shall be accompanied by a statement of a Responsible Officer of the U.S. Borrower setting forth details of the occurrence referred to therein and stating what action the U.S. Borrower proposes to take with respect thereto.

13.8 Maintenance of Liens of the Security Documents. Promptly, upon the reasonable request of any Lender, at the U.S. Borrower's expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the General Administrative Agent necessary or desirable for the continued validity, perfection and priority of the Liens on the collateral covered thereby.

13.9 Environmental Matters. (a) Comply in all material respects with, and use all reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all Environmental Laws and all requirements existing thereunder and obtain and comply in all material respects with and maintain, and use all reasonable efforts to ensure that all tenants and subtenants obtain, comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by Environmental Laws.

(b) Promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives as to which an appeal has been taken in good faith and the pendency of any and all such appeals does not materially and adversely affect the U.S. Borrower or any Subsidiary or the operations of the U.S. Borrower or any Subsidiary.

(c) Defend, indemnify and hold harmless the General Administrative Agent and the Lenders and their Affiliates, and their respective employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the violation of, noncompliance with or liability under any Environmental Laws applicable to the U.S. Borrower or its Subsidiaries or the Properties, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing

arise solely out of the gross negligence or willful misconduct of the party seeking indemnification therefor. This indemnity shall continue in full force and effect regardless of the termination of this Agreement.

13.10 Security Documents; Guarantee Supplement. Subject to subsection 18.18, (a) within 60 days after the Closing Date, at its own expense, (i) cause 65% of the capital stock of Lear Germany to be pledged to the General Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, pursuant to a pledge agreement in form and substance satisfactory to the General Administrative Agent, and (ii) cause the General Administrative

102

95

Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, a legal opinion of German counsel acceptable to the General Administrative Agent covering such matters in respect of such pledge agreement as the General Administrative Agent shall reasonably request.

(b) As soon as possible and in no event later than 45 days after the delivery of any financial statements under subsection 13.1(a) or (b), for any fiscal period ending on or after December 31, 1999, cause (i) all of the capital stock owned directly or indirectly by the U.S. Borrower of each of the U.S. Borrower's direct or indirect Domestic Subsidiaries which on the date of such financial statements constituted at least 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to be pledged to the General Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, pursuant to a pledge agreement in form and substance satisfactory to the General Administrative Agent, (ii) 65% of the capital stock (or such lesser amount as may be owned by the U.S. Borrower) of each of the U.S. Borrower's direct Foreign Subsidiaries which on the date of such financial statements constituted at least 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to be pledged to the General Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, for the ratable benefit of the Lenders hereunder and the lenders parties to the Other Credit Agreements, pursuant to a pledge agreement in form and substance satisfactory to the General Administrative Agent, and (iii) the General Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, legal opinions of counsel to the U.S. Borrower acceptable to the General Administrative Agent covering such matters in respect of such pledges as the General Administrative Agent shall reasonably request.

(c) As soon as possible and in no event later than 45 days after the delivery of any financial statements under subsection 13.1(a) or (b) for any fiscal period ending on or after December 31, 1999, cause (i) each of the U.S. Borrower's direct and indirect Domestic Subsidiaries which on the date of such financial statements constituted 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to execute and deliver a Guarantee Supplement to the General Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, and (ii) the General Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, opinions of counsel to the U.S. Borrower, in form and substance satisfactory to the General Administrative Agent, covering such matters in respect of the Subsidiary Guarantee as the General Administrative Agent shall reasonably request; provided, that, notwithstanding the foregoing, a Domestic Subsidiary shall not be required to execute and deliver a Guarantee Supplement or otherwise become a party to the Subsidiary Guarantee if (x) it is a holding company whose only material asset consists of capital stock of one or more Foreign Subsidiaries and (y) the capital stock of such Domestic Subsidiary is pledged to the General Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement.

103

96

(d) (i) Cause to be pledged to the General Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, on the Closing Date 100% of the Capital Stock of each Domestic Subsidiary which would have constituted more than 10% of Consolidated Assets on December 31, 1998 or represented at least 10% of Consolidated Revenues for the twelve-month period ended on December 31, 1998, and (ii) cause each Domestic Subsidiary described in the foregoing clause (i) to be Subsidiary Guarantors on the Closing Date; provided, that (A) Lear Corporation (Germany) Ltd. shall not be required to be a Subsidiary Guarantor and the U.S. Borrower shall not be required to pledge its Capital Stock and (B) Lear Corporation EEDS and Interiors shall not be required to be a Subsidiary Guarantor and the U.S. Borrower shall not be required to cause its Capital Stock to be pledged unless Lear Corporation EEDS and Interiors meets the tests set forth in paragraph (c) above in respect of any fiscal period ending on or after December 31, 1999.

(e) For purposes of calculating Consolidated Assets and Consolidated Revenues pursuant to the foregoing paragraphs (b), (c) and (d) for any date on or prior to March 31, 2000, or for twelve-month periods ended on or prior to March 31, 2000, the assets and revenues of Lear Corporation Automotive Holdings shall be included on a pro forma basis as if the UT Automotive Acquisition had occurred on the first day of the relevant period.

#### SECTION 14. NEGATIVE COVENANTS

The U.S. Borrower hereby agrees that, so long as the Commitments (or any of them) remain in effect, any Loan, Acceptance Reimbursement Obligation, Acceptance Note, Reimbursement Obligation or Subsidiary Reimbursement Obligation remains outstanding and unpaid or any other amount is owing to any Lender or either Administrative Agent hereunder or under any other Loan Document, the U.S. Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

##### 14.1 Financial Covenants.

(a) Interest Coverage. Permit the ratio of (i) Consolidated Operating Profit for any four consecutive fiscal quarters ending during any period set forth below to (ii) Consolidated Interest Expense for such four consecutive fiscal quarters, to be less than the ratio set forth opposite such period below:

Period	Ratio
-----	-----
Closing - December 31, 1999	2.75x
January 1, 2000 - December 31, 2000	3.00x
January 1, 2001 - December 31, 2001	3.25x
Thereafter	3.50x

;provided, that in calculating the foregoing ratio for the periods of four consecutive fiscal quarters ending on or about 6/30/99, 9/30/99, 12/31/99 and 3/31/00, Consolidated Interest

Expense shall be determined giving pro forma effect to the aggregate principal amount of Indebtedness incurred in connection with the UT Automotive Acquisition (less the aggregate net cash proceeds received by the U.S. Borrower in respect of the sale of any part of the business acquired in connection with the UT Automotive Acquisition) as if such Indebtedness had been incurred on the first day of the relevant period, and in making such calculation, the interest rate assumed to be applicable to such Indebtedness shall be (i) with respect to \$1,400,000,000 of such Indebtedness, the weighted average interest rate applicable during the last fiscal quarter in such period to loans outstanding under the Interim Term Loan Agreement and/or the debt securities that refinance the loans under the Interim Term Loan Agreement and (ii) with respect to the remainder of such Indebtedness, the weighted average interest rate applicable during the last fiscal quarter in such period to loans in Dollars under the New Revolving Credit Agreement.

(b) Leverage Ratio. Permit the ratio of (i) Consolidated Indebtedness at the end of any fiscal quarter ending during any period set forth below to (ii) Consolidated Operating Profit for the four consecutive fiscal quarters then ended to be greater than the ratio set forth opposite such period below:

Period	Ratio
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Closing - June 30, 2000	4.50x
July 1, 2000 through December 31, 2001	4.00x
Thereafter	3.75x

14.2 Limitation on Indebtedness. Permit any Subsidiary to create, incur, assume or suffer to exist any Indebtedness, except:

(a) (i) Indebtedness in respect of the Extensions of Credit and other obligations arising under this Agreement and, without duplication, Indebtedness of any Subsidiary backed by Letters of Credit issued under this Agreement and (ii) Indebtedness in respect of extensions of credit under the New Revolving Credit Agreement and, without duplication, Indebtedness of any Subsidiary backed by letters of credit issued under the New Revolving Credit Agreement;

(b) Indebtedness under the Subsidiary Guarantee and any Bond Guarantee;

- - (c) Indebtedness in respect of Interest Rate Agreement Obligations and Currency Agreement Obligations entered into to protect against fluctuations in interest rates or exchange rates and not for speculative reasons;

(d) Indebtedness incurred by a Special Purpose Subsidiary in connection with a Receivable Financing Transaction;

(e) intercompany Indebtedness permitted by subsection 14.9; and

105

98

(f) other Indebtedness, subject to the provisions of subsection 14.8.

14.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except (subject, in the case of Liens described in paragraphs (o) through (t) below, to the provisions of subsection 14.8):

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the U.S. Borrower or its Subsidiaries, as the case may be, in conformity with GAAP (or, in the case of Foreign Subsidiaries, generally accepted accounting principles in effect from time to time in their respective jurisdictions of organization);

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, suppliers or other like Liens arising in the ordinary course of business relating to obligations not overdue for a period of more than 60 days or which are bonded or being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith and deposits securing liabilities to insurance carriers under insurance and self-insurance programs;

(d) Liens (other than any Lien imposed by ERISA) incurred on

deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds, utility payments and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred which, in the aggregate, do not materially interfere with the ordinary conduct of the business of the U.S. Borrower and its Subsidiaries taken as a whole;

(f) Liens created pursuant to the Security Documents;

(g) attachment, judgment or other similar Liens arising in connection with court or arbitration proceedings fully covered by insurance or involving individually or in the aggregate, no more than \$40,000,000 at any one time, provided that the same are discharged, or that execution or enforcement thereof is stayed pending appeal, within 60 days or, in the case of any stay of execution or enforcement pending appeal, within such lesser time during which such appeal may be taken;

(h) Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business;

106

99

(i) statutory Liens and rights of offset arising in the ordinary course of business of the U.S. Borrower and its Subsidiaries;

(j) Liens in connection with leases or subleases granted to others and the interest or title of a lessor or sublessor (other than the U.S. Borrower or any Subsidiary of the U.S. Borrower) under any lease;

(k) Liens arising in connection with Industrial Development Bonds or other industrial development, pollution control or other tax-favored or government-sponsored financing transactions, provided that such liens do not at any time encumber any property, other than the property financed by such transaction and other property, assets or revenues related to the property so financed on which Liens are customarily granted in connection with such transactions (in each case, together with improvements and attachments thereto);

(l) Liens on receivables subject to a Receivable Financing Transaction;

(m) Liens securing Indebtedness permitted by subsection 14.2(c) and any other Indebtedness in respect of Interest Rate Agreement Obligations or Currency Agreement Obligations entered into to protect against fluctuations in interest rates or exchange rates and not for speculative reasons, provided that such Liens run in favor of a Lender hereunder or a lender under one of the Other Credit Agreements;

(n) extensions, renewals and replacements of any Lien described in subsections 14(a) through (m) above;

(o) Liens (including, without limitation, Liens incurred in connection with Financing Leases, operating leases and sale-leaseback transactions) securing Indebtedness of the U.S. Borrower and its Subsidiaries permitted by subsection 14.2 incurred to finance the acquisition of property; provided that (i) such Liens shall be created substantially simultaneously with the purchase of such property, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased and (iv) the principal amount of Indebtedness secured by any such Lien shall at no time exceed 100% of the purchase price of such property;

(p) Liens securing the Indebtedness of Foreign Subsidiaries permitted by subsection 14.2, provided that such Liens permitted by this paragraph do not at any time encumber any property located in the

United States;

(q) Liens securing reimbursement obligations with respect to documentary letters of credit permitted hereunder which encumber documents and other property relating to such letters of credit;

107

100

(r) Liens securing Acquired Indebtedness permitted by subsection 14.2, provided, that (i) such Liens existed at the time such corporation became a Subsidiary or such assets were acquired and were not created in anticipation thereof, (ii) any such Lien does not by its terms cover any property or assets after the time such corporation became or becomes a Subsidiary or such assets were acquired which were not covered immediately prior thereto (and improvements and attachments thereto) and (iii) any such Lien does not by its terms secure any Indebtedness other than Indebtedness existing immediately prior to the time such corporation became or becomes a Subsidiary or such assets were acquired;

(s) except as otherwise provided for in subsections 14.3(a) through (n), Liens securing Indebtedness of Domestic Subsidiaries permitted under subsection 14.2;

(t) other Liens; and

(u) extensions, renewals and replacements of any Lien described in subsections 14.3(o) through (t) above.

14.4 Limitation on Guarantee Obligations. Create, incur, assume or suffer to exist any Guarantee Obligation except:

(a) Guarantee Obligations of the U.S. Borrower under this Agreement and the New Revolving Credit Agreement and of the Domestic Subsidiaries under the Subsidiary Guarantee, and any Bond Guarantee;

(b) Guarantee Obligations of any Subsidiary Guarantor in respect of obligations of the U.S. Borrower or any other Subsidiary Guarantor;

(c) Guarantee Obligations of any Subsidiary that is not a Subsidiary Guarantor in respect of obligations of any other Subsidiary that is not a Subsidiary Guarantor;

(d) Guarantee Obligations in respect of operating leases;

(e) Guarantee Obligations of the U.S. Borrower in respect of obligations of any Subsidiary that are permitted to be incurred under this Agreement; and

(f) other Guarantee Obligations, subject to the provisions of subsection 14.8.

14.5 Limitations on Fundamental Changes. Unless expressly permitted under this Agreement, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets, or make any material change in its present method of conducting business, except:

(a) any Subsidiary of the U.S. Borrower may be merged or consolidated with or into the U.S. Borrower (provided that the U.S. Borrower shall be the continuing or

108

101

surviving corporation) or with or into any one or more other

Subsidiaries of the U.S. Borrower;

(b) any Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the U.S. Borrower or any other Subsidiary of the U.S. Borrower;

(c) the U.S. Borrower may merge or consolidate with any Person, provided that (A) the U.S. Borrower is the surviving corporation of such merger or consolidation, (B) after giving effect thereto, no Default or Event of Default is in existence and (C) if such merger or consolidation had occurred on the first day of the period of four full fiscal quarters most recently ended prior to the date of such event, the U.S. Borrower would have been in compliance with subsection 14.1 during such period of four full fiscal quarters; and

(d) any Subsidiary may be merged, consolidated or amalgamated with or into any Person, or may sell, lease, transfer or otherwise dispose of its assets (upon voluntary liquidation, dissolution or otherwise) to any Person or may liquidate, wind up or dissolve itself if (A) after giving effect thereto, no Default or Event of Default is in existence and (B) if such merger, consolidation, amalgamation, sale, lease, transfer or other disposition had occurred on the first day of the period of four fiscal quarters most recently ended prior to the date of such event, the U.S. Borrower would have been in compliance with subsection 14.1 during such period of four full fiscal quarters.

14.6 Limitation on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of, any of its property, business or assets (including, without limitation, receivables and leasehold interests) whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's capital stock to any Person other than the U.S. Borrower or any Wholly Owned Subsidiary (or to qualify directors if required by applicable law or similar de minimis issuances of capital stock to comply with Requirements of Law), except:

(a) the sale or other disposition of obsolete or worn out property or other property not necessary for operations disposed of in the ordinary course of business; provided that (i) the Net Proceeds of each such transaction are applied to obtain a replacement item or items of property within 120 days of the disposition thereof or (ii) the fair market value of any property not replaced pursuant to clause (i) above shall not exceed \$20,000,000 in the aggregate in any one fiscal year of the U.S. Borrower;

(b) the sale of inventory or Cash Equivalents in the ordinary course of business;

(c) the sale of any property in connection with any sale and leaseback transaction;

109

102

(d) the sale by any Foreign Subsidiary of its accounts receivable; provided that the terms of each such sale are satisfactory in form and substance to the General Administrative Agent;

(e) the sale by any Domestic Subsidiary of its accounts receivable; provided that the terms of each such sale are satisfactory in form and substance to the General Administrative Agent;

(f) any sale or other disposition permitted under subsections 14.5 or 14.9;

(g) any operating lease entered into in the ordinary course of business;

(h) any assignments or licenses of intellectual property in the ordinary course of business;

(i) any sale, contribution or transfer to or by a Special



Purpose Subsidiary in connection with a Receivable Financing Transaction; and

(j) any sale or other disposition of assets if (A) after giving effect thereto and the application of the proceeds therefrom, no Default or Event of Default is in existence and (B) if such sale or other disposition had occurred on the first day of the period of four full final quarters most recently ended prior to the date of such sale or other disposition, the U.S. Borrower would have been in compliance with subsection 14.1 during such period of four full fiscal quarters.

14.7 Limitation on Dividends. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of capital stock of the U.S. Borrower or any warrants or options to purchase any such stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the U.S. Borrower or any Subsidiary, except for (a) (i) payment by the U.S. Borrower of amounts then owing to management personnel of the U.S. Borrower pursuant to the terms of their respective employment contracts or under any employee benefit plan, (ii) mandatory purchases by the U.S. Borrower of its common stock from management personnel pursuant to the terms of their respective employment agreements or any employee benefit plan, (iii) additional repurchases by the U.S. Borrower of its common stock from management personnel, and other officers or employees of the U.S. Borrower or any Subsidiary in an amount not to exceed \$35,000,000 in the aggregate and (iv) the purchase, redemption or retirement of any shares of any capital stock of the U.S. Borrower or options to purchase capital stock of the U.S. Borrower in connection with the exercise of outstanding stock options, (b) if no Default or Event of Default has occurred and is continuing (or would occur and be continuing after giving effect thereto) when any such dividend is declared by the Board of Directors of the U.S. Borrower or such payment is made on the account of the purchase of capital stock of the U.S. Borrower, cash dividends on the U.S. Borrower's capital stock or such payments made on the account of the purchase of capital stock of the U.S. Borrower not to

110

103

exceed, in the aggregate, in any fiscal quarter (the "Payment Quarter") an amount equal to the greater of (i) \$25,000,000 and (ii) (A) 50% (100% if the U.S. Borrower shall have attained Investment Grade Status) of Consolidated Net Income of the U.S. Borrower and its consolidated Subsidiaries for the period of four consecutive fiscal quarters ended immediately prior to the Payment Quarter (such period of four quarters being the "Calculation Period" in respect of such Payment Quarter), less (B) the cash amount of all (I) dividends paid and redemptions made by the U.S. Borrower during such Calculation Period in respect of capital stock and (II) payments made on the account of the purchase of capital stock of the U.S. Borrower during such Calculation Period, but only to the extent permitted by the terms of the outstanding Subordinated Debt, and (c) dividends or distributions in the form of additional shares of such capital stock or in options, warrants or other rights to purchase capital stock.

14.8 Limitation on Subsidiary and Secured Indebtedness. Create, incur, assume or suffer to exist Subsidiary and Secured Indebtedness in an aggregate principal amount at any time outstanding exceeding 10% of Consolidated Assets at such time; or create, incur, assume or suffer to exist any Indebtedness that constitutes Subsidiary and Secured Indebtedness and that is secured by any Lien on any property, assets or receivables of the U.S. Borrower or any of its Subsidiaries (other than Liens permitted by paragraphs (a) through (n) of subsection 14.3) in an aggregate principal amount at any time exceeding 5% of Consolidated Assets at such time.

14.9 Limitation on Investments, Loans and Advances. Make or suffer to exist any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets constituting a business unit of, or make any other investment in, any Person, or acquire or invest in any interest in any Person, except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) investments by Foreign Subsidiaries in high quality investments of a type similar to Cash Equivalents made outside of the United States of America;

(d) capital contributions and equity investments made prior to the date hereof in any Subsidiary or Special Entity and any recapitalization thereof not increasing the amounts thereof;

(e) (i) loans, advances, and extensions of credit by any Subsidiary to the U.S. Borrower and (ii) loans, advances, extensions of credit, capital contributions and other investments by the U.S. Borrower or any Subsidiary to or in any Subsidiary;

(f) the purchase by the U.S. Borrower or any Subsidiary of participating interests in loans to Foreign Subsidiaries; provided that the amount of each such participating interest does not exceed the amount which the U.S. Borrower or such Subsidiary would otherwise be permitted to lend or contribute to such Foreign Subsidiaries pursuant to this subsection 14.9;

111

104

(g) the U.S. Borrower and its Subsidiaries may acquire or invest in any Special Entities or the assets constituting a business unit of any Person that would be a Special Entity, provided that the aggregate purchase price of such acquisitions after the date hereof does not exceed \$400,000,000 (less, in the case of Special Entities that become Subsidiaries of the U.S. Borrower, the aggregate amount of Indebtedness of such Special Entities at the time such Special Entities are acquired) per fiscal year; and provided, further, that up to \$100,000,000 of such permitted amount which is not expended in any fiscal year may be carried over for such acquisitions in any subsequent fiscal year; and provided, still further, that no more than \$150,000,000 per fiscal year of any such permitted amount may be expended to acquire stock or other evidence of beneficial ownership of Special Entities that do not become Subsidiaries of the U.S. Borrower;

(h) advances to employees in the ordinary course of business for travel, relocation and related expenses;

(i) investments received in connection with the bankruptcy or reorganization of suppliers, customers and other Persons having obligations in favor of the U.S. Borrower or any Subsidiary in settlement of delinquent obligations of, and other disputes with, customers, suppliers and such other Persons arising in the ordinary course of business;

(j) advances, loans, extensions of credit or other investments held by a Person at the time it becomes a Subsidiary of the U.S. Borrower in connection with an acquisition permitted hereunder; provided, that such advances, loans, extensions of credit or other investments have not been made in anticipation of such acquisition;

(k) other investments, advances, loans, extensions of credit and capital contributions by the U.S. Borrower and its Subsidiaries not exceeding \$125,000,000 in the aggregate at any one time outstanding;

(l) the UT Automotive Acquisition; and

(m) investments in or acquisitions of companies or business units, in each case, engaged primarily in the manufacturing of automotive parts business and businesses related thereto so long as (i) no Default or Event of Default shall have occurred and be continuing before and after giving effect to such transaction, (ii) the U.S. Borrower would be in pro forma compliance with subsection 14.1 after giving effect to such transaction, (iii) after giving pro forma effect to such transaction as if it had occurred on the first day of the period of four consecutive fiscal quarters most recently ended prior to

the date of such transaction, the ratio of (a) Consolidated Indebtedness on the date of, and after giving effect to, such transaction to (b) Consolidated Operating Profit for such period of four consecutive fiscal quarters would be less than 4.00 and (iv) such transaction is not the result of a hostile bid made by the U.S. Borrower or its Subsidiaries.

14.10 Limitation on Optional Payments and Modification of Debt Instruments; Certain Derivative Transactions. (a) Prepay, purchase, redeem, retire, defease or otherwise

112

105

acquire, or make any payment on account of any principal of, interest on, or premium payable in connection with the prepayment, redemption or retirement of any outstanding Subordinated Debt, except that the U.S. Borrower may prepay, purchase or redeem Subordinated Debt with the proceeds of the issuance of other subordinated Indebtedness of the U.S. Borrower or capital stock of the U.S. Borrower; provided that, in the case of the issuance of subordinated Indebtedness, either (i) the principal terms of such other subordinated Indebtedness are no more restrictive, taken as a whole, to the U.S. Borrower and its Subsidiaries than the principal terms of the Subordinated Debt being repaid, purchased or redeemed or (ii) the terms and conditions of the other subordinated Indebtedness are reasonably satisfactory to the General Administrative Agent; provided, further, that, notwithstanding any provision contained in this subsection 14.10, if no Default or Event of Default has occurred and is continuing or would occur and be continuing as a result of the following, the Subordinated Debt may be prepaid at any time without restriction; (b) enter into any derivative transaction or similar transaction obligating the U.S. Borrower or any of its Subsidiaries to make any payment to any other Person as a result of any change in value or market price of Subordinated Debt or Capital Stock of the U.S. Borrower; or (c) without the consent of the General Administrative Agent, amend, modify or change, or consent or agree to any amendment, modification or change to any of the terms of any Subordinated Debt (except that without the consent of the General Administrative Agent or any Lender, the terms of the Subordinated Debt may be amended, modified or changed if such amendment, modification or change would extend the maturity or reduce the amount of any payment of principal thereof, would reduce the rate or extend the date for payment of interest thereon, would eliminate covenants (other than covenants with respect to subordination to Indebtedness under this Agreement and, if applicable, the Subsidiary Guarantee) or defaults in such Subordinated Debt or would make such covenants or defaults less restrictive or make any other change that would not require the consent of the holders of such Subordinated Debt).

14.11 Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate unless such transactions are otherwise permitted under this Agreement, or such transactions are in the ordinary course of the U.S. Borrower's or such Subsidiary's business and are upon fair and reasonable terms no less favorable to the U.S. Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person not an Affiliate; provided, however, that the U.S. Borrower may engage, The Cypress Group, LLC or any Affiliate of The Cypress Group, LLC as financial advisor, underwriter, broker, dealer-manager or finder in connection with any transaction at the then customary market rates for similar services.

14.12 Corporate Documents. Amend its Certificate of Incorporation or By-Laws, each as in effect on the Closing Date, if such amendment would reasonably be expected to impair the ability of the Loan Parties to perform their respective obligations under the Loan Documents to which they are a party.

14.13 Fiscal Year. Permit the fiscal year of the U.S. Borrower to end on a day other than December 31.

113

14.14 Limitation on Restrictions Affecting Subsidiaries. Enter into any agreement with any Person other than the Lenders pursuant hereto which prohibits or limits the ability of any Subsidiary to (a) pay dividends or make other distributions or pay any Indebtedness owed to the U.S. Borrower or any Subsidiary, (b) make loans or advances to the U.S. Borrower or any Subsidiary or (c) transfer any of its properties or assets to the U.S. Borrower or any Subsidiary, except (i) prohibitions or restrictions under applicable law, (ii) agreements and instruments governing or evidencing secured Indebtedness otherwise permitted to be incurred under this Agreement that limits the right of the borrower to (A) dispose of the assets securing such Indebtedness or (B) in the case of any Foreign Subsidiary, to make dividends or distributions, (iii) prohibitions or restrictions under agreements relating to Acquired Indebtedness and any refinancings thereof, (iv) prohibitions or restrictions with respect to the distribution or dispositions of assets or property in joint venture and similar agreements entered into in the ordinary course of business, (v) customary non-assignment provisions in leases and other agreements entered into in the ordinary course of business, (vi) customary net worth provisions contained in leases and other agreements entered into by a Subsidiary in the ordinary course of business, (vii) customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of the assets or stock of such Subsidiary, (viii) (x) any such restrictions existing by reasons of Contractual Obligations listed on Schedule VIII or (y) Contractual Obligations in effect on the Closing Date affecting Subsidiaries acquired in the UT Automotive Acquisition, (ix) any restrictions on a Special Purpose Subsidiary, (x) restrictions on cash or other deposits or net worth provisions under customer and supply agreements entered into in the ordinary course of business, and (xi) any restrictions contained in any instrument or agreement that refinances any Indebtedness or other obligations which contains similar restrictions.

14.15 Special Purpose Subsidiary. Permit (a) any Special Purpose Subsidiary to engage in any business other than Receivable Financing Transactions and activities directly related thereto or (b) at any time the U.S. Borrower or any of its Subsidiaries (other than a Special Purpose Subsidiary) or any of their respective assets to incur any liability, direct or indirect, contingent or otherwise, in respect of any obligation of a Special Purpose Subsidiary whether arising under or in connection with any Receivable Financing Transaction or otherwise.

14.16 Interest Rate Agreements. Enter into, or become a party to, any Interest Rate Agreement that is speculative in nature.

## SECTION 15. GUARANTEE

15.1 Guarantee. (a) The U.S. Borrower hereby unconditionally and irrevocably guarantees to the General Administrative Agent, for the ratable benefit of the Administrative Agents and the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by each of the other Borrowers when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) The U.S. Borrower further agrees to pay any and all expenses (including, without limitation, all reasonable fees and disbursements of counsel, provided that the U.S. Borrower shall only be required to pay the fees and disbursements of (i) one counsel for the General Administrative Agent, (ii) one counsel for the Canadian Administrative Agent, (iii) one counsel for the Canadian Lenders, (iv) one counsel for the U.S. Lenders and (v) one counsel for the General Administrative Agent and the Multicurrency Lenders in the jurisdiction of each Foreign Subsidiary Borrower) which may be paid or incurred by the Administrative Agents, or any Lender in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the U.S. Borrower under this Section. This Section shall remain in full force and effect until the Obligations are paid in full and the Commitments are

terminated, notwithstanding that from time to time prior thereto any Borrower may be free from any Obligations.

(c) No payment or payments made by any Borrower or any other Person or received or collected by the Administrative Agents or any Lender from any Borrower or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the U.S. Borrower hereunder which shall, notwithstanding any such payment or payments, remain liable hereunder for the Obligations until the Obligations are paid in full and the Commitments are terminated.

(d) The U.S. Borrower agrees that whenever, at any time, or from time to time, it shall make any payment to any Administrative Agent or any Lender on account of its liability hereunder, it will notify such Administrative Agent and such Lender in writing that such payment is made under this Section for such purpose.

15.2 No Subrogation. Notwithstanding any payment or payments made by the U.S. Borrower hereunder, or any set-off or application of funds of the U.S. Borrower by any Administrative Agent or any Lender, the U.S. Borrower shall not be entitled to be subrogated to any of the rights of any Administrative Agent or any Lender against the other Borrowers or against any collateral security or guarantee or right of offset held by any Administrative Agent or any Lender for the payment of the Obligations, nor shall the U.S. Borrower seek or be entitled to seek any contribution or reimbursement from the other Borrowers in respect of payments made by the U.S. Borrower hereunder, until all amounts owing to the Administrative Agent and the Lenders by the other Borrowers on account of the Obligations are paid in full and the Commitments are terminated. If any amount shall be paid to the U.S. Borrower on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by the U.S. Borrower in trust for the Administrative Agents and the Lenders, segregated from other funds of the U.S. Borrower, and shall, forthwith upon receipt by the U.S. Borrower, be turned over to the General Administrative Agent in the exact form received by the U.S. Borrower (duly indorsed by the U.S. Borrower to the General Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the General Administrative Agent may determine.

115

108

15.3 Amendments, etc. with respect to the Obligations; Waiver of Rights. The U.S. Borrower shall remain obligated hereunder notwithstanding that, without any reservation of rights against the U.S. Borrower, and without notice to or further assent by the U.S. Borrower, any demand for payment of any of the Obligations made by any Administrative Agent or any Lender may be rescinded by such Administrative Agent or such Lender, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Administrative Agent or any Lender, and any Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with the provisions thereof as the General Administrative Agent or the Lenders (or the Majority Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Administrative Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. None of any Administrative Agent or any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against the U.S. Borrower, any Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on any other Borrowers or any other guarantor, and any failure by any Administrative Agent or any Lender to make any such demand or to collect any payments from any such Borrower or any such other guarantor or any release of such Borrower or

such other guarantor shall not relieve the U.S. Borrower of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of any Administrative Agent or any Lender against the U.S. Borrower. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

15.4 Guarantee Absolute and Unconditional. The U.S. Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by any Administrative Agent or any Lender upon this Agreement or acceptance of this Agreement; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Agreement; and all dealings between the Borrowers and the U.S. Borrower and the other Borrowers, on the one hand, and the Administrative Agents and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Agreement. The U.S. Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the other Borrowers and the U.S. Borrower with respect to the Obligations. This Section 15 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrowers (other than the U.S. Borrower) against any Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrowers

116

109

or the U.S. Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrowers for the Obligations, or of the U.S. Borrower under this Section 15, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Borrower, any Administrative Agent and any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against the other Borrowers or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by any Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from such other Borrowers or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the other Borrowers or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve the U.S. Borrower of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Administrative Agent or any Lender against the U.S. Borrower. This Section 15 shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the U.S. Borrower and its successors and assigns, and shall inure to the benefit of the Administrative Agents and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Obligations and the obligations of the U.S. Borrower under this Agreement shall have been satisfied by payment in full and the Commitments shall be terminated, notwithstanding that from time to time during the term of this Agreement the Borrowers may be free from any Obligations.

15.5 Reinstatement. This Section 15 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by any Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

15.6 Payments. The U.S. Borrower hereby agrees that all payments

required to be made by it hereunder will be made to the General Administrative Agent, for the benefit of the Administrative Agents and the Lenders, as the case may be, without set-off or counterclaim in accordance with the terms of the Obligations, including, without limitation, in the currency in which payment is due.

#### SECTION 16. EVENTS OF DEFAULT

Upon the occurrence of any of the following events:

(a) Any Borrower shall fail to pay (i) any principal of any Loans or any Acceptance Reimbursement Obligations when due (whether at the stated maturity, by acceleration or otherwise) in accordance with the terms thereof or hereof or (ii) any interest on any Loans, any Reimbursement Obligations or Subsidiary Reimbursement

117

110

Obligations, or any fee or other amount payable hereunder, within five days after any such interest, fee or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made or deemed made by the U.S. Borrower or any other Loan Party herein or in any other Loan Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) The U.S. Borrower or any other Loan Party shall default in the observance or performance of any negative covenant contained in Section 14; or

(d) The U.S. Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document other than as provided in (a) through (c) above, and such default shall continue unremedied for a period of 30 days; or

(e) Any Loan Document shall cease, for any reason, to be in full force and effect, or the U.S. Borrower or any other Loan Party shall so assert; or any security interest created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby, except, in each case, as provided in subsection 18.18; or

(f) The Subsidiary Guarantee shall cease, for any reason, to be in full force and effect, or any guarantor thereunder shall so assert, except as provided in subsection 18.18; or

(g) The subordination provisions contained in any instrument pursuant to which the Subordinated Debt was created or in any instrument evidencing such Subordinated Debt shall cease, for any reason, to be in full force and effect or enforceable in accordance with their terms; or

(h) The U.S. Borrower or any of its Subsidiaries shall (i) default in any payment of principal of or interest on any Indebtedness (other than Indebtedness under this Agreement), in the payment of any Guarantee Obligation or in the payment of any Interest Rate Agreement Obligation, in any case where the principal amount thereof then outstanding exceeds \$40,000,000 beyond the period of grace (not to exceed 60 days), if any, provided in the instrument or agreement under which such Indebtedness, Guarantee Obligation or Interest Rate Agreement Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such

Indebtedness, Guarantee Obligation or Interest Rate Agreement Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or, beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder

118

111

or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable; or

(i) (i) The U.S. Borrower or any Material Subsidiary shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the U.S. Borrower or any Material Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the U.S. Borrower or any Material Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the U.S. Borrower or any Material Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the U.S. Borrower or any Material Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the U.S. Borrower or any Material Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(j) (i) Any Person shall engage in any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Majority Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the U.S. Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Majority Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist, with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to subject the U.S. Borrower or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations,



property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole; or

(k) One or more judgments or decrees shall be entered against the U.S. Borrower or any of its Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance) of \$40,000,000 or more and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(l)(i) Any Person or "group" (within the meaning of Section 13(d) or 15(d) of the Exchange Act) (A) shall have acquired beneficial ownership of 35% or more of any outstanding class of capital stock of the U.S. Borrower having ordinary voting power in the election of directors or (B) shall obtain the legal right (whether or not exercised) to elect a majority of the U.S. Borrower's directors or (ii) the Board of Directors of the U.S. Borrower shall not consist of a majority of Continuing Directors;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (i) above with respect of the U.S. Borrower or the Canadian Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all Reimbursement Obligations, Subsidiary Reimbursement Obligations and Acceptance Reimbursement Obligations, regardless of whether or not such Reimbursement Obligations, Subsidiary Reimbursement Obligations and Acceptance Reimbursement Obligations are then due and payable) shall immediately become due and payable, and (B) if such event is any other Event of Default, any of the following actions may be taken: (i) with the consent of the Majority Lenders, the General Administrative Agent may, or upon the request of the Majority Lenders, the General Administrative Agent shall, by notice to the U.S. Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; (ii) with the consent of the Majority Lenders, the General Administrative Agent may, or upon the direction of the Majority Lenders, the General Administrative Agent shall, by notice of default to the U.S. Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including all amounts payable in respect of Letters of Credit whether or not the beneficiaries thereof shall have presented the drafts and other documents required thereunder) and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable and (iii) the General Administrative Agent may, and upon the direction of the Majority Lenders shall, exercise any and all remedies and other rights provided pursuant to this Agreement and/or the other Loan Documents.

With respect to all outstanding Reimbursement Obligations and Subsidiary Reimbursement Obligations which have not matured at the time of an acceleration pursuant to the second preceding paragraph, the U.S. Borrower shall at such time deposit in a cash collateral account opened by and maintained by the General Administrative Agent an amount equal to the aggregate amount of all such Reimbursement Obligations and Subsidiary Reimbursement Obligations. Amounts held in such cash collateral account shall be applied by the General Administrative Agent to the payment of Reimbursement Obligations and Subsidiary

Reimbursement Obligations when drawings under the related Letters of Credit are made, and any balance in such account shall be applied to repay other obligations of the U.S. Borrower hereunder. After all Reimbursement Obligations and Subsidiary Reimbursement Obligations shall have been satisfied and all other obligations of the U.S. Borrower hereunder shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the U.S.

Borrower.

With respect to all outstanding Acceptance Reimbursement Obligations in respect of Acceptances which have not matured at the time of an acceleration pursuant to the second preceding paragraph, the Canadian Borrower shall at such time deposit in a cash collateral account opened by and maintained by the Canadian Administrative Agent an amount equal to the aggregate undiscounted face amount of all such unmatured Acceptances. Amounts held in such cash collateral account shall be applied by the Canadian Administrative Agent to the payment of maturing Acceptances, and any balance in such account shall be applied to repay other obligations of the Canadian Borrower hereunder and under any Canadian Revolving Credit Notes. After all Acceptance Reimbursement Obligations shall have been satisfied and all other obligations of the Canadian Borrower hereunder and under any Canadian Revolving Credit Notes shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Canadian Borrower.

Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

#### SECTION 17. THE ADMINISTRATIVE AGENTS; THE DOCUMENTATION AGENT AND CO-SYNDICATIONAGENTS

17.1 Appointment . Each Lender hereby irrevocably designates and appoints (a) Chase as the General Administrative Agent and (b) The Bank of Nova Scotia as the Canadian Administrative Agent of such Lender under this Agreement and the other Loan Documents, and each Lender irrevocably authorizes (a) Chase to act as the General Administrative Agent of such Lender, and (b) The Bank of Nova Scotia to act as the Canadian Administrative Agent, and, in each case, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the General Administrative Agent and the Canadian Administrative Agent, respectively, by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agents shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against either Administrative Agent.

17.2 Delegation of Duties. Each Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or

121

114

attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither Administrative Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

17.3 Exculpatory Provisions. Neither Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Person's gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Borrower or other Person or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of a Borrower or any other Person to perform its obligations hereunder or thereunder. Neither Administrative Agent shall be under any obligation to any Lender to ascertain or

to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document or to inspect the properties, books or records of the Borrowers.

17.4 Reliance by Administrative Agent. Each Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrowers or any of them), independent accountants and other experts selected by such Administrative Agent. Each Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment or transfer thereof shall have been filed with such Administrative Agent. Each Administrative Agent shall be fully justified as between itself and the Lenders in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Majority Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans and the Acceptance Reimbursement Obligations.

17.5 Notice of Default. Neither Administrative Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless such Administrative Agent has received notice from a Lender or a Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the General Administrative Agent receives such a notice, such

122

115

Administrative Agent shall give notice thereof to the Lenders. The General Administrative Agent shall take such action reasonably promptly with respect to such Default or Event of Default as shall be reasonably directed by the Majority Lenders; provided that unless and until the General Administrative Agent shall have received such directions, such Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

17.6 NonReliance on Administrative Agents and Other Lender. Each Lender expressly acknowledges that neither Administrative Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by such Administrative Agent hereinafter taken, including any review of the affairs of any Borrower, shall be deemed to constitute any representation or warranty by such Administrative Agent to any Lender. Each Lender represents to each Administrative Agent that it has, independently and without reliance upon such Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrowers and made its own decision to make its Extensions of Credit hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon either Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrowers. Except for notices, reports and other documents expressly required to be furnished to the Lenders by an Administrative Agent hereunder, such Administrative Agent shall

not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrowers which may come into the possession of such Administrative Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates.

17.7 Indemnification. Each U.S. Lender (together with, in the case of a U.S. Common Lender, its Counterpart Lender on a joint and several basis) agrees to indemnify each Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to its U.S. Revolving Credit Commitment Percentage in effect on the date on which indemnification is sought from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans and the Acceptance Reimbursement Obligations) be imposed on, incurred by or asserted against such Administrative Agent in any way relating to or arising out of this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Administrative Agent under or in connection with any of the foregoing; provided that no Lender

123

116

shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of such Administrative Agent. The agreements in this subsection shall survive the payment of the Loans, the Acceptance Reimbursement Obligations and all other amounts payable hereunder.

17.8 Administrative Agents in their Individual Capacity . Each Administrative Agent and its respective affiliates may make loans to, accept Drafts, accept deposits from and generally engage in any kind of business with the Borrowers as though such Administrative Agent was not an Administrative Agent hereunder and under the other Loan Documents. With respect to the Loans made or renewed by such Administrative Agent, any Acceptances created by such Administrative Agent and any Note or Acceptance Note issued to it, such Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Administrative Agent, and the terms "Lender" and "Lenders" shall include each Administrative Agent in its individual capacity.

17.9 Successor Administrative Agents. The General Administrative Agent may resign as General Administrative Agent, and the Canadian Administrative Agent may resign as Canadian Administrative Agent, in each case upon 30 days' notice to the Lenders and the other Administrative Agent. If either Administrative Agent shall resign as General Administrative Agent or Canadian Administrative Agent, as the case may be, under this Agreement and the other Loan Documents, then the Majority Lenders shall appoint from among the U.S. Lenders (in the case of a resignation of the General Administrative Agent) or the Canadian Lenders (in the case of a resignation of the Canadian Administrative Agent) a successor administrative agent for the Lenders, which successor administrative agent shall be approved by the U.S. Borrower (such approval not to be unreasonably withheld), whereupon such successor administrative agent shall succeed to the rights, powers and duties of the resigning Administrative Agent, and the terms "General Administrative Agent" or "Canadian Administrative Agent", as the case may be, shall mean such successor administrative agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as either General Administrative Agent or Canadian Administrative Agent, as the case may be, shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. After any resigning Administrative Agent's resignation as either General Administrative Agent or Canadian Administrative Agent, as the case may be, the provisions of this subsection shall inure to its benefit as to any actions taken or omitted to be taken by it while it was either General

Administrative Agent or Canadian Administrative Agent, as the case may be, under this Agreement and the other Loan Documents.

17.10 The Documentation Agent and Co-Syndication Agents. Each Lender, the Documentation Agent and each Co-Syndication Agent acknowledge that the Documentation Agent and Co-Syndication Agents, in such capacities, shall have no duties or responsibilities, and shall incur no liabilities, under this Agreement or the other Loan Documents in their respective capacities as such.

124

117

17.11 Actions Under Security Documents . With respect to any action under or in respect of the Security Documents that the provisions of this Agreement permit or require the General Administrative Agent to take only with the consent, or upon the direction, of all of the Lenders or the Majority Lenders, as the case may be, the Lenders acknowledge that the General Administrative Agent shall be required to take such action only if such action is approved by, in addition to all the Lenders or the Majority Lenders, as the case may be, such instructing group of lenders under each of the Other Credit Agreements as the Other Credit Agreements require for such action.

17.12 Intercreditor Agreement. In the event that a Refinancing Agreement is entered into, the General Administrative Agent is authorized and directed to enter into an intercreditor agreement reasonably satisfactory to the General Administrative Agent as contemplated by the definition of "Refinancing Agreement" set forth in subsection 1.1, and to enter into such amendments, if any, to the Subsidiary Guarantee and the Security Documents as it shall reasonably deem required in order to give effect to such intercreditor agreement, provided, that, in any case, the Indebtedness of the U.S. Borrower hereunder and under the Other Credit Agreements (including any Refinancing Agreement in respect of either of the Other Credit Agreements) shall be *pari passu* and equally and ratably secured.

#### SECTION 18. MISCELLANEOUS

18.1 Amendments and Waivers. (a) Neither this Agreement or any other Loan Document, nor any terms hereof or thereof may be amended, supplemented, waived or modified except in accordance with the provisions of this subsection 18.1. The Majority Lenders may, or, with the written consent of the Majority Lenders, the Administrative Agents may, from time to time, (i) enter into with the U.S. Borrower written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Lenders or of the U.S. Borrower hereunder or thereunder or (ii) waive at the U.S. Borrower's request, on such terms and conditions as the Majority Lenders or the Administrative Agents, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall:

(A) reduce the amount or extend the scheduled date of maturity of any Loan or any Acceptance or any Acceptance Note or of any scheduled installment thereof, or reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Canadian Revolving Credit Commitment, Multicurrency Commitment or U.S. Revolving Credit Commitment, in each case without the consent of each Lender affected thereby;

(B) amend, supplement, modify or waive any provision of this subsection 18.1 or reduce the percentages specified in the definition of "Majority Lenders" or consent to

125

the assignment or transfer by the U.S. Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, in each case without the consent of all the Lenders or reduce the percentages specified in the definitions of (I) "Majority U.S. Lenders" or "Majority Multicurrency Lenders" without the consent of all of the U.S. Lenders or (II) "Majority Canadian Lenders" without the consent of all of the Canadian Lenders;

(C) amend, supplement, modify or waive any provision of Section 17 or any other provision of this Agreement governing the respective rights or obligations of the General Administrative Agent or the Canadian Administrative Agent without the consent of the then Administrative Agents, respectively;

(D) amend, supplement, modify or waive any provision of Section 3 or any other provision of this Agreement governing the rights and obligations of the Swing Line Lender; or the definitions used therein without the consent of the Swing Line Lender;

(E) extend the expiring date on any Letter of Credit beyond the Revolving Credit Termination Date without the consent of each Lender;

(F) increase the aggregate amount of the U.S. Revolving Credit Commitments of all Lenders to an amount in excess of \$2,500,000,000 without the consent of each Lender;

(G) amend, modify or waive any provision of subsection 10.8 without the consent of each Lender; or

(H) release all or substantially all of the guarantees contained in Section 15 and under the Subsidiary Guarantee or the Additional Subsidiary Guarantee or all or substantially all of the Collateral under, and as defined in, the Security Documents without the consent of each Lender other than as permitted under subsection 18.18.

Any waiver and any amendment, supplement or modification pursuant to this subsection 18.1 shall apply to each of the Lenders and shall be binding upon the Borrowers, the Lenders, the General Administrative Agent, the Canadian Administrative Agent and all future holders of the Loans and the Reimbursement Obligations, Subsidiary Reimbursement Obligations and Acceptance Reimbursement Obligations. In the case of any waiver, the Borrowers, the Lenders, the General Administrative Agent and the Canadian Administrative Agent shall be restored to their former positions and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

(b) In addition to amendments effected pursuant to the foregoing paragraph (a), Schedules II and III may be amended as follows:

(i) Schedule II will be amended to add Subsidiaries of the U.S. Borrower as additional Foreign Subsidiary Borrowers upon (A) execution and delivery by the U.S. Borrower, any such Foreign Subsidiary Borrower and the General Administrative Agent, of a Joinder Agreement providing for any such Subsidiary to become a Foreign Subsidiary Borrower, and (B) delivery to the General Administrative Agent of (I) a Foreign Subsidiary Opinion in respect of such additional Foreign Subsidiary Borrower and (II) such other documents with respect thereto as the General Administrative Agent shall reasonably request.

(ii) Schedule II will be amended to remove any Subsidiary as a Foreign Subsidiary Borrower upon (A) execution and delivery by the U.S. Borrower of a written amendment providing for such amendment and (B) repayment in full of all outstanding Loans of such Foreign Subsidiary Borrower.

(iii) Schedule III will be amended (A) to change administrative information contained therein (other than any interest rate definition, funding time, payment time or notice time contained therein) or (B) to add Available Foreign Currencies (and related interest rate definitions and administrative information) with the approval of the Majority Multicurrency Lenders, in each case, upon execution and delivery by the U.S. Borrower and the General Administrative Agent of a written amendment providing for such amendment.

(iv) Schedule III will be amended to conform any funding time, payment time or notice time contained therein to then-prevailing market practices, upon execution and delivery by the U.S. Borrower and the General Administrative Agent of a written amendment providing for such amendment.

(v) Schedule III will be amended to change any interest rate definition contained therein, upon execution and delivery by the U.S. Borrower, all the Multicurrency Lenders and the General Administrative Agent of a written amendment providing for such amendment.

(c) The General Administrative Agent shall give prompt notice to each U.S. Lender of any amendment effected pursuant to subsection 18.1(b).

(d) Notwithstanding the provisions of this subsection 18.1, any Alternate Currency Facility may be amended, supplemented or otherwise modified in accordance with its terms so long as after giving effect thereto either (i) such Alternate Currency Facility ceases to be an "Alternate Currency Facility" and the U.S. Borrower so notifies the General Administrative Agent or (ii) the Alternate Currency Facility continues to meet the requirements of an Alternate Currency Facility set forth herein.

18.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when

127

120

delivered by hand, or five days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, or, in the case of delivery by a nationally recognized overnight courier, when received, addressed as follows in the case of the U.S. Borrowers, the Canadian Borrower, the General Administrative Agent and the Canadian Administrative Agent, and as set forth in Schedule I in the case of the other parties hereto, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The U.S. Borrower:	Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730
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The Canadian Borrower:	Lear Corporation Canada Ltd. c/o 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730
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The Foreign  
Subsidiary Borrowers:

Lear Corporation  
21557 Telegraph Road  
Southfield, Michigan 48034  
Attention: Raymond F. Lowry  
Telecopy: (248) 447-1730

The General  
Administrative Agent:

The Chase Manhattan Bank  
270 Park Avenue  
New York, New York 10017  
Attention: Richard Smith  
Telecopy: (212) 270-5100

The Canadian  
Administrative Agent:

The Bank of Nova Scotia  
44 King Street West, 14th Floor  
Toronto, Ontario  
M5H1H1

Attention: IBP Loan Administration and  
Agency Services Manager  
Telecopy: (416) 866-5991

128

121

provided that any notice, request or demand to or upon (i) the Administrative Agents or the Lenders pursuant to subsection 2.3, 3.2, 4.2, 5.3, 6.2, 7.3, 9.2, 10.2, 10.4 or 10.7 or (ii) the Swing Line Lender pursuant to Section 3, shall not be effective until received.

18.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Borrower, the General Administrative Agent, the Canadian Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

18.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in the other Loan Documents (or in any amendment, modification or supplement hereto or thereto) and in any certificate delivered pursuant hereto or such other Loan Documents shall survive the execution and delivery of this Agreement and the Notes and the making of the Loans hereunder.

18.5 Payment of Expenses and Taxes. The U.S. Borrower agrees (a) to pay or reimburse each Administrative Agent for all its reasonable out-of-pocket costs and reasonable expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the Notes and the other Loan Documents (other than documents relating to any Alternate Currency Facility) and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of counsel to each Administrative Agent, (b) to pay or reimburse each Lender and each Administrative Agent for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes and any such other documents, including, without limitation, fees and disbursements of counsel to each Administrative Agent and the reasonable fees and disbursements of counsel to the several Lenders, and (c) to pay, indemnify, and hold each Lender and each Administrative Agent and their respective directors, officers, employees and agents harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp,



excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes and any such other documents, and (d) to pay, indemnify, and hold each Lender and each Administrative Agent harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Notes and the other Loan Documents, the use or proposed use by the Borrowers of the proceeds of the Loans (all the foregoing, collectively, the "indemnified liabilities"); provided that the U.S. Borrower shall have no obligation hereunder to (i) any Administrative Agent with respect to indemnified

129

122

liabilities arising from the gross negligence or willful misconduct of such Administrative Agent or (ii) any Lender with respect to indemnified liabilities arising from gross negligence or willful misconduct of such Lender, in each case as finally determined by a court of competent jurisdiction; provided, however, that nothing in this subsection shall be construed as requiring the Canadian Borrower to so indemnify in amounts that would be in violation of, and its obligations to so indemnify are subject to, the restrictions on financial assistance set out in the Business Corporations Act (Ontario); and, provided, further, that the preceding proviso shall not be construed in any way as limiting or derogating from the obligations of the other Borrowers set out in this subsection. The agreements in this subsection shall survive repayment of the Loans, the Acceptance Reimbursement Obligations and all other amounts payable hereunder.

#### 18.6 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrowers, the Lenders, the Administrative Agents, all future holders of the Loans, the Reimbursement Obligations, the Subsidiary Reimbursement Obligations and the Acceptance Reimbursement Obligations and their respective successors and assigns, except that no Borrower assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents; provided that, in the case of participations granted by a Canadian Lender, such Participant must be a resident of Canada for purposes of the Tax Act unless such participation is granted pursuant to subsection 18.8. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrowers and the Administrative Agents shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. Any agreement pursuant to which any Lender shall sell any such participating interest shall provide that such Lender shall retain the sole right and responsibility to exercise such Lender's rights and enforce the Borrowers' obligations hereunder, including the right to consent to any amendment, supplement, modification or waiver of any provision of this Agreement or any of the other Loan Documents, provided that such participation agreement may provide that such Lender will not agree to any amendment, supplement, modification or waiver described in clause (A) or (B) of the proviso to the second sentence of subsection 18.1(a) without the consent of the Participant. Each Borrower agrees that if amounts outstanding under this Agreement are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have

the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in subsection 18.7(a) as fully as if it were a Lender

130

123

hereunder. Each Borrower agrees that each Participant shall be entitled to the benefits of subsections 10.10, 10.11, 10.12 and 18.6 with respect to its participation in the Commitments and the Loans outstanding from time to time hereunder as if it was a Lender; provided, that no Participant shall be entitled to receive any greater amount pursuant to such subsections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time and from time to time assign to any Lender or any Affiliate thereof or, with the prior written consent of the U.S. Borrower (such consent not to be unreasonably withheld) and the Administrative Agents (such consent not to be unreasonably withheld), to an additional bank or financial institution (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Loan Documents including, without limitation, its Commitments, Loans and Acceptance Reimbursement Obligations, pursuant to an Assignment and Acceptance, substantially in the form of Exhibit K, executed by such Assignee, such assigning Lender (and, in the case of an Assignee that is not then a Lender or an Affiliate thereof, by the U.S. Borrower and the Administrative Agents) and delivered to the Administrative Agents for their acceptance and recording in the Register; provided that (i) if any Lender assigns a part of its rights and obligations in respect of Revolving Credit Loans and/or Revolving Credit Commitment under this Agreement to an Assignee, such Lender and such Lender's Counterpart Lender (if any) shall each assign proportionate interests in their respective Revolving Credit Commitment and Revolving Credit Loans and other related rights and obligations hereunder to such Assignee and a Counterpart Lender for such Assignee designated by it, (ii) if any U.S. Lender assigns a part of its rights and obligations under this Agreement in respect of its U.S. Revolving Credit Loans and/or U.S. Revolving Credit Commitment to an Assignee, such U.S. Lender shall assign proportionate interests in (A) its participations in the Swing Line Loans and other rights and obligations hereunder in respect of the Swing Line Loans to such Assignee and (B) Multicurrency Loans and Multicurrency Commitments (provided, that with the consent of the U.S. Borrower and the General Administrative Agent, a Lender may assign portions of its Revolving Credit Commitment without assigning a proportionate share of its Multicurrency Commitment if either (x) such proportionate share of such Multicurrency Commitment shall be assumed by another Lender or (y) if the U.S. Borrower so agrees, such proportionate share of such Multicurrency Commitment shall be terminated), (iii) in the case of any such assignment to an additional bank or financial institution, the aggregate amount of any U.S. Revolving Credit Commitment (or, if the U.S. Revolving Credit Commitments have terminated or expired, the aggregate principal amount of any U.S. Revolving Credit Loans) being assigned, or the U.S. Dollar Equivalent of the aggregate amount of the Canadian Revolving Credit Commitment (or, if the Canadian Revolving Credit Commitments have terminated or expired, the aggregate amount of Canadian Revolving Credit Loans and Acceptance Reimbursement Obligations) being assigned shall not be less than \$15,000,000 (or (i) if less, the then outstanding amount of such Commitments, Loans and/or Acceptance Reimbursement Obligations or (ii) such lesser amount as may be agreed by the U.S. Borrower and the Administrative Agents), and after giving effect to such assignment such assignor Lender, if it retains any U.S. Revolving Credit Commitment, shall retain a U.S. Revolving Credit

Commitment of at least \$15,000,000 and (iv) in the case of any such assignment made by a Canadian Lender, such Assignee must be a resident of Canada for purposes of the Tax Act unless such assignment is made pursuant to 18.8. Upon such execution, delivery, acceptance and recording, from and after the closing date determined pursuant to such Assignment and Acceptance, (I) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with Commitments, rights in respect of Acceptance Reimbursement Obligations and Loans as set forth therein, and (II) the assigning Lender thereunder shall be released from its obligations under this Agreement to the extent that such obligations shall have been expressly assumed by the Assignee pursuant to such Assignment and Acceptance (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto). Notwithstanding the foregoing, no consent of the Borrower shall be required for any assignment effected while an Event of Default under Section 16(i) is in existence.

(d) The Administrative Agents, on behalf of the Borrowers, shall maintain at their respective addresses referred to in subsection 18.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of (i) the names and addresses of the Lenders and the Commitments of, and principal amounts of the Loans and Acceptances owing to, each Lender from time to time and (ii) the other information required from time to time pursuant to subsection 3.1 in respect of Swing Line Loans. The entries in the Register shall constitute prima facie evidence of the information recorded therein, and the Borrowers, the Administrative Agents and the Lenders may (and, in the case of any Loan, Acceptance or other obligation hereunder not evidenced by a Note, shall) treat each Person whose name is recorded in the Register as the owner of a Loan, Acceptance or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Loan Documents, notwithstanding any notice to the contrary. Any assignment of any Loan, Acceptance or other obligation hereunder not evidenced by a Note shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the U.S. Borrowers or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Assignee (and, in the case of an Assignee that is not then a Lender or an Affiliate thereof, executed by the Borrowers and the Administrative Agents), together with payment to the Administrative Agents of a registration and processing fee of \$3,500, the Administrative Agents shall (i) promptly accept such Assignment and Acceptance and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register and give prompt notice of such acceptance and recordation to the Lenders and the Borrowers.

(f) Each Borrower authorizes each Lender to disclose to any Participant or Assignee (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning such Borrower and its Affiliates which has been delivered to such Lender by or on behalf of such Borrower pursuant to this Agreement or which has been delivered to such Lender by or on behalf of such Borrower in connection with such Lender's credit evaluation of such Borrower and its Affiliates prior to becoming a party to this

Agreement; provided, that any such Transferee is advised of the confidential nature of such information, if applicable, such Lender takes reasonable steps, in accordance with customary practices, to ensure that any such information is not used in violation of federal or state securities laws and such Lender otherwise complies with subsection 18.20.

(g) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this subsection concerning assignments of Loans and Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by a Lender of any Loan or Note to any Federal Reserve Bank in accordance with applicable law.

(h) If, pursuant to this subsection, any interest in this Agreement or any Loan is transferred from a U.S. Lender to any Transferee which is organized under the laws of any jurisdiction other than the United States or any state thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to agree (for the benefit of the transferor Lender, the General Administrative Agent and the U.S. Borrower) to provide the transferor Lender (and, in the case of any Transferee registered in the Register, the General Administrative Agent and the U.S. Borrower) the tax forms and other documents required to be delivered pursuant to subsection 10.12(b) or (c) and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

(i) If, pursuant to this subsection, any interest in this Agreement or any Loan is transferred from a Lender (other than a U.S. Lender) to any Transferee, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to agree (for the benefit of the transferor Lender, the General Administrative Agent and the Foreign Subsidiary Borrowers) to provide the transferor Lender, the General Administrative Agent and the Foreign Subsidiary Borrowers the tax forms and other documents required to be delivered pursuant to subsection 10.12(c) and (e) and to comply from time to time with all applicable laws and regulations with regard to such withholding tax exemption.

18.7 Adjustments; Set-Off. (a) If any Lender (a "Benefitted Lender") shall at any time receive any payment of all or part of its Extensions of Credit then due and owing to it from any Borrower, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 16(i), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Extensions of Credit then due and owing to it from such Borrower, or interest thereon, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Extensions of Credit owing to it from such Borrower, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

133

126

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to any Borrower, any such notice being expressly waived by the Borrowers to the extent permitted by applicable law, upon any amount becoming due and payable hereunder (whether at the stated maturity thereof, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch, agency or Affiliate thereof to or for the credit or the account of such Borrower. Each Lender agrees promptly to notify the Borrowers and the Administrative Agents after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

18.8 Loan Conversion/Participations. (a) (i) On any Conversion Date, to the extent not otherwise prohibited by a Requirement of Law

or otherwise, all Loans outstanding in any currency other than U.S. Dollars ("Loans to be Converted") shall be converted into U.S. Dollars (calculated on the basis of the relevant Exchange Rates as of the Business Day immediately preceding the Conversion Date) ("Converted Loans"), (ii) on each date on or after the Conversion Date on which any Acceptances or Acceptance Notes shall mature such Acceptances and Acceptance Notes ("Acceptances to be Converted") shall be converted into Canadian Revolving Credit Loans denominated in U.S. Dollars (calculated on the basis of the Exchange Rate as of the Business Day immediately preceding such maturity date) ("Converted Acceptances") and (iii) on the Conversion Date (with respect to Loans described in the foregoing clause (i)), and on the respective maturity date (with respect to Acceptances and Acceptance Notes described in the foregoing clause (ii)) (A) each U.S. Lender severally, unconditionally and irrevocably agrees that it shall purchase in U.S. Dollars a participating interest in such Converted Loans and Converted Acceptances in an amount equal to its Conversion Sharing Percentage of (x) the outstanding principal amount of the Converted Loans and (y) the face amount of matured Acceptances and Acceptance Notes, as applicable, and (B) to the extent necessary to cause the Committed Outstandings Percentage of each U.S. Lender, after giving effect to the purchase and sale of participating interests under the foregoing clause (iii), to equal its U.S. Revolving Credit Commitment Percentage (calculated immediately prior to the termination or expiration of the U.S. Revolving Credit Commitments), each U.S. Lender severally, unconditionally and irrevocably agrees that it shall purchase or sell a participating interest in U.S. Revolving Credit Loans then outstanding. Each U.S. Lender will immediately transfer to the appropriate Administrative Agent, in immediately available funds, the amounts of its participation(s), and the proceeds of such participation(s) shall be distributed by such Administrative Agent to each Lender from which a participating interest is being purchased in the amount(s) provided for in the preceding sentence. All Converted Loans and Converted Acceptances (which shall have been converted into Canadian Revolving Credit Loans denominated in Dollars) shall bear interest at the rate which would otherwise be applicable to ABR Loans.

(b) If, for any reason, the Loans to be Converted or Acceptances to be Converted, as the case may be, may not be converted into U.S. Dollars in the manner contemplated by paragraph (a) of this subsection 18.8, (i) the General Administrative Agent shall determine the

134

127

U.S. Dollar Equivalent of the Loans to be Converted or Acceptances to be Converted, as the case may be, (calculated on the basis of the Exchange Rate as of the Business Day immediately preceding the date on which such conversion would otherwise occur pursuant to paragraph (a) of this subsection 18.8), (ii) effective on such Conversion Date, each Lender severally, unconditionally and irrevocably agrees that it shall purchase in U.S. Dollars a participating interest in such Loans to be Converted or Acceptances to be Converted, as the case may be, in an amount equal to its Conversion Sharing Percentage of such Loans to be Converted or Acceptances to be Converted, as the case may be, and (iii) each U.S. Lender shall purchase or sell participating interests as provided in paragraph (a)(iii) of this subsection 18.8. Each U.S. Lender will immediately transfer to the appropriate Administrative Agent, in immediately available funds, the amount(s) of its participation(s), and the proceeds of such participation(s) shall be distributed by such Administrative Agent to each relevant Lender in the amount(s) provided for in the preceding sentence.

(c) To the extent any Taxes are required to be withheld from any amounts payable by a Lender (the "First Lender") to another Lender (the "Other Lender") in connection with its participating interest in any Converted Loan or Converted Acceptance, each Borrower, with respect to the relevant Loans made to it, shall be required to pay increased amounts to the Other Lender receiving such payments from the First Lender to the same extent they would be required under subsection 10.12 if such Borrower were making payments with respect to the participating interest directly to the Other Lender.

(d) To the extent not prohibited by any Requirement of Law or otherwise, at any time after the actions contemplated by paragraphs (a) or (b)

of this subsection 18.8 have been taken, upon the notice of any U.S. Lender to the Borrowers the following shall occur: (i) the U.S. Borrower (through the guarantee contained in Section 15) shall automatically be deemed to have assumed the Converted Loans and Converted Acceptances in which such U.S. Lender holds a participation, (ii) any Acceptances and Loans outstanding in any currency other than U.S. Dollars shall be converted into U.S. Dollars on the dates of such assumption (calculated on the basis of the Exchange Rate on the Business Day immediately preceding such date of assumption) and such Loans shall bear interest at the rate which would otherwise be applicable to ABR Loans and (iii) such Loans and obligations in respect of Acceptances shall be assigned by the relevant Lender holding such Loans or obligations to the U.S. Lender who gave the notice requesting such assumption by the U.S. Borrower.

18.9 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be delivered to the Borrowers and the Administrative Agents.

18.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any

135

128

such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

18.11 Integration. This Agreement and the other Loan Documents represent the agreement of the Borrowers, the Administrative Agents and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrowers, the Administrative Agents or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

18.12 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

18.13 Submission to Jurisdiction; Waivers. (a) Each Borrower hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement or any other Loan Document to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Borrower at its address set forth in subsection 18.2 or at such other address of which the General Administrative Agent shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) Each of the Canadian Borrower and each Foreign Subsidiary Borrower hereby irrevocably appoints the U.S. Borrower as its agent for service of process in any proceeding referred to in subsection 18.13(a) and agrees that service of process in any such proceeding may be made by mailing or delivering a copy thereof to its care of U.S. Borrower at its address for notice set forth in subsection 18.2.

18.14 Acknowledgments. Each Borrower hereby acknowledges that:

136

129

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) none of the Administrative Agents or any Lender has any fiduciary relationship with or duty to such Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agents and the Lenders, on the one hand, and the U.S. Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrowers and the Lenders.

18.15 WAIVERS OF JURY TRIAL. EACH OF THE BORROWERS, THE ADMINISTRATIVE AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

18.16 Power of Attorney. Each Foreign Subsidiary Borrower hereby grants to U.S. Borrower an irrevocable power of attorney to act as its attorney-in-fact with regard to matters relating to this Agreement and each other Loan Document, including, without limitation, execution and delivery of any amendments, supplements, waivers or other modifications hereto or thereto, receipt of any notices hereunder or thereunder and receipt of service of process in connection herewith or therewith. Each Foreign Subsidiary Borrower hereby explicitly acknowledges that the Administrative Agents and each Lender have executed and delivered this Agreement and each other Loan Document to which it is a party, and has performed its obligations under this Agreement and each other Loan Document to which it is a party, in reliance upon the irrevocable grant of such power of attorney pursuant to this subsection. The power of attorney granted by each Foreign Subsidiary Borrower hereunder is coupled with an interest.

18.17 Intercreditor Agreement. The General Administrative Agent is hereby authorized to enter into an intercreditor agreement, in form and substance reasonably satisfactory to it, to allow up to \$75,000,000 in loans outstanding on the Closing Date and owing to Deutsche Bank AG New York Branch and/or Cayman Islands Branch and Toronto Dominion (Texas), Inc., or their respective affiliates, to be equally and ratably secured by the Collateral and to benefit from guarantees from the Subsidiary Guarantors on a basis which is pari passu with the Subsidiary Guarantee.

18.18 Release of Collateral and Guarantees. (a) The Lenders hereby agree with the U.S. Borrower, and hereby instruct the General Administrative Agent, that if (i) the U.S. Borrower attains Release Status, (ii) the General Administrative Agent has no actual knowledge of the existence of a Default, (iii) the U.S. Borrower shall have delivered a certificate of a Responsible Officer stating that such Responsible Officer has obtained no knowledge of any

137

130

Default or Event of Default, and (iv) all Bond Guarantees shall have been released or shall be released concurrently with the requested release of the Subsidiary Guarantee, the General Administrative Agent shall, at the request and expense of the U.S. Borrower, take such actions as shall be reasonably requested by the U.S. Borrower to release its security interest in all collateral held by it pursuant to the Security Documents and to release all Subsidiary Guarantors from their obligations under the Subsidiary Guarantee. In such event, the provisions of subsection 13.10 shall be deemed terminated and of no further force or effect.

(b) The Lenders hereby agree with the U.S. Borrower, and hereby instruct the General Administrative Agent, that if (i) on any date the ratio of Consolidated Indebtedness on such date to Consolidated Operating Profit for the four consecutive fiscal quarters most recently ended, is less than 2.50 to 1.00, (ii) the General Administrative Agent has no actual knowledge of the existence of a Default, (iii) the U.S. Borrower shall have delivered a certificate of a Responsible Officer stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default, and (iv) all Bond Guarantees shall have been released or shall be released simultaneously with the requested release of the Subsidiary Guarantee, the General Administrative Agent shall, at the request and expense of the U.S. Borrower, take such actions as shall be reasonably requested by the U.S. Borrower to release its security interest in all collateral held by it pursuant to the Security Documents and to release all Subsidiary Guarantors from their obligations under the Security Guarantee. In such event, the provisions of subsection 13.10 shall be deemed terminated and of no further force or effect.

(c) The Lenders hereby agree with the U.S. Borrower, and hereby instruct the General Administrative Agent, that if the U.S. Borrower shall have delivered to the General Administrative Agent written notice that it proposes to sell or otherwise dispose of any Subsidiary whose stock is pledged pursuant to a Pledge Agreement or which is a Subsidiary Guarantor, and such disposition is permitted by this Agreement, the General Administrative Agent shall, at the request and expense of the U.S. Borrower, take such actions as shall be reasonably requested by the U.S. Borrower to release its security interest in the stock of such Subsidiary and to release such Subsidiary Guarantor from its obligations under the Subsidiary Guarantee; provided, that such Subsidiary shall have been, or shall simultaneously be, released from all Bond Guarantees.

18.19 Judgment. (a) If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in one currency into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the General Administrative Agent could purchase the first currency with such other currency in the city in which it normally conducts its foreign exchange operation for the first currency on the Business Day preceding the day on which final judgment is given.

(b) The obligation of each Borrower in respect of any sum due from it to any Lender hereunder shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of

this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by such Lender of any sum adjudged to be so due in the Judgment Currency such Lender may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency; if the amount of Agreement Currency so purchased is less than the sum originally due to such Lender in the Agreement Currency, such Borrower agrees notwithstanding any such judgment to indemnify such Lender against such loss, and if the amount of the Agreement Currency so purchased exceeds the sum originally due to any Lender, such Lender agrees to remit to such Borrower such excess.



18.20 Confidentiality. Each Lender agrees to take normal and reasonable precautions to maintain the confidentiality of information designated in writing as confidential and provided to it by the U.S. Borrower or any Subsidiary in connection with this Agreement; provided, however, that any Lender may disclose such information (a) at the request of any bank regulatory authority or in connection with an examination of such Lender by any such authority, (b) pursuant to subpoena or other court process, (c) when required to do so in accordance with the provisions of any applicable law, (d) at the discretion of any other Governmental Authority, (e) to such Lender's Affiliates, independent auditors and other professional advisors or (f) to any Transferee or potential Transferee; provided that such Transferee agrees to comply with the provisions of this subsection 18.20.

18.21 Effect of Amendment and Restatement of the Existing Credit Agreement. On the Closing Date, the Existing Credit Agreement shall be amended, restated and superseded in its entirety. The parties hereto acknowledge and agree that (a) this Agreement and the other Loan Documents, whether executed and delivered in connection herewith or otherwise, do not constitute a novation, payment and reborrowing, or termination of the "Obligations" (as defined in the Existing Credit Agreement) under the Existing Credit Agreement as in effect prior to the Closing Date; (b) such "Obligations" are in all respects continuing (as amended and restated hereby) with only the terms thereof being modified as provided in this Agreement; and (c) upon the effectiveness of this Agreement all Extensions of Credit of Lenders outstanding under the Existing Credit Agreement immediately before the effectiveness of this Agreement will be converted into Extensions of Credit of such Lenders hereunder on the terms and conditions set forth in this Agreement.

18.22 Conflicts. In the event that there exists a conflict between provisions in this Agreement and provisions in any other Loan Document, the provisions of this Agreement shall control.

139

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

LEAR CORPORATION

By: /s/

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Title:

140

LEAR CORPORATION CANADA LTD.

By: /s/

-----  
Title:

141

LEAR CORPORATION SWEDEN AB

By: /s/

-----  
Title:

142

LEAR CORPORATION FRANCE SARL

By: /s/

-----  
Title:

143

LEAR CORPORATION ITALIA S.P.A.

By: /s/

-----  
Title:

144

LEAR CORPORATION GMBH & CO. KG

By: /s/

-----  
Title:

145

LEAR CORPORATION BETEILIGUNGS GMBH

By: /s/  
-----  
Title:

146

THE CHASE MANHATTAN BANK, as  
Administrative Agent and as a Lender

By: /s/  
-----  
Title:

147

THE BANK OF NOVA SCOTIA, as Documentation  
Agent and Canadian Administrative Agent  
and as a Lender

By: /s/  
-----  
Title:

148

BANCA COMMERCIALE ITALIANA

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

149

BANK HAPOLIM, B.M.

By:

-----  
Title:

150

CHASE MANHATTAN BANK DELAWARE,  
as an Issuing Lender

By: -----

Title:

151

ABN AMRO BANK N.V. CHICAGO BRANCH

By: -----

Title:

By: -----

Title:

152

BANCA NAZIONALE DEL LAVORO S.P.A.  
NEW YORK BRANCH

By: /s/ -----

Title:

By: -----

Title:

153

BANK AUSTRIA AKTIENGESELLSCHAFT

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

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

154

BANK OF AMERICA NT & SA, as Co-Syndication  
Agent and as a Lender

By: /s/ \_\_\_\_\_  
Title:

155

THE BANK OF NEW YORK

By: /s/ \_\_\_\_\_  
Title:

156

THE BANK OF TOKYO-MITSUBISHI TRUST  
COMPANY

By: /s/ \_\_\_\_\_  
Title:

157

BANKERS TRUST COMPANY, as Co-Syndication  
Agent and as a Lender

By: /s/ \_\_\_\_\_  
Title

158

BANQUE NATIONALE DE PARIS

By: /s/ \_\_\_\_\_  
Title:

159

CARIPLO CASSA DI RISPARMIO DELLE  
PROVINCIE LOMBARDE SPA

By: /s/ \_\_\_\_\_  
Title:

160

CREDIT AGRICOLE INDOSUEZ

By: /s/ \_\_\_\_\_  
Title:

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

161

CIBC INC.

By: /s/ \_\_\_\_\_  
Title:

162

CITICORP USA, INC.

By: /s/ \_\_\_\_\_  
Title:

163

COMERICA BANK

By: /s/

-----  
Title:

164

UNICREDITO ITALIANO S.P.A.

By: /s/

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Title:

By:

-----  
Title:

165

CREDIT LYONNAIS CHICAGO BRANCH

By:

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Title:

166

CREDIT SUISSE FIRST BOSTON

By: /s/

-----  
Title:

By:

-----  
Title:

167

DAI-ICHI KANGYO BANK, LTD.,  
CHICAGO BRANCH

By:

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Title:

168

DEN DANSKE BANK

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

169

DEUTSCHE BANK AG NEW YORK BRANCH  
AND/OR CAYMAN ISLANDS BRANCH

By: /s/ \_\_\_\_\_  
Title:

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

170

DG BANK

By: /s/ \_\_\_\_\_  
Title:

171

DRESDNER BANK AG NEW YORK AND GRAND  
CAYMAN BRANCHES

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

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

172

FIFTH THIRD BANK, NORTHWESTERN OHIO,  
N.A.

By: /s/ \_\_\_\_\_  
Title:

173



FIRST AMERICAN NATIONAL BANK

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

174

BANKBOSTON N.A.

By: /s/ \_\_\_\_\_  
Title:

175

NBD BANK

By: /s/ \_\_\_\_\_  
Title:

176

FIRST UNION NATIONAL BANK

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

177

FLEET NATIONAL BANK

By: /s/ \_\_\_\_\_  
Title:

178

GULF INTERNATIONAL BANK B.S.C.

By: /s/ \_\_\_\_\_  
Title:

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

179

THE INDUSTRIAL BANK OF JAPAN, LIMITED

By: /s/ \_\_\_\_\_  
Title:

180

ISTITUTO BANCARIO SAN PAOLO DI TORINO  
ISTITUTO MOBILIARE ITALIANO S.P.A.

By: /s/ \_\_\_\_\_  
Title:

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

181

KEYBANK NATIONAL ASSOCIATION

By: /s/ \_\_\_\_\_  
Title:

182

KREDIETBANK N.V.

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

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

183

LEHMAN COMMERCIAL PAPER INC.

By: /s/ \_\_\_\_\_  
Title:

184

THE LONG-TERM CREDIT BANK OF JAPAN,  
LTD.

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

185

MERCANTILE BANK NATIONAL ASSOCIATION

By: /s/ \_\_\_\_\_  
Title:

186

MERITA BANK PLC, NEW YORK BRANCH

By: /s/ \_\_\_\_\_  
Title:

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

187

MICHIGAN NATIONAL BANK

By: /s/ \_\_\_\_\_  
Title:

188

MORGAN GUARANTY TRUST COMPANY OF  
NEW YORK

By: /s/

-----  
Title:

189

NATIONAL CITY BANK

By:

-----  
Title:

190

NATIONSBANK N.A.

By: /s/

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Title:

191

THE NORTHERN TRUST COMPANY

By:

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Title:

192

PARIBAS

By: /s/

-----  
Title:

By:

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Title:

193

ROYAL BANK OF CANADA

By: /s/ \_\_\_\_\_  
Title:

194

THE SAKURA BANK, LTD.

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

195

THE SANWA BANK, LIMITED,  
CHICAGO BRANCH

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

196

SOCIETE GENERALE

By: /s/ \_\_\_\_\_  
Title:

197

THE SUMITOMO BANK, CHICAGO BRANCH

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

198

SUNTRUST BANK, ATLANTA

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

199

SVENSKA HANDELSBANKEN

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

200

TORONTO DOMINION (TEXAS), INC.

By: /s/ \_\_\_\_\_  
Title:

201

U.S. BANK NATIONAL ASSOCIATION

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

202

WACHOVIA BANK

By: /s/ \_\_\_\_\_  
Title:

203

SCHEDULE I

COMMITMENTS; ADDRESSES

A. U.S. Revolving Credit Commitment and Multicurrency Commitment Amounts (U.S. Dollars)

=====			
U.S. Lender	U.S. Revolving Credit Commitment	Counterpart Lender	Multicurrency Commitment
-----			
ABN AMRO Bank N.V., Chicago Branch	\$50,000,000		\$35,000,000

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Banca Commerciale Italiana	\$15,000,000		
-----			
Banca Nazionale del Lavoro S.p.A., New York Branch	\$15,000,000		
-----			
Bank Austria Aktiengesellschaft	\$20,000,000		
-----			
Bank Hapoalim, B.M.	\$15,000,000		
-----			
Bank of America NT & SA	\$75,000,000	\$35,000,000	
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BankBoston N.A.	\$35,000,000	\$30,000,000	
-----			
Bankers Trust Company	\$87,500,000		
-----			
Banque Nationale de Paris	\$50,000,000	\$30,000,000	
-----			
CARIPLO Cassa di Risparmio delle Province Lombarde SPA	\$15,000,000		
-----			
		Canadian Imperial Bank of Commerce	
-----			
CIBC, Inc.	\$50,000,000		
-----			
Citicorp USA, Inc.	\$87,500,000	\$40,000,000	
-----			
Comerica Bank	\$60,000,000	\$10,000,000	
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204

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U.S. Lender	U.S. Revolving Credit Commitment	Counterpart Lender	Multicurrency Commitment
-----			
Credit Agricole Indosuez	\$35,000,000		\$10,000,000
-----			
Credit Lyonnais Chicago Branch	\$45,000,000		\$10,000,000
-----			
Credito Italiano S.p.A.	\$15,000,000		
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Credit Suisse First Boston	\$25,000,000		
-----			
Den Danske Bank	\$25,000,000		
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Deutsche Bank AG New York Branch and/or Cayman Islands Branch	\$50,000,000		
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DG Bank	\$25,000,000		
-----			
Dresdner Bank AG New York and Grand Cayman Branches	\$35,000,000		\$35,000,000
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Fifth Third Bank	\$20,000,000		
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First American National Bank	\$15,000,000		
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First Union National Bank of North Carolina	\$50,000,000		\$20,000,000
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Fleet National Bank	\$45,000,000		
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Gulf International Bank B.S.C.	\$15,000,000		
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Istituto Bancario Sao Paolo Di Torino SpA	\$20,000,000		
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KeyBank National Association	\$50,000,000		
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Kredietbank N.V.	\$40,000,000		\$15,000,000
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Lehman Commercial Paper Inc.	\$25,000,000		
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205

U.S. Lender	U.S. Revolving Credit Commitment	Counterpart Lender	Multicurrency Commitment
Mercantile Bank, N.A.	\$20,000,000		
Merita Bank PLC	\$20,000,000		
Michigan National Bank of Detroit	\$20,000,000		
Morgan Guaranty Trust Company of New York	\$25,000,000		
National City Bank	\$25,000,000		
NationsBank, N.A.	\$75,000,000		\$35,000,000
NBD Bank	\$50,000,000		\$35,000,000
Paribas	\$35,000,000		\$15,000,000
Royal Bank of Canada	\$35,000,000	Royal Bank of Canada	
Societe Generale	\$30,000,000		\$10,000,000
Suntrust Bank, Atlanta	\$30,000,000		
Svenska Handelsbanken	\$20,000,000		
The Bank of Nova Scotia	\$75,000,000	The Bank of Nova Scotia	
The Bank of New York	\$50,000,000		\$35,000,000
The Bank of Tokyo-Mitsubushi Ltd., New York Branch	\$50,000,000		
The Chase Manhattan Bank	\$95,000,000		\$85,000,000

206

U.S. Lender	U.S. Revolving Credit Commitment	Counterpart Lender	Multicurrency Commitment
The Dai-Ichi Kangyo Bank, Ltd., Chicago Branch	\$30,000,000		
The Industrial Bank of Japan, Limited	\$50,000,000		
The Long-Term Credit Bank of Japan, Ltd.	\$35,000,000		
The Northern Trust Company	\$25,000,000		
The Sakura Bank, Ltd.	\$10,000,000		
The Sanwa Bank, Limited, Chicago Branch	\$50,000,000		
The Sumitomo Bank, Chicago Branch	\$35,000,000		
Toronto Dominion (Texas), Inc.	\$50,000,000		
U.S. Bank National Association	\$25,000,000		\$15,000,000
Wachovia Bank	\$25,000,000		
TOTAL	\$2,100,000,000		\$500,000,000

207



B. Canadian Commitment Amounts (U.S. Dollars)

Canadian Lender	Canadian Revolving Credit Commitment	Counterpart Lender
The Bank of Nova Scotia	\$20,000,000	The Bank of Nova Scotia
Canadian Imperial Bank of Commerce	\$20,000,000	CIBC, Inc.
Royal Bank of Canada	\$10,000,000	Royal Bank of Canada
TOTAL	\$50,000,000	

208

6

C. ADDRESSES FOR NOTICES

ABN AMRO BANK N.V., CHICAGO BRANCH  
135 South LaSalle Street, Suite 625  
Chicago, IL 60674  
Attn: David Sagers  
Tel: (312) 904-2854  
Fax: (312) 606-8425

BANCA COMMERCIALE ITALIANA (CHICAGO)  
150 North Michigan Avenue, Suite 1500  
Chicago, IL 60601  
Attn: Mark Mooney  
Tel: (312) 346-1112  
Fax: (312) 346-5769

BANCA NAZIONALE DEL LAVORO S.P.A., NEW YORK BRANCH  
25 West 51st Street  
New York, NY 10019  
Attn: Giulio Giovine  
Tel: (212) 581-0710  
Fax: (212) 765-2978

BANK AUSTRIA AKTIENGESELLSCHAFT  
565 Fifth Avenue, 26th Floor  
New York, NY 10017  
Attn: Jeanine B. Long  
Tel: (212) 880-1075  
Fax: (212) 880-1080

BANK OF AMERICA NT & SA  
231 South LaSalle Street  
Chicago, IL 60693  
Attn: Steve Ahrenholz  
Tel: (312) 828-1291  
Fax: (312) 987-7384

BANK HAPOALIM, B.M.  
399 Park Avenue  
New York, NY 10043  
Attn: Marc Bosc  
Tel: (212) 782-2181

THE BANK OF NEW YORK  
One Wall Street, 22nd Floor  
New York, NY 10286  
Attn: William M. Barnum  
Tel: (212) 635-1066  
Fax: (212) 635-6434

BANK OF NOVA SCOTIA  
181 West Madison Street, Suite 3700  
Chicago, IL 60602  
Attn: Brian Hewett  
Tel: (312) 201-4145  
Fax: (312) 201-4108

THE BANK OF TOKYO-MITSUBUSHI LTD., NEW YORK BRANCH  
1251 Avenue of the Americas,  
12th Floor  
New York, NY 10020-1104  
Attn: Friedrich N. Wilms  
Tel: (212) 782-4341  
Fax: (212) 782-6445

BANKERS TRUST COMPANY  
233 South Wacker Drive, Suite 8400  
Chicago, IL 60606  
Attn: Tom Cole  
Tel: (312) 993-8051  
Fax: (312) 993-8162

BANQUE NATIONALE DE PARIS  
209 South LaSalle Street, 5th Floor  
Chicago, IL 60604  
Attn: Christine L. Howatt  
Tel: (312) 977-1383  
Fax: (312) 977-1380

CARIPL0 BANK  
10 East 53 St., 36th Floor  
New York, NY 10022  
Attn: Anthony Giobbi  
Tel: (212) 527-8737  
Fax: (212) 527-8777

CREDIT AGRICOLE INDOSUEZ  
55 East Monroe Street, Suite 4700  
Chicago, IL 60603-5702  
Attn: Richard Drennan  
Tel: (312) 917-7441  
Fax: (312) 372-3724

CIBC INC.  
200 West Madison Street, Suite 2300  
Chicago, IL 60606  
Attn: Ken Davis

Tel: (312) 750-8733  
Fax: (312) 750-0927

CIBC INC. (U.S. BORROWINGS)  
Atlanta Agency  
Two Paces West  
Atlanta, GA 30339  
Attn: Ken Auchter  
Tel: (770) 319-4814  
Fax: (770) 319-4950

CANADIAN IMPERIAL BANK OF COMMERCE (CANADIAN BORROWINGS)  
Commerce Court West - 50th Floor  
Toronto, Ontario M5L 1A2  
Attn: Rick DeGrys  
Tel: (416) 214-8411  
Fax: (416) 980-5855

CITICORP USA, INC.  
399 Park Avenue  
New York, NY 10043  
Attn: Elizabeth Palermo  
Tel: (212) 559-3533  
Fax: (212) 826-3375

COMERICA BANK  
Comerica Tower at Detroit Center  
500 Woodward Avenue, MC 3265  
Detroit, MI 48226  
Attn: Michael Shea  
Tel: (313) 222-2977  
Fax: (313) 222-3776

211

9

CREDITO ITALIANO S.P.A.  
375 Park Avenue  
New York, NY 10152  
Attn: Harmon P. Butler  
Tel: (212) 546-9611  
Fax: (212) 546-9675

CREDIT LYONNAIS, CHICAGO BRANCH  
227 West Monroe Street, Suite 3800  
Chicago, IL 60606  
Attn: Joce Cote  
Tel: (312) 220-7303  
Fax: (312) 641-0527

CREDIT SUISSE FIRST BOSTON  
11 Madison Avenue  
New York, New York 10010-3829  
Attn: Kristin Lepri  
Tel: (212) 325-9058  
Fax: (212) 325-8309

THE CHASE MANHATTAN BANK (DELAWARE)  
1201 Market Street  
Wilmington, Delaware 19801  
Attn: Micheal Handago  
Tel: (302) 428-3311  
Fax: (302) 428-3390

THE DAI-ICHI KANGYO BANK, LTD., CHICAGO BRANCH  
10 South Wacker Drive, 26th Floor

Chicago, IL 60606  
Attn: Michael D. Pleasants  
Tel: (312) 715-6361  
Fax: (312) 876-2011

DEUTSCHE BANK AG NEW YORK BRANCH AND/OR  
CAYMAN ISLANDS BRANCH  
31 West 52nd Street  
New York, New York 10019  
Attn: Hans-Josef Thiele  
Tel: (212) 474-8649  
Fax: (212) 474-8212

DEUTSCHE BANK SECURITIES INC.

212

10

31 West 52nd Street, 24th Floor  
New York, New York 10019  
Attn: Rolf-Peter Mikolayczyk  
Tel: (212) 469-8237  
Fax: (212) 469-8212

DEN DANSKE BANK (NEW YORK)  
280 Park Avenue  
New York, New York 10017-1216  
Attn: Peter Hargrave  
Tel: (212) 984-8433  
Fax: (212) 370-9239

DG BANK  
609 Fifth Avenue  
New York, New York 10017-1021  
Attn: Robert Herber  
Tel: (212) 745-1581  
Fax: (212) 745-1556

DRESDNER BANK AG NEW YORK AND GRAND CAYMAN BRANCHES  
190 South LaSalle St., Suite 2700  
Chicago, IL 60603  
Attn: Jeffrey Mumm  
Tel: (312) 444-1336  
Fax: (312) 444-1305

FIRST AMERICAN NATIONAL BANK  
Fourth & Union Street., NA-0310  
Nashville, TN 37238  
Attn: Andrew Zimberg  
Tel: (615) 748-1401  
Fax: (615) 748-6072

BANKBOSTON N.A.  
100 Federal Street, MS-01-09-05  
Boston, MA 02110  
Attn: Robert MacElhiney  
Tel: (617) 434-7068  
Fax: (617) 434-6685

NBD BANK  
611 Woodward Avenue  
Detroit, MI 48226  
Attn: Thomas Lakocy

213

Tel: (313) 225-2884  
Fax: (313) 225-2290

FIRST UNION NATIONAL BANK OF NORTH CAROLINA  
One First Union Center, DC-5  
Charlotte, NC 28288-0745  
Attn: Glenn Edwards  
Tel: (704) 383-3810  
Fax: (704) 314-2802

FLEET NATIONAL BANK  
One Federal Street  
Boston, MA 02211  
Attn: Juan Jeffries  
Tel: (617) 346-4953  
Fax: (617) 346-0585

GULF INTERNATIONAL BANK B.S.C.  
380 Madison Avenue, 21st Floor  
New York, NY 10017  
Attn: Abdel-Fattah Tahoun  
Tel: (212) 922-2325  
Fax: (212) 922-2309

THE INDUSTRIAL BANK OF JAPAN, LIMITED  
227 West Monroe Street, Suite 2600  
Chicago, IL 60606  
Attn: David Geddy  
Tel: (312) 855-8482  
Fax: (312) 855-8200

ISTITUTO BANCARIO SAO PAOLO DI TORINO SPA  
245 Park Avenue  
New York, NY 10167  
Attn: Luca Sergio  
Tel: (212) 692-3180  
Fax: (212) 599-5303

JP MORGAN (NEW YORK)  
50 Wall Street  
New York, New York 10260  
Attn: Stephen Worth  
Tel: (212) 648-4114

214

Fax: (212) 648-5043

KEYBANK NATIONAL ASSOCIATION  
Large Corporate Group  
127 Public Square  
Cleveland, OH 44114  
Attn: Thomas A. Crandell  
Tel: (216) 689-3589  
Fax: (216) 689-4981

KREDIETBANK N.V.  
125 West 55th Street, 10th Floor  
New York, NY 10019  
Attn: John E. Thierfelder  
Tel: (212) 541-0727  
Fax: (212) 956-5580

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
Attn: Peter Wexler  
Tel: (212) 526-3055  
Fax: (212) 526-3738

THE LONG TERM CREDIT BANK OF JAPAN, LTD.  
190 South LaSalle Street, Suite 800  
Chicago, IL 60603  
Attn: Robert Orenstein  
Tel: (312) 704-5478  
Fax: (312) 704-8505

MERCANTILE BANK, NA  
P.O. Box 524  
St. Louis, MS 63166  
Attn: Kirk A. Porter  
Tel: (314) 418-2413

MERITA BANK PLC  
437 Madison Avenue, 21st Floor  
New York, NY 10022  
Attn: William Keller  
Tel: (212) 318-9317

215

13

MICHIGAN NATIONAL BANK  
27777 Inkster Road  
Farmington Hills, MI 48333  
Attn: Christopher Mayone  
Tel: (248) 473-4357  
Fax: (248) 615-5910

NATIONSBANK, N.A.  
233 South Wacker Drive, Suite 2800  
Chicago, IL 60606  
Attn: Wallace W. Harris, Jr.  
Tel: (312) 234-5626  
Fax: (312) 234-5601

NATIONAL CITY BANK (CLEVELAND)  
979 Westwood Drive  
Birmingham, MI 48009  
Attn: Mary Beth Howe  
Tel: (248) 644-0502  
Fax: (248) 644-0432

NORTHERN TRUST COMPANY (CHICAGO)  
50 South LaSalle Street  
Chicago, IL 60675  
Attn: Tracy Toulouse  
Tel: (312) 557-1356  
Fax: (312) 630-6082

PARIBAS  
227 West Monroe, Suite 3300  
Chicago, IL 60606  
Attn: Nicholas C. Mast  
Tel: (312) 853-6038  
Fax: (312) 853-6020

ROYAL BANK OF CANADA  
One North Franklin Street, Suite 700  
Chicago, IL 60606  
Attn: Patrick K. Shields  
Tel: (312) 551-1629  
Fax: (312) 551-0805

THE SAKURA BANK, LTD.  
 277 Park Avenue  
 New York, NY 10172  
 Attn: Patricia L. Walsh  
 Tel: (212) 756-6788  
 Fax: (212) 756-6781

THE SANWA BANK, LIMITED, CHICAGO BRANCH  
 10 South Wacker Drive, 31st Floor  
 Chicago, IL 60606  
 Attn: Richard H. Ault  
 Tel: (312) 368-3011  
 Fax: (312) 346-6677

SOCIETE GENERALE  
 181 West Madison Street, Suite 3400  
 Chicago, IL 60602  
 Attn: Eric Bellaiche  
 Tel: (312) 578-5056  
 Fax: (312) 578-5099

THE SUMITOMO BANK, LIMITED, CHICAGO BRANCH  
 233 South Wacker Drive, Suite 4800  
 Chicago, IL 60606-6448  
 Attn: James C. Beckett  
 Tel: (312) 876-7794  
 Fax: (312) 876-6436

and

277 Park Avenue  
 New York, NY 10172  
 Attn: Paul Kane  
 Tel: (212) 224-4152  
 Fax: (212) 224-4079

SUNTRUST BANK, ATLANTA  
 25 Park Place  
 Mailcode 118  
 Atlanta, GA 30303  
 Attn: Shelly Browne  
 Tel: 404-230-5224  
 Fax: 404-588-8505/658-4905

SUNTRUST BANK ATLANTA  
 25 Park Place  
 Mailcode 118  
 Atlanta, GA 30303  
 Attn: Jennifer Harrelson  
 Tel: (404) 588-7461  
 Fax: (404) 588-8505/658-4905

SVENSKA HANDELSBANKEN (NEW YORK)

153 East 53rd Street, 37th Floor  
New York, New York 10022  
Attn: Karl Forsman  
Tel: (212) 326-5144  
Fax: (212) 326-5151

SVENSKA HANDELSBANKAN (NEW YORK)  
153 East 53rd Street  
New York, New York 10022  
Attn: David Caceres  
Tel: (212) 326-5171  
Fax: (212) 326-5151

TD SECURITIES (USA) INC.  
70 W. Madison, Suite 5430  
Chicago, IL 60602  
Attn: Mario da Ponte  
Tel: (312) 977-2127  
Fax: (312) 782-6332

U.S. BANK NATIONAL ASSOCIATION  
601 Second Avenue South  
Minneapolis, MN 55402-4302  
Attn: Tom Cherry  
Tel: (612) 973-0555  
Fax: (612) 973-0825

218

16

CHEMICAL SECURITIES INC.  
270 Park Avenue  
New York, New York 10017  
Attn: Rosemary Bradley  
Tel: (212) 270-7853  
Fax: (212) 270-5127

LEAR CORPORATION  
21557 Telegraph Road  
Southfield, MI 48034  
Attn: Raymond F. Lowry  
Tel: (248) 447-1730  
Fax: (248) 447-1593

WACHOVIA CORPORATE SERVICES, INC.  
191 Peachtree Street, N.E.  
Atlanta, GA 30303  
Attn: Katie Trocron  
Tel: (404)  
Fax: (404) 332-6898

FIFTH THIRD BANK  
606 Madison Avenue  
Toledo, OH 43604  
Attn: Chris Prisby  
Tel: (419) 259-7141  
Fax: (419) 259-7134

219



SCHEDULE II

FOREIGN SUBSIDIARY BORROWER

Name and Address -----	Jurisdiction of Incorporation -----
Lear Corporation Sweden AB c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	Sweden
Lear France SARL c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	France
Lear Corporation GmbH & Co. KG c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	Germany
Lear Corporation Beteiligungs GmbH c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	Germany
Lear Corporation Italia S.p.A. c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	Italy

220

SCHEDULE III

ADMINISTRATIVE SCHEDULE

I. MULTICURRENCY LOANS

A. Interest Rates for Each Currency

Sterling:

for any Interest Period in respect of any Tranche, the rate per annum equal to the average (rounded upward to the nearest 1/16th of 1%) of the rates at which Chase is offered deposits in Sterling in the Paris interbank market at or about 11:00 A.M., Paris time, on the Quotation Day for such Interest Period for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to Chase's Multicurrency Commitment Percentage of the applicable Multicurrency Loan.

Swedish Kroner:

for any Interest Period in respect of any Tranche, the rate per annum equal to the average (rounded upward to the nearest 1/16th of 1%) of the rates at which Chase is offered deposits in Swedish Kroner in the London interbank market at or about 11:00 A.M., London time, on the Quotation Day for such Interest Period for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to Chase's Multicurrency Commitment Percentage of the applicable Multicurrency Loan.

euro unit:

for any Interest Period in respect of any Tranche, the rate per annum for deposits in euro for a period beginning on the first day of such Interest Period and ending on the last day of such Interest Period which appears on Telerate Page 3750 (or, if no such quotation appears on such Telerate Page, on the appropriate Reuters Screen) as of 11:00 a.m., London time, on the Quotation Day of such Interest Period.

221

2

B. Funding Office, Funding Time, Payment Office, Payment Time for Each Currency.

Sterling:

1. Funding Office:  
Account of: Chase Manhattan International Limited  
Account No: CHAPS 40 52 06  
Chase Manhattan Bank  
125 London Wall  
London EC2Y 5AJ
2. Funding Time: 11:00 A.M., local time.
3. Payment Office:  
Account of: Chase Manhattan International Limited  
Account No: CHAPS 40 52 06  
Chase Manhattan Bank  
125 London Wall  
London EC2Y 5AJ
4. Payment Time: 11:00 A.M., local time.

Swedish Kroner:

1. Funding Office:  
Account of: Chase Manhattan International Limited  
Account No: 52018519395
2. Funding Time: 11:00 A.M., local time.
3. Payment Office:  
Account of: Skandinaviska Enskilda Banken, Stockholm  
Account No: 52018519395
4. Payment Time: 11:00 A.M., local time.

euro unit:

1. Funding Office:  
Account of: Chase Manhattan International Limited  
Account No: 6001600037  
The Chase Manhattan Bank AG, Frankfurt

222

3

2. Funding Time: 11:00 A.M., local time.
3. Payment Office:  
Account of: Chase Manhattan International Limited  
Account No: 6001600037  
The Chase Manhattan Bank AG, Frankfurt
4. Payment Time: 11:00 A.M., local time.

C. Notice of Multicurrency Loan Borrowing:

1. Deliver to: Chase Manhattan International Limited  
Trinity Tower  
9 Thomas More Street  
London E1 9YT  
Attention: Steve Clark  
Telephone No: 44-171-777-2353  
Fax No: 44-171-777-2360/2085
2. Time:  
Not later than 11:00 A.M., London time, on the last Business Day preceding the Quotation Day in respect of such Borrowing Date.
3. Information Required:  
Name of Foreign Subsidiary Borrower, amount to be borrowed, and Interest Periods.

D. Notice of Multicurrency Loan Continuation; Notice of Prepayment:

1. Deliver to: Chase Manhattan International Limited  
Trinity Tower  
9 Thomas More Street  
London E1 9YT  
Attention: Steve Clark  
Telephone No: 44-171-777-2353  
Fax No: 44-171-777-2360/2085
2. Time:  
Not later than 11:00 A.M., London time, on the last Business Day preceding the Quotation Day for the next Interest Period.

3. Information Required:

Name of Foreign Subsidiary Borrower, amount to be continued or prepaid, as the case may be, and Interest Periods.

II. NOTICE OF ALTERNATE CURRENCY OUTSTANDINGS

1. Deliver to: Chase Manhattan International Limited  
Trinity Tower  
9 Thomas More Street  
London E1 9YT  
Attention: Steve Clark  
Telephone No: 44-171-777-2353  
Fax No: 44-171-777-2360/2085

with a copy to:

The Chase Manhattan Bank  
140 East 45th Street  
29th Floor  
New York, New York 10017  
Attention: Chris Consomer  
Telephone No.: 212-622-8779  
Fax No.: 212-622-0122

2. Delivery time: By close of business in London on the date of making of each Alternate Currency Loan and having a fixed maturity of 30 or more days and on the last Business Day of each month on which the applicable Alternate Currency Borrower has outstanding any Alternate Currency Loans.
3. Information to be set forth:  
Name of Foreign Subsidiary Borrower  
Amount and currency of outstanding Alternate Currency Loans of each Alternate Currency Lender

SCHEDULE IV

SECURITY DOCUMENTS

I. Pledge Agreements

1. Company Pledge Agreement, dated as of the date hereof, made by the U.S. Borrower, Lear Operations Corporation and Lear Corporation Automotive Systems pledging 100% of the stock of Lear Operations Corporation and Lear Corporation Automotive Holdings in favor of the General Administrative Agent, substantially in the form of Exhibit Q to the Agreement.

2. Pledge Agreement to be entered into within 60 days after the Closing Date in respect of 65% of the capital stock of Lear Germany.

SCHEDULE V

[RESERVED]

226

SCHEDULE VI

SUBSIDIARIES (1)

DOMESTIC SUBSIDIARIES:

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Amtex, Inc.	Pennsylvania	50%	Lear Corporation
Bryan Manufacturing Company	Ohio	100%	Lear Corporation Automotive Holdings
Corporate Eagle Two LLC		50%	LCT, Inc.
Detroit Automotive Interiors L.L.C.	Michigan	49%	Lear Corporation
Essex International de Chihuahua, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
General Seating of America, Inc.	Delaware	50%	Lear Corporation
Industrial Electrical Specialties, Inc.	Delaware	55%	Lear Corporation Automotive Holdings
IPCO Inc.	Delaware	100%	Lear Corporation Automotive Holdings
LCT, Inc.	Michigan	100%	Lear Corporation
Lear Corporation (Germany) Ltd.	Delaware	100%	Lear Corporation
Lear Corporation Global Development, Inc.	Delaware	100%	Lear Corporation
Lear Corporation Mendon	Delaware	100%	Lear Corporation
Lear Donnelly Overhead Systems, L.L.C.	Michigan	50%	Lear Corporation
Lear East L.P.	Pennsylvania	100%	Lear East, Inc. (99%); Lear Corporation Global Development, Inc. (1%)
Lear East, Inc.	Delaware	100%	Lear Operations Corporation
Lear Investments Company, L.L.C.	Delaware	100%	Lear Corporation
Lear Mexican Holding, L.L.C.	Delaware	100%	Lear Seating Holdings Corp. #50
Lear Midwest Automotive, Limited Partnership	Delaware	100%	Lear Midwest, Inc. (99.9%); Lear Corporation Mendon (0.1%)
Lear Midwest, Inc.	Kentucky	100%	Lear Operations Corporation
Lear Operations Corporation	Delaware	100%	Lear Corporation
Lear Seating Holdings Corp. #50	Delaware	100%	Lear Corporation
Lear Seating Holdings Corp. #100	Delaware	100%	Lear Corporation
Lear Technologies, L.L.C.	Delaware	100%	Lear Corporation
Lear Trim L.L.C.	Delaware	100%	NAB Corporation (99.9%); Lear Corporation (.1%)

1. After giving effect to the UT Automotive Acquisition.

227

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Masland Transportation, Inc.	Delaware	100%	Lear Corporation
Motors Acquisition Corporation	Delaware	100%	Lear Corporation
NAB Corporation	Delaware	100%	Lear Corporation
Precision Fabrics Group	North Carolina	29%	Lear Corporation
Superior Coach Corporation	Ohio	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Japan), Inc.	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (U.K.) Limited	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Automotive Systems, Inc.	Ohio	100%	Lear Corporation Automotive Holdings
United Technologies Automotive, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Furukawa Corporation	Delaware	51%	Lear Corporation Automotive Holdings
UT Automotive Advanced Technology, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
UT Automotive Dearborn, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
Lear Corporation Automotive Holdings	Delaware	100%	Lear Operations Corporation
Wagner Industries, Inc.	Indiana	100%	Lear Corporation Automotive Holdings

228

3

#### FOREIGN SUBSIDIARIES:

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
AB Extruding	Sweden	100%	Lear Corporation Sweden AB
AB Trelleborgsplast	Sweden	100%	Lear Corporation Sweden AB
All Automotive Industries Canada Inc.	Canada	100%	Lear Corporation
Alfombras San Luis S.A.	Argentina	100%	Industria Textil Dragui S.A.
Arbitrario B.V.	Netherlands	100%	Lear Corporation
Asia Pacific Components Co., Ltd.	Thailand	98%	Lear Seating (Thailand) Corp., Ltd.
Auto Interiors India Private Ltd.	India	25%	
Autoform Kunsrstoffteile GmbH	Germany	69%	Gruppo Pianfej S.r.L (44%); Pianfei Glass SA (25%)
Autoform Kunststoffteile GmbH & Co KG	Germany	70.89%	Gruppo Pianfej S.r.L (45.2%); Pianfei Glass SA (29.69%)
Autotrim, S.A. de C.V.	Mexico	40%	Interiores Automotrics Summa S.A. de C.V.
AVB Anlagen und Vorrichtungsbau	Germany	55%	Lear Corporation Bereiligungs GmbH
Aviken Plast AB	Sweden	100%	Lear Corporation Gnosjoplast AB
Chongqing Lear Chang'an Automotive Interior Trim Co., Ltd.	China	35.75%	Lear Corporation China Ltd.
Consorcio Industrial Mexicanos de Autopartes S.A. de C.V.	Mexico	100%	Lear Corporation 99.4%; Empresas Industriales Mexicanos de Autopartes, S.A. de C.V. .6%
Davart Group Ltd.	UK	100%	Lear Corporation UK Interior Systems Limited
Donnelly Eurotrim Ltd.	Ireland	50%	Lear Donnelly Overhead Systems, L.L.C.

El Trim (Pty.) Ltd.	Italy	51%	Lear Corporation Beteiligungs GmbH
Empetek autodily s.r.o.	Czech Republic	50%	Lear Donnelly Overhead Systems, L.L.C.
Empresas Industriales Mexicanos de Autopartes, S.A. de C.V.	Mexico	74.98%	Lear Corporation
Favesa S.r.l. de C.V.	Mexico	100%	Lear Holdings S.r.l. de C.V.
Gate Deutschland GmbH	Germany	100%	Lear Corporation Automotive Holdings
Gate France S.A.	France	99.760%	Lear Corporation Automotive Holdings
Gate S.p.A.	Italy	100%	Lear Corporation Automotive Holdings
Gate UK Limited	U.K.	100%	Lear Corporation Automotive Holdings
General Seating of Canada Ltd.	Canada	50%	Lear Corporation Canada, Ltd.
General Seating of Thailand Corp. Ltd.		50%	Lear Corporation
Gruppo Pianfei S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
Guilford Kast Plastifol Dynamics Ltd.	UK	33.3%	Lear Corporation Drahtfedem GmbH
Hanil Lear Automotive Parts Private Ltd.	India	50%	Lear Corporation
Hubei UTA-Xianfeng Auto Electric Company, Ltd.	China	100%	Lear Corporation Automotive Holdings
Industria Textil Dragui S.A.	Argentina	100%	Industrias Lear de Argentina, S.A.
Industrias Cousin Freres, S.L.	Spain	49.99%	Lear Corporation Italia S.p.A..
Industrias Lear de Argentina, S.A.	Argentina	100%	Lear Corporation
Industrias Lear Trim S. de R.L. de C.V.	Mexico	100%	Lear Holdings S.r.l. de C.V.
Inteco S.p.A.	Italy	100%	Strapazzini Auto S.p.A. (99%), Lear Corporation Italia Holding S.r.L. (1%)
Interiores Automotrices Summa S.A. de C.V.	Mexico	40%	Lear Operations Corporation
Interiores Para Autos, S.A. de C.V.	Mexico	40%	Interiores Auto Matricies Summa S.A. de C.V.
Interni S.A.	Brazil	25%	
Jiangxi Jiangling Lear Interior Systems Co. Ltd.	China	32%	Lear Corporation China Ltd.
John Cotton Plastics Ltd.	UK	100%	Lear Corporation UK Interior Systems Limited
L.S. Servicos Ltda.	Brazil	100%	Lear Corporation
Lear Automotive Corporation Singapore Pte. Ltd.	Singapore	100%	Lear Corporation
Lear Bahia Ltd.	Brazil	100%	Lear do Brazil Ltda.
Lear Belgium Newco	Belgium	100%	Lear Corporation
Lear Brits (SA) (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Car Seating do Brasil Ltda.	Brazil	100%	L.S. Servicos Ltda.
Lear Corporation (Nottingham) Limited	UK	100%	Lear Corporation (UK) Limited)
Lear Corporation (S.A.) (Pty.) Ltd.	South Africa	100%	
Lear Corporation (SSD) Ltd.	UK	100%	Lear UK ISM Limited
Lear Corporation (SSD) NV	Belgium	100%	Lear Corporation
Lear Corporation (UK) Ltd.	UK	100%	Lear UK Acquisition Limited

Lear Corporation Asientos, S.A.	Spain	100%	Lear Corporation Spain S.L.
Lear Corporation Australia Pty. Ltd.	Australia	100%	Lear Corporation
Lear Corporation Austria GmbH	Austria	100%	Lear Corporation Beteiligungs GmbH

230

5

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
Lear Corporation Austria GmbH & Co. KG	Austria	100%	Lear Corporation Beteiligungs GmbH (99%); Lear Corporation Austria GmbH (1%)
Lear Corporation Automotive Components (Pty.) Ltd.	South Africa	100%	
Lear Corporation Beteiligungs GmbH	Germany	100%	Lear Corporation (Germany) Ltd.
Lear Corporation Drahtfedern GmbH	Germany	100%	Lear Corporation Beteiligungs GmbH
Lear Corporation Canada Ltd.	Ontario	100%	Lear Corporation
Lear Canada Investments Ltd.	Ontario	100%	Lear Corporation
Lear Corporation China Ltd.	Mauritius	65%	
Lear Corporation France S.A.R.L.	France	100%	Lear Corporation
Lear Corporation GmbH & Co. KG	Germany	100%	Lear Corporation Drahtfedern GmbH
Lear Corporation Holdings Spain S.L.		100%	Lear Corporation
Lear Corporation Hungary KFT		100%	Lear Corporation Drahtfedern GmbH
Lear Corporation Interior Components (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Corporation Italia Holding S.r.L.	Italy	100%	Lear Corporation
Lear Corporation Italia S.p.A.	Italy	100%	Lear Corporation Italia Holdings S.r.L.
Lear Corporation Italia Speciality Car Group S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
Lear Corporation Italia Sud S.p.A.	Italy	100%	Lear Corporation Italia S.p.A.
Lear Corporation Mexico S.A. de C.V.	Mexico	99.6%	Lear Holdings S.r.l. de C.V.
Lear Corporation Poland Gliwice S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Poland II S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Poland S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Portugal-Components Para Automovers, Lda.	Portugal	100%	Lear Corporation
Lear Corporation Spain S.L.		100%	Lear Corporation Holdings Spain S.L.
Lear Corporation Sweden AB	Sweden	100%	Lear Corporation
Lear Corporation Sweden Gnosjoplast AB	Sweden	100%	Lear Corporation Sweden AB
Lear Corporation UK Holdings Ltd.	UK	100%	Lear Corporation
Lear Corporation UK Interior Systems Ltd.	UK	100%	Lear Corporation UK Holdings Ltd.
Lear Corporation Verwaltungs GmbH	Germany	100%	Lear Corporation Drahtfedern GmbH

231

6



Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
Lear de Venezuela, C.A.	Venezuela	100%	Lear Corporation
Lear de Brazil Ltda.	Brazil	100%	Lear Corporation
Lear Donnelly Mexico, S. de R.L. de C.V.		(50%)	Lear Donnelly Overhead Systems, L.L.C.
Lear Foreign Sales Group	US Virgin Islands	100%	Lear Corporation
Lear Holdings S.r.L. de C.V.		(50%)	Lear Mexican Holdings, L.L.C.
Lear Inespo Comercial Industrial Ltda.	Brazil	50.01%	Lear Corporation
Lear JIT (Pty.) Ltd.	South Africa	51%	Lear Corporation Drahtfedern GmbH
Lear North West (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Seating (Thailand) Corp., Ltd.	Thailand	98%	Lear Corporation
Lear Seating Private Limited	India	[49%]	Ramco Investments Limited
Lear Sewing (Pty) Ltd.	South Africa	51%	Lear Corporation Drahtfedern GmbH
Lear Teknik Oto Yan Sanayi Limited Sirket	Turkey	66.67%	Lear Corporation
Lear UK Acquisition Limited	UK	100%	Lear Corporation UK Holdings Limited
Lear UK ISM Limited	UK	100%	Lear Corporation (UK) Limited
Lear Vijayjyot Seating Private Limited	India	50%	Ramco Investments Limited
LECA S.p. zo.o	Poland	100%	Lear Corporation
Markol Otomotiv Yan Sanayi VE Ticaret A.S.	Turkey	35%	Lear Corporation
Masland (UK) Limited	UK	100%	Lear Corporation
Masland Industries of Canada Limited	Canada	100%	Lear Corporation
Mecanismos Auxiliarios Industriales, S.A.	Spain	99.9%	Lear Corporation Automotive Holdings
No-Sag Drahtfedern Spitzer & Co. KG	Austria	62.5%	Lear Corporation Drahtfedern GmbH
OOO Lear	Russia	100%	Lear Corporation Global Development, Inc.
Pianfei Engineering S.r.L.	Italy	100%	Gruppo Pianfei S.r.L.
Pianfei Glass SA	Spain	35%	Gruppo Pianfei S.r.L.
Pianfei Ipa S.p.A.	Italy	100%	Gruppo Pianfei S.r.L. (98%); Lear Corporation Italia Holding S.r.L. (2%)
Pianfei Melti S.r.L.	Italy	73%	Lear Corporation Italia Holding S.r.L.
Pianfei Sicilia S.r.L.	Italy	100%	Gruppo Pianfei S.r.L.
Pianfei Sud S.r.L.	Italy	100%	Gruppo Pianfei S.r.L. (70%); Pianfei Melfi S.r.L. (30%)
Polovat Auto Sp.zo.o.	Poland	100%	Polovar Sp.z.o.o.

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
Polovat Sp.zo.o.	Poland	100%	Arbirario B.V.
Protos S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
PRPI S.p.A. (in liquidation)	Italy	85%	Gruppo Pianfei S.r.L. (18%); Pianfei Engineering S.r.L. (67%)
Rael Handels GmbH	Austria	100%	Lear Corporation Bereiligungs GmbH
Ramco Investments Limited	Mauritius	100%	Lear Corporation
Roloplast Formsprutning AB	Sweden	100%	Lear Corporation Gnosjoplast AB

S.A.L.B.I. AB	Sweden	50%	Lear Corporation Sweden AB
Shanghai Lear Automobile Interior Trim Co., Ltd.	China	35.75%	Lear Corporation China Ltd.
Shanghai Songjiang Lear Automotive Carpet & Accoustics Co. Ltd.	China	35.75	Lear Corporation China Ltd.
Siam UT Automotive Co., Ltd.	Thailand	99.9976%	Lear Corporation Automotive Holdings
Societe No Sag Francaise	France	56%	Lear Corporation France S.A.R.L.
Societe Offran-Villaise de Technologie, S.A.	France	100%	Lear Corporation France S.A.R.L.
Sommer Masland (UK) Limited	UK	50%	Masland (UK) Limited
Spitzer GmbH	Austria	62.5%	Lear Corporation Drahtfedern GmbH
Stapur SA	Argentina	5%	Lear Corporation Automotive Holdings
Strapazzini Auto S.p.A.		100%	Strapazini Resine S.r.L. (1%) Strapazzini Resine S.r.L. (99%)
Strapazzini Resine S.R.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
SWECA Sp. z.o.o.	Poland	100%	Lear Corporation
United Technologies Automotive (Argentina) S.A.	Argentina	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Europe) S.A.	France	99.75%	Lear Corporation Automotive Holdings
United Technologies Automotive (France) S.A.R.L.	France	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Honduras) S.A.	Honduras	98%	Lear Corporation Automotive Holdings
United Technologies Automotive (Hungary) Kft	Hungary	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Philippines), Inc.	Philippines	99.9%	Lear Corporation Automotive Holdings
United Technologies Automotive (Poland) Sp.zo.o.	Poland	75%	Lear Corporation Automotive Holdings

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
United Technologies Automotive Electrical Systems de Mexico, S.A. de C.V.	Mexico	99.9%	Lear Corporation Automotive Holdings
United Technologies Gate Espana, S.A.	Spain	99.992%	Lear Corporation Automotive Holdings
UPM S.r.L.	Italy	39%	Gruppo Pianfei S.r.L.
UT Automotive (Netherlands) B.V.	Netherlands	100%	Lear Corporation Automotive Holdings
UT Automotive (Poland) Sp.zo.o.	Poland	100%	Lear Corporation Automotive Holdings
UT Automotive (Portugal) Components De Automovies S.A.	Portugal	100%	Lear Corporation Automotive Holdings
UT Automotive Almussafes Services, S.A.	Spain	99%	Lear Corporation Automotive Holdings
UT Automotive Services Netherlands B.V.	Netherlands	100%	Lear Corporation Automotive Holdings
UT Automotive Tunisia S.A.	Tunisia	99.98%	Lear Corporation Automotive Holdings
UT Loewe Automotive Electronics GmbH	Germany	100%	Lear Corporation Automotive Holdings
UT Automotive Saerouns Service, GmbH	Germany	100%	Lear Corporation Automotive Holdings
Wuhan UTA-DCAC Auto Electric Company, Limited	China	75%	Lear Corporation Automotive Holdings
P.T. Lear Corporation	Indonesia	51%	Lear Corporation

234

## SCHEDULE VII

## HAZARDOUS MATERIAL

The U.S. Borrower has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("Superfund") at the Organic Chemical site in Grandville, MI, A-1 Disposal Site in Plainwell, MI, the Thermo-Chem site in Muskegon, MI, the Sunrise landfill in Wayland Township, MI, and the Ostego landfill in Michigan. In addition, the U.S. Borrower has received settlement offers to resolve its responsibility at the PCB, Inc. site in Kansas City, KS and MO (\$2,500.00) and the ABC Barrel and Drum site in Detroit, MI (\$8,500.00). Although liability at the sites has not been finalized, the Company believes that expected liability is not material.

235

## SCHEDULE VIII

## CONTRACTUAL OBLIGATION RESTRICTIONS

1. Indenture, dated February 1, 1994, between Lear Corporation, as Issuer and the State Street Bank & Trust Company (as successor to the First National Bank of Boston), as Trustee, relating to the Borrower's 8 1/4% Subordinated Notes.
2. Indenture, dated July 1, 1996 between Lear Corporation, as Issuer, and the Bank of New York, as Trustee, relating to the U.S. Borrower's 9 1/2% Subordinated Notes.
3. Loan Agreement between NS Beteiligungs GmbH and Industriekreditbank AG-Deutsch Industriek.
4. Agreements and security instruments with respect to indebtedness assumed in connection with the Acquisition and the Fiat Seat Business, GSA, GSC, Delphi, Borealis, Masland Industries, Automotive Industries, Keiper, Pianfei, Strapazzini, Dragui, Polovat and Ovatex acquisitions and agreements governing indebtedness which refinance such indebtedness.
5. Loan Agreement between Lear Corporation Canada Ltd. and the Province of Ontario, Canada relating to indebtedness of up to \$2,000,000 (Canadian).
6. Loan Agreement, dated January 27, 1993, between Lear Corporation Canada Ltd. and the Province of Ontario, Canada.
7. Industrial Facilities Agreement governing indebtedness of ASAA Technologies, Inc. to Cumberland Plateau Planning District Commission and Cumberland Plateau Company.
8. Mortgage loan agreements governing indebtedness and ASAA Technologies, Inc. to Associated Lender Lakeshore N.A.
9. Agreement governing working capital Indebtedness of Lear Seating (Indonesia) Pty Ltd. and Lear Australia Pty Ltd.

10. Term Loan Agreement between Lear Corporation and Toronto Dominion (Texas), Inc. (as amended).
11. Term Loan Agreement between Lear Corporation and Deutsche Bank AG New York Branch and/or Cayman Islands Branch (as amended).

\$1,400,000,000  
INTERIM TERM LOAN AGREEMENT

Dated as of May 4, 1999

among

LEAR CORPORATION,

The Lenders Party Hereto,

CITICORP USA, INC.

and

CREDIT SUISSE FIRST BOSTON,  
as Co-Syndication Agents,

DEUTSCHE BANK AG NEW YORK BRANCH,  
as Documentation Agent,

The Other Agents Named  
in Schedule IX Hereto

and

THE CHASE MANHATTAN BANK,  
as Administrative Agent

-----  
CHASE SECURITIES INC.,  
as Sole Book Manager and Sole Lead Arranger

TABLE OF CONTENTS

	Page
SECTION 1. DEFINITIONS.....	1
1.1 Defined Terms.....	1
1.2 Other Definitional Provisions.....	19
SECTION 2. AMOUNT AND TERMS OF INTERIM TERM LOAN	
COMMITMENTS.....	19
2.1 Interim Term Loan Commitments.....	19
2.2 Repayment of Interim Term Loans; Evidence of Debt.....	19
2.3 Procedure for Interim Term Loan Borrowing.....	20
SECTION 3. GENERAL PROVISIONS APPLICABLE TO INTERIM TERM LOANS.....	21
3.1 Interest Rates and Payment Dates.....	21
3.2 Conversion and Continuation Options.....	21
3.3 Minimum Amounts of Tranches.....	22
3.4 Optional and Mandatory Prepayments.....	22
3.5 Fees .....	23
3.6 Computation of Interest.....	23
3.7 Inability to Determine Interest Rate.....	23
3.8 Pro Rata Treatment and Payments.....	24
3.9 Illegality.....	25
3.10 Requirements of Law.....	25

3.11	Indemnity.....	27
3.12	Taxes .....	27
3.13	Use of Proceeds.....	29

SECTION 4.	REPRESENTATIONS AND WARRANTIES.....	29
4.1	Financial Statements.....	29
4.2	No Change.....	29
4.3	Corporate Existence; Compliance with Law.....	29
4.4	Corporate Power; Authorization; Enforceable Obligations.....	30
4.5	No Legal Bar; Senior Debt.....	30
4.6	No Material Litigation.....	31
4.7	No Default.....	31
4.8	Ownership of Property; Liens.....	31
4.9	Taxes .....	31
4.10	Securities Law, etc. Compliance.....	32
4.11	ERISA .....	32
4.12	Investment Company Act; Other Regulations.....	32
4.13	Subsidiaries, etc. ....	32
4.14	Accuracy and Completeness of Information.....	33
4.15	Security Documents.....	33
4.16	Patents, Copyrights, Permits and Trademarks.....	33

- i -

3

		Page
		----
4.17	Environmental Matters.....	33
4.18	Year 2000 Matters.....	35
SECTION 5.	CONDITIONS PRECEDENT.....	35
5.1	Conditions to Closing Date.....	35
5.2	Additional Conditions to Interim Term Loans.....	37
SECTION 6.	AFFIRMATIVE COVENANTS.....	37
6.1	Financial Statements.....	37
6.2	Certificates; Other Information.....	38
6.3	Performance of Obligations.....	39
6.4	Conduct of Business, Maintenance of Existence and Compliance with Obligations and Laws.....	39
6.5	Maintenance of Property; Insurance.....	39
6.6	Inspection of Property; Books and Records; Discussions.....	39
6.7	Notices .....	40
6.8	Maintenance of Liens of the Security Documents.....	41
6.9	Environmental Matters.....	41
6.10	Security Documents; Guarantee Supplement.....	42
SECTION 7.	NEGATIVE COVENANTS.....	43
7.1	Financial Covenants.....	43
7.2	Limitation on Indebtedness.....	44
7.3	Limitation on Liens.....	45
7.4	Limitation on Guarantee Obligations.....	47
7.5	Limitations on Fundamental Changes.....	47
7.6	Limitation on Sale of Assets.....	48
7.7	Limitation on Dividends.....	49
7.9	Limitation on Investments, Loans and Advances.....	50
7.10	Limitation on Optional Payments and Modification of Debt Instruments; Certain Derivative Transactions.....	52
7.11	Transactions with Affiliates.....	52
7.12	Corporate Documents.....	52
7.13	Fiscal Year.....	52
7.14	Limitation on Restrictions Affecting Subsidiaries.....	53
7.15	Special Purpose Subsidiary.....	53
7.16	Interest Rate Agreements.....	53
SECTION 8.	EVENTS OF DEFAULT.....	53
SECTION 9.	THE ADMINISTRATIVE AGENT; THE MANAGING AGENTS, DOCUMENTATION AGENT AND SYNDICATION AGENTS.....	56
9.1	Appointment.....	56

- ii -

4

		Page
		----
9.2	Delegation of Duties.....	57

9.3	Exculpatory Provisions.....	57
9.4	Reliance by Administrative Agent.....	57
9.5	Notice of Default.....	58
9.6	Non-Reliance on Administrative Agent and Other Lender.....	58
9.7	Indemnification.....	58
9.8	Administrative Agent in its Individual Capacity.....	59
9.9	Successor Administrative Agent.....	59
9.11	Actions Under Security Documents.....	59
9.12	Intercreditor Agreement.....	60
SECTION 10.	MISCELLANEOUS.....	60
10.1	Amendments and Waivers.....	60
10.2	Notices.....	61
10.3	No Waiver; Cumulative Remedies.....	61
10.4	Survival of Representations and Warranties.....	62
10.5	Payment of Expenses and Taxes.....	62
10.6	Successors and Assigns; Participations and Assignments.....	62
10.7	Adjustments; Set-Off.....	65
10.8	Intercreditor Agreement. The Administrative Agent is hereby authorized to enter into an intercreditor agreement, in form and substance reasonably satisfactory to it, to allow up to \$75,000,000 in loans outstanding on the Closing Date and owing to Deutsche Bank AG New York Branch and/or Cayman Islands Branch and Toronto Dominion (Texas), Inc., or their respective affiliates, to be equally and ratably secured by the Collateral and to benefit from guarantees from the Subsidiary Guarantors on a basis which is pari passu with the Subsidiary Guarantee.....	66
10.9	Counterparts.....	66
10.10	Severability.....	66
10.11	Integration.....	66
10.12	GOVERNING LAW.....	66
10.13	Submission to Jurisdiction; Waivers.....	66
10.14	Acknowledgements.....	67
10.15	WAIVERS OF JURY TRIAL.....	67
10.16	[Reserved].....	67
10.17	[Reserved].....	67
10.18	Release of Collateral and Guarantees.....	67
10.19	[Reserved].....	68
10.20	Confidentiality.....	68
10.21	Conflicts.....	69

- iii -

5

#### SCHEDULES:

I	Commitments; Addresses
II	[Reserved]
III	[Reserved]
IV	Security Documents
V	[Reserved]
VI	Subsidiaries
VII	Hazardous Material
VIII	Contractual Obligation Restrictions
IX	Agents

#### EXHIBITS:

A	Form of Note
B	[Reserved]
C	[Reserved]
D	[Reserved]
E	[Reserved]
F	[Reserved]
G	[Reserved]
H	[Reserved]
I	[Reserved]
J	[Reserved]
K	Form of Assignment and Acceptance
L	Form of Opinion of Winston & Strawn
M	[Reserved]
N	[Reserved]
O	Form of Subsidiary Guarantee
P	Form of Intercreditor Agreement
Q	Form of Pledge Agreement

- iv -

6

LEAR CORPORATION, a Delaware corporation (the "Borrower"), the Managing Agents named on Schedule IX hereof (the "Managing Agents"), the several banks and other financial institutions from time to time parties hereto (the "Lenders"), CITICORP USA, INC. and CREDIT SUISSE FIRST BOSTON, as co-syndication agents (the "Co-Syndication Agents"), DEUTSCHE BANK AG NEW YORK BRANCH, as documentation agent (the "Documentation Agent"), and THE CHASE MANHATTAN BANK, a New York banking corporation (as hereinafter defined, the "Administrative Agent"), as administrative agent for the Lenders hereunder.

W I T N E S S E T H :

WHEREAS, the Borrower is a party to the UT Automotive Acquisition Agreement (as defined below) pursuant to which the Borrower (or a Subsidiary designated by it) will consummate the UT Automotive Acquisition (as defined below); and

WHEREAS, in order to finance a portion of the purchase price of the UT Automotive Acquisition, the Borrower has requested the Lenders to make available the interim term loan facility described herein, and the Lenders are willing to make such facility available upon and subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"ABR Loans": Interim Term Loans, the rate of interest applicable to which is based upon the Alternate Base Rate.

"Acquired Indebtedness": Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Subsidiary of the Borrower or assumed in connection with the acquisition of assets from such Person and not incurred by such Person in contemplation of such Person becoming a Subsidiary of the Borrower or such acquisition, and any refinancings thereof.

"Administrative Agent": Chase, together with its affiliates, as arranger of the Commitments and as Administrative Agent for the Lenders under this Agreement and the other Loan Documents, and any successor thereto appointed pursuant to subsection 9.9.

"Affiliate": of any Person, (a) any other Person (other than a Wholly Owned Subsidiary of such Person) which, directly or indirectly, is in control of, is controlled by,

or is under common control with, such Person or (b) any other Person who is a director or executive officer of (i) such Person, (ii) any Subsidiary of such Person (other than a Wholly Owned Subsidiary) or (iii) any Person described in clause (a) above. For purposes of this definition, a Person shall be deemed to be "controlled by" such other Person if such other Person possesses, directly or indirectly, power either to (A) vote 10% or more of the securities having ordinary voting power for the election of directors of such first Person or (B) direct or cause the direction of the management and policies of such first Person whether by contract or otherwise.

"Agreement": this Interim Term Loan Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Alternate Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest



of:

- (a) the U.S. Prime Rate in effect on such day; and
- (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%.

If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) above, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the U.S. Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the U.S. Prime Rate or the Federal Funds Effective Rate, respectively.

"Amended and Restated Credit Agreement": the Second Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among the Borrower, certain Foreign Subsidiaries parties thereto, the lenders parties thereto, Chase, as administrative agent, and others, as the same may be amended, supplemented or otherwise modified from time to time, and any Refinancing Agreement in respect thereof.

"Applicable Margin": with respect to each day, the rate per annum based on the Ratings in effect on such day, as set forth under the relevant column heading below:

Rating	Applicable Margin
-----	-----
Rating I	.75%
Rating II	1.00%

8

3

Rating III	1.25%;
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provided, that during the period from the Closing Date until the date on which the Borrower delivers to the Lenders its financial statements and related compliance certificate for the fiscal quarter ending September 30, 1999 pursuant to subsections 6.1 and 6.2, the Applicable Margin shall be that set forth above opposite Rating III.

"Asset Sale": any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or other dispositions) of assets which yields Net Cash Proceeds to the Borrower or any of its Subsidiaries in excess of \$100,000,000; provided, that any sale, lease, transfer or other disposition permitted by paragraphs (a) through (i) of subsection 7.6 shall not constitute an Asset Sale.

"Assignee": as defined in subsection 10.6(c).

"Benefitted Lender": as defined in subsection 10.7.

"Board": the Board of Governors of the Federal Reserve System

(or any successor thereto).

"Bond Guarantee": the guarantee entered into by any Subsidiary Guarantor in respect of up to an aggregate principal amount of \$1,400,000,000 of senior unsecured debt securities to be issued by the Borrower, all or a portion of the proceeds of which will be used to repay in full the Interim Term Loans.

"Borrower": as defined in the preamble hereto.

"Business Day": any day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents": (a) securities issued or unconditionally guaranteed or insured by the United States Government or the Canadian Government or any agency or instrumentality thereof having maturities of not more than twelve months from the date of acquisition, (b) securities issued or unconditionally guaranteed or insured by any state of the United States of America or province of Canada or any agency or instrumentality thereof having maturities of not more than twelve months from the date of acquisition and having one of the two highest ratings obtainable from either S&P or Moody's, (c) time deposits, certificates of deposit and bankers' acceptances having maturities of not more than twelve months from the date of acquisition, in each case with any Lender or with any commercial bank organized under the laws of the United States of America or any state

9

4

thereof or the District of Columbia, Japan, Canada or any member of the European Economic Community or any U.S. branch of a foreign bank having at the date of acquisition capital and surplus of not less than \$100,000,000, (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (a), (b) and (c) entered into with any bank meeting the qualifications specified in clause (c) above, (e) commercial paper issued by the parent corporation of any Lender and commercial paper rated, at the time of acquisition, at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's and in either case maturing within twelve months after the date of acquisition, (e) deposits maintained with money market funds having total assets in excess of \$300,000,000, (f) demand deposit accounts maintained in the ordinary course of business with banks or trust companies, (g) temporary deposits, of amounts received in the ordinary course of business pending disbursement of such amounts, in demand deposit accounts in banks outside the United States and (h) deposits in mutual funds which invest substantially all of their assets in preferred equities issued by U.S. corporations rated at least AA (or the equivalent thereof) by S&P.

"Chase": The Chase Manhattan Bank, a New York banking corporation.

"Closing Date": the date on which all of the conditions precedent set forth in subsection 5.1 shall have been satisfied or waived and the Interim Term Loans are made.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Commonly Controlled Entity": an entity, whether or not

incorporated, which is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group which includes the Borrower and which is treated as a single employer under Section 414 of the Code.

"Consolidated Assets": at a particular date, all amounts which would be included under total assets on a consolidated balance sheet of the Borrower and its Subsidiaries as at such date, determined in accordance with GAAP.

"Consolidated Indebtedness": at a particular date, all Indebtedness of the Borrower and its Subsidiaries which would be included under indebtedness on a consolidated balance sheet of the Borrower and its Subsidiaries as at such date, determined in accordance with GAAP, less any cash of the Borrower and its Subsidiaries as at such date.

"Consolidated Interest Expense": for any fiscal period, the amount which would, in conformity with GAAP, be set forth opposite the caption "interest expense" (or any like caption) on a consolidated income statement of the Borrower and its Subsidiaries for such period; provided, that Consolidated Interest Expense for any period shall (a) exclude (i) fees payable in respect of such period under subsection 3.5 of this Agreement and similar fees payable in respect of such period under the Other Credit Agreements, and (ii)

10

5

any amortization or write-off of deferred financing fees during such period and (b) include any interest income during such period.

"Consolidated Net Income": for any fiscal period, the consolidated net income (or deficit) of the Borrower and its Subsidiaries for such period (taken as a cumulative whole), determined in accordance with GAAP; provided that (a) any provision for post-retirement medical benefits, to the extent such provision calculated under FAS 106 exceeds actual cash outlays calculated on the "pay as you go" basis, shall not to be taken into account, and (b) there shall be excluded (i) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Borrower or any Subsidiary, (ii) the income (or deficit) of any Person (other than a Subsidiary) in which the Borrower or any Subsidiary has an ownership interest, except to the extent that any such income has been actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions, (iii) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation or Requirement of Law (other than (a) prior to January 1, 2000, any Contractual Obligation or Requirement of Law in effect on the Closing Date affecting Subsidiaries acquired in the UT Automotive Acquisition, and (b) any Requirement of Law of Germany) applicable to such Subsidiary, and (iv) in the case of a successor to the Borrower or any Subsidiary by consolidation or merger or as a transferee of its assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets; provided, further that the exclusions in clauses (i) and (iv) of this definition shall not apply to the mergers or consolidations of the Borrower or its Subsidiaries with their respective Subsidiaries.

"Consolidated Operating Profit": for any fiscal period, Consolidated Net Income for such period excluding (a) extraordinary gains and losses arising from the sale of material assets and other extraordinary and/or non-recurring gains and losses (including the restructuring and related charges in the amount of \$133,000,000 recorded by the Borrower in the fourth quarter of fiscal year 1998), (b) charges, premiums and expenses associated with the discharge of Indebtedness, (c) charges relating to FAS 106, (d) license fees (and

any write-offs thereof), (e) stock compensation expense, (f) deferred financing fees (and any write-offs thereof), (g) write-offs of goodwill, (h) foreign exchange gains and losses, (i) miscellaneous income and expenses and (j) miscellaneous gains and losses arising from the sale of assets plus, to the extent deducted in determining Consolidated Net Income, the excess of (i) the sum of (A) Consolidated Interest Expense, (B) any expenses for taxes, (C) depreciation and amortization expense and (D) minority interests in income of Subsidiaries over (ii) net equity earnings in Affiliates (excluding Subsidiaries). For purposes of calculating the ratio set forth in subsection 7.1(b), Consolidated Operating Profit for any fiscal period shall in any event include the Consolidated Operating Profit for such fiscal period of any entity acquired by the Borrower or any of its Subsidiaries during such period; and for purposes of calculating the ratio set forth in subsections 7.1(a) and 10.18 for the periods of four consecutive fiscal quarters ending on or about 6/30/99, 9/30/99, 12/31/99 and 3/31/00, Consolidated

11

6

Operating Profit shall include the Consolidated Operating Profit during such periods of the entities acquired by the Borrower in the UT Automotive Acquisition.

"Consolidated Revenues": for any fiscal period, the consolidated revenues of the Borrower and its Subsidiaries for such period, determined in accordance with GAAP.

"Continuing Directors": the directors of the Borrower on the Closing Date and each other director, if such other director's nomination for election to the Board of Directors of the Borrower is recommended by a majority of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Co-Syndication Agents": as defined in the preamble hereto.

"CSI": Chase Securities Inc.

"Currency Agreement": any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement designed to protect the Borrower or any Subsidiary against fluctuations in currency values.

"Currency Agreement Obligations": all obligations of the Borrower or any Subsidiary to any financial institution under any one or more Currency Agreements.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Documentation Agent": as defined in the preamble hereto.

"Dollars", "U.S. Dollars" and "\$": dollars in lawful currency of the United States of America.

"Domestic Loan Party": each Loan Party that is organized under the laws of any jurisdiction of the United States.

"Domestic Pledge Agreements": the collective reference to all Pledge Agreements pursuant to which the Capital Stock of any Domestic Subsidiary is pledged.

"Domestic Subsidiary": any Subsidiary other than a Foreign Subsidiary.

"Environmental Complaint": any complaint, order, citation, notice or other written communication from any Person with respect to the existence or alleged existence of a violation of any Environmental Laws or legal liability resulting from air emissions, water discharges, noise emissions, Hazardous Material or any other environmental, health or safety matter.

"Environmental Laws": any and all applicable Federal, foreign, state, provincial, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority and any and all common law requirements, rules and bases of liability regulating, relating to or imposing liability or standards of conduct concerning pollution or protection of the environment or the Release or threatened Release of Hazardous Materials, as now or hereafter in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities": at any time, the aggregate of the rates (expressed as a decimal fraction) of any reserve requirements in effect at such time (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Loans": Interim Term Loans, the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each Interest Period pertaining to a Eurodollar Loan, the rate per annum equal to the average (rounded upward to the nearest 1/16th of 1%) of the respective rates notified to the Administrative Agent by each of the U.S. Reference Lenders as the rate at which such U.S. Reference Lender is offered Dollar deposits at or about 10:00 a.m., New York City time, two Business Days prior to the beginning of such Interest Period,

(a) in the interbank eurodollar market where the eurodollar and foreign currency exchange operations in respect of its Eurodollar Loans then are being conducted,

(b) for delivery on the first day of such Interest Period,

(c) for the number of days contained therein, and

(d) in an amount comparable to the amount of its Eurodollar Loan to be outstanding during such Interest Period.

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Exchange Act": the Securities Exchange Act of 1934, as amended.

"Federal Funds Effective Rate": for any day, the weighted average of the rates per annum on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Financing Lease": (a) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of the Borrower and its Subsidiaries and (b) any other such lease to the extent that the then present value of the minimum rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.

"Foreign Subsidiaries": each of the Subsidiaries so designated on Schedule VI and any Subsidiaries organized outside the United States which are created or acquired after the effectiveness hereof.

"GAAP": generally accepted accounting principles in the United States of America in effect from time to time.

"Governmental Authority": any nation or government, any state, province or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee Obligation": as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of

any Guarantee Obligation shall be deemed to be an amount equal to the value as of any date of determination of the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made (unless such Guarantee Obligation shall be expressly limited to a lesser amount, in which case such lesser amount shall apply) or, if not stated or determinable, the value as of any date of determination of the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

"Guarantor Supplement": a supplement to the Subsidiary Guarantee, substantially in the form of Annex A to the Subsidiary Guarantee, whereby a Subsidiary of the Borrower becomes a "Guarantor" under the Subsidiary Guarantee.

"Hazardous Materials": any solid wastes, toxic or hazardous substances, materials or wastes, defined, listed, classified or regulated as such in or under any Environmental Laws, including, without limitation, asbestos, petroleum or petroleum products

(including gasoline, crude oil or any fraction thereof), polychlorinated biphenyls, and urea- formaldehyde insulation, and any other substance the presence of which may give rise to liability under any Environmental Law.

"Indebtedness": of a Person, at a particular date, the sum (without duplication) at such date of (a) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable as obligor, (b) indebtedness secured by any Lien on any property or asset owned or held by such Person regardless of whether the indebtedness secured thereby shall have been assumed by or is a primary liability of such Person, (c) obligations of such Person under Financing Leases, (d) the face amount of all letters of credit issued for the account of such person and, without duplication, the unreimbursed amount of all drafts drawn thereunder and (e) obligations (in the nature of principal or interest) of such Person in respect of acceptances or similar obligations issued or created for the account of such Person; but excluding (i) trade and other accounts payable in the ordinary course of business in accordance with customary trade terms and which are not overdue for more than 120 days or, if overdue for more than 120 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person, (ii) deferred compensation obligations to employees and (iii) any obligations otherwise constituting Indebtedness the payment of which such Person has provided for pursuant to the terms of such Indebtedness or any agreement or instrument pursuant to which such Indebtedness was incurred, by the irrevocable deposit in trust of an amount of funds or a principal amount of securities, which deposit is sufficient, either by itself or taking into account the accrual of interest thereon, to pay the principal of and interest on such obligations when due.

"Industrial Revenue Bonds": industrial revenue bonds issued for the benefit of the Borrower or its Subsidiaries and in respect of which the U.S. Borrower or its Subsidiaries will be the source of repayment.

15

10

"Insolvency": with respect to any Multiemployer Plan, the condition that such

Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intercreditor Agreement": the Intercreditor Agreement, substantially in the form of Exhibit P, to be entered into pursuant to subsection 10.8, as amended or otherwise modified from time to time.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period and (c) as to any Eurodollar Loan having an Interest Period longer than three months, (i) each day which is three months, or a whole multiple thereof, after the first day of such Interest Period and (ii) the last day of such Interest Period.

"Interest Period": with respect to any Eurodollar Loan:

(a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, and if deposits for such longer Interest Periods are available to all Lenders (as determined by the Lenders), nine or twelve months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter, and if deposits for such longer Interest Periods are available to all Lenders (as determined by the Lenders), nine or twelve months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date; and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

"Interest Rate Agreement": any interest rate protection agreement, interest rate swap or other interest rate hedge arrangement (other than any interest rate cap or other similar agreement or arrangement pursuant to which the Borrower has no credit exposure), to or under which the Borrower or any of its Subsidiaries is a party or a beneficiary.

"Interest Rate Agreement Obligations": all obligations of the Borrower or any Subsidiary to any financial institution under any one or more Interest Rate Agreements.

"Interim Term Loan": as defined in subsection 2.1.

"Interim Term Loan Commitment": as to any Lender at any time, its obligation to make an Interim Term Loan to the Borrower in a principal amount not to exceed the amount set forth opposite such Lender's name in Schedule I.

"Investment Grade Status": shall exist at any time when the actual or implied rating of the Borrower's senior long-term unsecured debt is at or above BBB- from S&P and at or above Baa3 from Moody's; if either of S&P or Moody's shall change its system of classifications after the date of this Agreement, Investment Grade Status shall exist at any time when the actual or implied rating of the Borrower's senior long-term unsecured debt is at or above the new rating which most closely corresponds to the above-specified level under the previous rating system.

"Lear Germany": Lear Corporation Beteiligungs GmbH.

"Lenders": as defined in the preamble hereto, provided that no Person shall become a "Lender" hereunder after the Closing Date without compliance with subsection 10.6(c).

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or



preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement or any Financing Lease having substantially the same economic effect as any of the foregoing).

"Loan Documents": the collective reference to this Agreement, any Notes and the Security Documents.

17

12

"Loan Parties": the collective reference to the Borrower, each guarantor or grantor party to any Security Document and each issuer of pledged stock under each Pledge Agreement.

"Majority Lenders": (a) at any time prior to the Closing Date, Lenders holding more than 50% of the amount of the Interim Term Loan Commitments and (b) at any time after the Closing Date, Lenders holding more than 50% of the principal amount of the outstanding Interim Term Loans.

"Managing Agents": as defined on Schedule IX.

"Material Subsidiary": each Loan Party and any other Subsidiary which (a) for the most recent fiscal year of the Borrower accounted for more than 10% of Consolidated Revenues or (b) as of the end of such fiscal year, was the owner of more than 10% of Consolidated Assets, all as shown on the consolidated financial statements of the Borrower for such fiscal year.

"Maturity Date": May 3, 2000.

"Moody's": Moody's Investors Service, Inc. or any successor thereto.

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien permitted hereunder on any asset which is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof, and (b) in connection with any issuance or sale of equity securities or debt securities or instruments or the incurrence of loans, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"Net Proceeds": shall mean the gross proceeds received by the Borrower or any Subsidiary from a sale or other disposition of any asset of the Borrower or such Subsidiary less (a) all reasonable fees, commissions and other out-of-pocket expenses incurred by the Borrower or such Subsidiary in connection therewith, (b) Federal, state, local and foreign taxes assessed in connection therewith and (c) the principal amount,

18

accrued interest and any related prepayment fees of any Indebtedness (other than the Loans) which is secured by any such asset and which is required to be repaid in connection with the sale thereof.

"New Revolving Credit Agreement": the Revolving Credit and Term Loan Agreement, dated as of May 4, 1999, among the Borrower, certain of its Foreign Subsidiaries, the lenders parties thereto, Chase, as administrative agent, and others, as the same may be amended, supplemented or otherwise modified from time to time, and any Refinancing Agreement in respect thereof.

"9 1/2% Subordinated Note Indenture": the Indenture dated as of July 1, 1996, between the Borrower and The Bank of New York, as trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 7.10.

"9 1/2% Subordinated Notes": the 9 1/2% Subordinated Notes of the Borrower due 2006, issued pursuant to the 9 1/2% Subordinated Note Indenture.

"Note": as defined in subsection 2.2.

"Obligations": collectively, the unpaid principal of and interest on the Interim Term Loans, Interest Rate Agreement Obligations to any Lender, Currency Agreement Obligations to any Lender and all other obligations and liabilities of the Borrower under or in connection with this Agreement and the other Loan Documents (including, without limitation, interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the maturity of the Interim Term Loans and interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, the Notes, the other Loan Documents or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of this Agreement or any other Loan Document).

"Other Credit Agreements": the collective reference to the New Revolving Credit Agreement and the Amended and Restated Credit Agreement.

"Participants": as defined in subsection 10.6(b).

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Person": an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan which is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as

defined in Section 3(5) of ERISA.

"Pledge Agreements": the collective reference to the Pledge Agreements listed in Schedule IV and each other pledge agreement or similar agreement that may be delivered to the Administrative Agent as collateral security for any or all of the Obligations of the Borrower hereunder, and the obligations of the Borrower under the Other Credit Agreements, in each case as such Pledge Agreements or similar agreements may be amended, supplemented or otherwise modified from time to time.

"Pledged Stock": as defined in each of the Pledge Agreements.

"Property": each parcel of real property owned or operated by the Borrower and its Subsidiaries.

"Proprietary Rights": as defined in subsection 4.16.

"Rating": the respective actual or implied rating of each of the Rating Agencies applicable to the long-term senior unsecured debt of the Borrower, as announced by the Rating Agencies from time to time.

"Rating Agencies": collectively, S&P and Moody's.

"Rating Category": each of Rating I, Rating II and Rating III.

"Rating I, Rating II and Rating III": the respective Ratings set forth below:

Rating Category -----	S&P ---	Moody's -----
Rating I	greater than or equal to BBB	greater than or equal to Baa2
Rating II	BBB-	Baa3
Rating III	lower than or equal	lower than or equal

to BB+

to Baa1

; provided, that (i) if on any day the Ratings of the Rating Agencies do not fall in the same Rating Category, the Rating Category of the higher of such Ratings shall be

applicable for such day, (ii) if on any day the Rating of only one of the Rating Agencies is available, then the Rating Category of such Rating shall be applicable for such day and (iii) if on any day a Rating is available from neither of the Rating Agencies, then Rating III shall be applicable for such day. Any change in the applicable Rating Category resulting from a change in the Rating of a Rating Agency shall become effective on the date such change is publicly announced by such Rating Agency. If at any time either of the Rating Agencies shall change its system of classifications, the Ratings set

forth for each Rating Category shall be adjusted to correspond to the new system of classifications.

"Receivable Financing Transaction": any transaction or series of transactions involving a sale for cash of accounts receivable, without recourse based upon the collectibility of the receivables sold, by the Borrower or any of its Subsidiaries to a Special Purpose Subsidiary and a subsequent sale or pledge of such accounts receivable (or an interest therein) by such Special Purpose Subsidiary, in each case without any guarantee by the Borrower or any of its Subsidiaries (other than the Special Purpose Subsidiary).

"Recovery Event": the receipt by the Borrower or any of its Subsidiaries of any insurance or any condemnation proceeds (i) by reason of any theft, physical destruction or damage with respect to any properties or assets of the Borrower or any of its Subsidiaries or (ii) by reason of any condemnation, taking or similar event with respect to any properties or assets of the Borrower or any of its Subsidiaries, in each case which yields Net Cash Proceeds to the Borrower or any of its Subsidiaries in excess of \$100,000,000.

"Refinancing Agreement": with respect to the Amended and Restated Credit Agreement or the New Revolving Credit Agreement, as the case may be, a successor agreement satisfying the following criteria: (a) such successor agreement refinances in whole, and replaces the commitments under, the Amended and Restated Credit Agreement or the New Revolving Credit Agreement, as the case may be, (b) either (i) the covenants, representations and warranties and events of default set forth in such successor agreement shall be equivalent to the corresponding provisions set forth in the Amended and Restated Credit Agreement or the New Revolving Credit Agreement, as the case may be or (ii) to the extent such provisions are more restrictive on the Borrower and its Subsidiaries than the provisions of this Agreement, the Borrower shall, contemporaneously with entering into such Refinancing Agreement, enter into with the Administrative Agent an amendment to this Agreement reasonably satisfactory to the Administrative Agent pursuant to which such more restrictive provisions shall be incorporated herein (the Lenders hereby authorizing the Administrative Agent to enter into such amendment), (c) such successor agreement shall not be guaranteed by any Person other than the Subsidiary Guarantors pursuant to the Subsidiary Guarantee and, if

21

16

applicable, the Borrower and shall not be secured except pursuant to the Security Documents and (d) the lenders under such successor agreement (or an agent for such lenders) shall have entered into an intercreditor agreement with the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, which shall, in any event, contain customary indemnities, liability limitations, exculpation provisions and other customary protective provisions in favor of the Administrative Agent, in its capacity as Agent under (and as defined in) the Subsidiary Guarantee and the Security Documents, substantially equivalent to those set forth in the corresponding provisions of the Amended and Restated Credit Agreement or the New Revolving Credit Agreement, as the case may be.

"Register": as defined in subsection 10.6(d).

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, escaping, leaking, dumping, disposing, spreading, depositing or dispersing of any Hazardous Materials in, unto or onto the environment.

"Release Status": shall exist at any time when the actual or implied rating of the . Borrower's senior long-term unsecured debt is at or above BBB- from S&P or at or above Baa3 from Moody's; if either of S&P or Moody's shall change its system of classifications after the date of this Agreement, Release Status shall exist at any time when the

actual or implied rating of the Borrower's senior long-term unsecured debt is at or above the new rating which most closely corresponds to the above-specified level under the previous rating system.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under any of subsections .13, .14, .16, .18, .19 or .20 of PBGC Reg. ss. 4043 or any successor regulation thereto.

"Requirement of Law": as to (a) any Person, the certificate of incorporation and by-laws or the partnership or limited partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, and (b) any property, any law, treaty, rule, regulation, requirement, judgment, decree or determination of any Governmental Authority applicable to or binding upon such property or to which such property is subject, including, without limitation, any Environmental Laws.

22

17

"Responsible Officer": with respect to any Loan Party, the chief executive officer, the president, the chief financial officer, any vice president, the treasurer or the assistant treasurer of such Loan Party.

"Securities Act": the Securities Act of 1933, as amended.

"Securities Offering": the sale of Capital Stock or debt securities of the Borrower pursuant to a public offering, Rule 144A or a private placement, in either case that results in Net Cash Proceeds to the Borrower of at least \$100,000,000.

"Security Documents": the collective reference to the Pledge Agreements, the Subsidiary Guarantee and each other guarantee, security document or similar agreement that may be delivered to the Administrative Agent as collateral security for any or all of the Obligations, in each case as amended, supplemented or otherwise modified from time to time, including, without limitation, to give effect to any Refinancing Agreement permitted hereunder.

"Single Employer Plan": any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"S&P": Standard & Poor's Ratings Group or any successor thereto.

"Special Affiliate": any Affiliate of the Borrower (a) as to which the Borrower holds, directly or indirectly, (i) power to vote 20% or more of the securities having ordinary voting power for the election of directors of such Affiliate or (ii) a 20% ownership interest in such Affiliate and (b) which is engaged in business of the same or related general type as now being conducted by the Borrower and its Subsidiaries.

"Special Entity": any Person which is engaged in business of the same or related general type as now being conducted by the Borrower and its Subsidiaries.

"Special Purpose Subsidiary": any Wholly Owned Subsidiary of the Borrower created by the Borrower for the sole purpose of facilitating a Receivable Financing Transaction.

"Subordinated Debt": any obligations (for principal, interest

or otherwise) evidenced by or arising under or in respect of the Subordinated Notes and the 9 1/2% Subordinated Notes.

"Subordinated Debt Indentures": the collective reference to the Subordinated Note Indenture and the 9 1/2% Subordinated Note Indenture.

"Subordinated Note Indenture": the Indenture, dated as of February 1, 1994, between the Borrower and State Street Bank and Trust Company (as successor to The

23

18

First National Bank of Boston), as trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 7.10.

"Subordinated Notes": the 8 1/4% Subordinated Notes of the Borrower due 2002, issued pursuant to the Subordinated Note Indenture.

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person (exclusive of any Affiliate in which such Person has a minority ownership interest). Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary and Secured Indebtedness": the collective reference (without duplication) to (a) any Indebtedness of any Subsidiary, other than Indebtedness permitted by paragraphs (a) through (e) of subsection 7.2, (b) any Guarantee Obligation of any Subsidiary, other than Guarantee Obligations permitted by paragraph (a) through (e) of subsection 7.4, (c) any Indebtedness or Guarantee Obligation of any Person that is secured by any Lien on any property, assets or revenues of the Borrower or any of its Subsidiaries, other than Liens permitted by paragraphs (a) through (n) of subsection 7.3. For purposes of clause (b) of the preceding sentence, the amount of any Guarantee Obligation shall be determined as set forth in the definition of "Guarantee Obligation" in this subsection 1.1; and for purposes of clause (c) of the preceding sentence, the amount of any Indebtedness or Guarantee Obligation that is secured by a Lien on any property, assets or revenues of the Borrower or any of its Subsidiaries shall equal the lesser of (x) the amount of any such Indebtedness or Guarantee Obligation and (y) the fair market value as of the date of determination of the property, assets or revenues subject to such Lien. At any time of determination, the amount of Subsidiary and Secured Indebtedness outstanding shall be determined without duplication of any other Subsidiary and Secured Indebtedness then outstanding.

"Subsidiary Guarantee": the Subsidiary Guarantee, dated as of the date hereof, made by certain Subsidiaries of the Borrower in favor of the Administrative Agent, substantially in the form of Exhibit O, as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Guarantor": each Subsidiary that is a guarantor party to the Subsidiary Guarantee, so long as the Subsidiary Guarantee remains in effect.

"Taxes": as defined in subsection 3.12(a).

24

"Tranche": the collective reference to Eurodollar Loans, the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Eurodollar Loans shall originally have been made on the same day).

"Transferee": as defined in subsection 10.6(f).

"Type": as to any Interim Term Loan, its nature as an ABR Loan or a Eurodollar Loan.

"U.S. Prime Rate": the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City. The U.S. Prime Rate is not intended to be the lowest rate of interest charged by the Administrative Agent in connection with extensions of credit to borrowers.

"U.S. Reference Lenders": Chase and The Bank of Nova Scotia.

"UT Automotive Acquisition": the acquisition by the Borrower (or a Subsidiary as its designee) of the capital stock of Lear Corporation Automotive Holdings, a Delaware corporation formerly known as UT Automotive, Inc., and certain related entities, pursuant to the UT Automotive Acquisition Agreement.

"UT Automotive Acquisition Agreement": the Stock Purchase Agreement, dated as of March 16, 1999, between Nevada Bond Investment Corp. II, a Nevada corporation, as Seller, and the Borrower (or a Subsidiary as its designee), as Buyer, as amended, supplemented or otherwise modified, and certain related agreements.

"Wholly Owned Subsidiary": as to any Person, a corporation, partnership or other entity of which (a) 100% of the common capital stock or other ownership interests of such corporation, partnership or other entity or (b) more than 95% of the common capital stock or other ownership interests of such corporation, partnership or other entity where the portion of the common capital stock or other ownership interests not held by such Person is held by other Persons to satisfy applicable legal requirements, is owned, directly or indirectly, by such Person; provided, however, that so long as the Borrower owns, directly or indirectly, more than 95% of the capital stock of Lear Italia, Lear Italia shall be deemed a Wholly Owned Subsidiary of the Borrower.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes, the other Loan Documents or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the Notes and any other Loan Document, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to the Borrower and its Subsidiaries not defined in subsection 1.1 and accounting terms

partly defined in subsection 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

## SECTION 2. AMOUNT AND TERMS OF INTERIM TERM LOAN COMMITMENTS

2.1 Interim Term Loan Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make a term loan (each, an "Interim Term Loan") in U.S. Dollars to the Borrower on the Closing Date in a principal amount not exceeding the Interim Term Loan Commitment of such Lender.

(b) The Interim Term Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans or (iii) a combination thereof, as determined by the Borrower and notified to the Administrative Agent in accordance with subsections 2.3 and 3.2.

2.2 Repayment of Interim Term Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of the Interim Term Loan of such Lender on the Maturity Date and on such other date(s) and in such other amounts as may be required from time to time pursuant to this Agreement. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Interim Term Loans from time to time outstanding until payment thereof in full at the rates per annum, and on the dates, set forth in subsection 3.1.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from the Interim Term Loan of such Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain the Register pursuant to subsection 10.6(d), and a subaccount therein for each Lender, in which shall be recorded (i) the date and amount of the Interim Term Loan of each Lender made hereunder, the Type thereof and each Interest Period applicable thereto, (ii) the date of each continuation thereof pursuant to subsection 3.2, (iii) the date of each conversion of all or a portion thereof to another Type pursuant to subsection 3.2, (iv) the date and amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder in respect of the Interim Term Loans and (v) both the date and amount of any sum received by the Administrative Agent

26

21

hereunder from the Borrower in respect of the Interim Term Loans and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to subsection 2.2(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligations of the Borrower to repay (with applicable interest) the Interim Term Loan made to the Borrower by such Lender in accordance with the terms of this Agreement.

(e) The Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrower will execute and deliver to such Lender a promissory note of the Borrower evidencing the Interim Term Loan of such Lender, substantially in the form of Exhibit A with appropriate insertions as to date and principal amount (each, a "Note"); provided, that the delivery of such Notes shall not be a condition precedent to the Closing Date.

2.3 Procedure for Interim Term Loan Borrowing. The Borrower may borrow the Interim Term Loans on the Closing Date, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, at least (a) three Business Days prior to the Closing Date, if all or any part of the Interim Term Loans are to be initially Eurodollar Loans, or (b) on



the Closing Date, otherwise), specifying in each case (i) the amount to be borrowed, (ii) the anticipated Closing Date, (iii) whether the borrowing is to be of Eurodollar Loans, ABR Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the amount of such Eurodollar Loans and the length of the initial Interest Period therefor. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. Not later than 1:30 p.m., New York City time, on the Closing Date each Lender shall make an amount equal to the principal amount of the Interim Term Loan to be made by it available to the Administrative Agent at its office specified in subsection 10.2 in U.S. Dollars and in immediately available funds. The Administrative Agent shall on such date credit the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

### SECTION 3. GENERAL PROVISIONS APPLICABLE TO INTERIM TERM LOANS

3.1 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such Interest Period plus the Applicable Margin in effect for such day.

27

22

(b) Each ABR Loan shall bear interest for each day on which it is outstanding at a rate per annum equal to the Alternate Base Rate for such day.

(c) If all or a portion of (i) the principal amount of any Interim Term Loan, (ii) any interest payable thereon or (iii) any fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this subsection plus 2%.

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this subsection shall be payable from time to time on demand.

3.2 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert outstanding Eurodollar Loans (in whole or in part) to ABR Loans by giving the Administrative Agent at least one Business Day's prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto unless the Borrower shall agree to pay the costs associated therewith as set forth in subsection 3.11(d). The Borrower may elect from time to time to convert outstanding ABR Loans (in whole or in part) to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. All or any part of outstanding Eurodollar Loans and ABR Loans may be converted as provided herein, provided that (i) no ABR Loan may be converted into a Eurodollar Loan when any Default or Event of Default has occurred and is continuing and the Administrative Agent or the Majority Lenders have determined that such conversion is not appropriate, (ii) any such conversion may only be made if, after giving effect thereto, subsection 3.3 shall not have been violated and (iii) no ABR Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Maturity Date.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving notice to the Administrative Agent of the length of the next Interest Period to be applicable to such Eurodollar Loans determined in accordance with the applicable provisions of the term "Interest Period" set forth in subsection 1.1, provided that no Eurodollar Loan may be continued as such (i) when any Default or Event of Default has occurred and is continuing and

the Administrative Agent or the Majority Lenders have determined that such continuation is not appropriate, (ii) if, after giving effect thereto, subsection 3.3 would be contravened or (iii) after the date that is one month prior to the Maturity Date, and provided, further, that if the Borrower shall fail to give such notice or if such continuation is not permitted pursuant to the preceding proviso such Eurodollar Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period.

3.3 Minimum Amounts of Tranches. All borrowings, conversions and continuations of Interim Term Loans hereunder

28

23

shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, (i) the aggregate principal amount of the Eurodollar Loans comprising each Tranche shall be equal to \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof and (ii) there shall not be more than 10 Tranches at any one time outstanding.

3.4 Optional and Mandatory Prepayments. (a) The Borrower may at any time and from time to time prepay Interim Term Loans, in whole or in part, without premium or penalty upon at least three Business Days' irrevocable notice to the Administrative Agent (in the case of Eurodollar Loans) and at least one Business Day's irrevocable notice to the Administrative Agent (in the case of ABR Loans) specifying the date and amount of prepayment and whether the prepayment of Interim Term Loans is of Eurodollar Loans, ABR Loans or a combination thereof, and, if a combination thereof, the amount allocable to each. Upon the receipt of any such notice, the Administrative Agent shall promptly notify each Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein. Partial prepayments of the Interim Term Loans shall be in an aggregate principal amount of \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof (or in such lower amount as may be then outstanding).

(b) On or before the third Business Day after receipt thereof by the Borrower or any of its Subsidiaries, the Borrower shall prepay the Interim Term Loans by an amount equal to 100% of the Net Cash Proceeds of any Securities Offering.

(c) If the Borrower or any of its Subsidiaries receives Net Cash Proceeds attributable to any Asset Sale or Recovery Event then on or before the third Business Day following the receipt of such Net Cash Proceeds the Interim Term Loans shall be prepaid by an amount equal to the amount of such Net Cash Proceeds.

(d) Each prepayment of Interim Term Loans pursuant to this subsection 3.4 shall be accompanied by accrued and unpaid interest on the amount prepaid to the date of prepayment and any amounts payable under subsection 3.11 in connection with such prepayment.

3.5 Fees. (a) The Borrower shall pay (without duplication of any other fee payable under this subsection 3.5) to Chase and CSI, for their respective accounts, all fees separately agreed to by the Borrower and Chase or CSI, as the case may be.

(b) The Borrower shall (without duplication of any other fee payable under this subsection 3.5) pay to the Administrative Agent all fees separately agreed to by the Borrower and the Administrative Agent.

3.6 Computation of Interest. (a) Interest based on the Eurodollar Rate, or on the Alternate Base Rate when it is based on the Federal Funds Effective Rate, shall be calculated on the basis of a 360-day year for the actual days elapsed; and otherwise interest shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on the Interim Term Loans

resulting from a change in the Alternate Base Rate shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of the effective date and the amount of each such change in the Alternate Base Rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing in reasonable detail the calculations used by the Administrative Agent in determining any interest rate pursuant to subsection 3.1(a).

(c) If any U.S. Reference Lender shall for any reason no longer have any Interim Term Loans, such U.S. Reference Lender shall thereupon cease to be a U.S. Reference Lender, and if, as a result, there shall only be one U.S. Reference Lender remaining, the Administrative Agent, with the consent of the Borrower (after consultation with Lenders) shall, by notice to the Borrower and the Lenders, designate another Lender as a U.S. Reference Lender so that there shall at all times be at least two U.S. Reference Lenders.

(d) Each U.S. Reference Lender shall use its best efforts to furnish quotations of rates to the Administrative Agent as contemplated hereby. If any of the U.S. Reference Lenders shall be unable or shall otherwise fail to supply such rates to the Administrative Agent upon its request, the rate of interest shall, subject to the provisions of subsection 3.7, be determined on the basis of the quotations of the remaining U.S. Reference Lenders or U.S. Reference Lender, as applicable.

3.7 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent has received notice from the Majority Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Eurodollar Loans during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders as soon as practicable thereafter. Until such time as the Eurodollar Rate can be determined by the Administrative Agent in the manner specified in the definitions of such terms in subsection 1.1, no further Eurodollar Loans shall be continued as such at the end of the then current Interest Periods or (other than any Eurodollar Loans previously requested and with respect to which the Eurodollar Rate was determined) shall be made, nor shall the Borrower have the right to convert ABR Loans into Eurodollar Loans.

3.8 Pro Rata Treatment and Payments. (a) (i) The borrowing of Interim Term Loans by the Borrower from the Lenders hereunder shall be made pro rata according to the respective Interim Term Loan Commitments of the Lenders. Each payment by the Borrower on account of principal of or interest on the Interim Term Loans shall be allocated by the Administrative Agent pro rata according to the respective outstanding principal amounts thereof. All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the

due date thereof to the Administrative Agent, for the account of the Lenders, at the Administrative Agent's office specified in subsection 10.2, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders entitled to receive the same promptly upon receipt in like funds as received.

(ii) If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day (and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension) unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day.

(b) Unless the Administrative Agent shall have been notified in writing by any Lender prior to the Closing Date that such Lender will not make the amount that would constitute its Interim Term Loan available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Closing Date, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate per annum equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error. If the amount of such Lender's Interim Term Loan is not made available to the Administrative Agent by such Lender within three Business Days of the Closing Date, the Borrower shall repay such Lender's Interim Term Loan (together with interest thereon from the date such amount was made available to the Borrower at the rate per annum applicable to ABR Loans hereunder) to the Administrative Agent not later than three Business Days after receipt of written notice from the Administrative Agent specifying such Lender's share of such borrowing that was not made available to the Administrative Agent. Nothing contained in this subsection 3.8(b) shall prejudice any claims otherwise available to the Borrower against any Lender as a result of such Lender's failure to make its share of any borrowing available to the Administrative Agent for the account of the Borrower.

3.9 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert ABR Loans to Eurodollar Loans shall forthwith be cancelled until such time as it shall no longer be unlawful for such Lender to make or maintain the affected Loans and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Eurodollar Loans or within such earlier period as may be required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to subsection 3.11.

3.10 Requirements of Law. (a) In the event that any Requirement of Law (or any change therein or in the interpretation or application thereof) or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority:

(i) does or shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, such Lender's Note or Interim Term Loan, or change the basis of taxation of payments to such Lender of principal, fees, interest or any other amount payable

hereunder (except for taxes covered by subsection 3.12 and changes in the rate of tax on the overall net income of such Lender);

(ii) does or shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender which are not otherwise included in the determination of the Eurodollar Rate, including, without limitation, the imposition of any reserves with respect to Eurocurrency Liabilities under Regulation D of the Board; or

(iii) does or shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by any amount which such Lender deems to be material, of making, renewing or maintaining advances or extensions of credit or to reduce any amount receivable hereunder, in each case in respect of its Interim Term Loan, then, in any such case, the Borrower shall promptly pay such Lender, upon receipt of its demand setting forth in reasonable detail, any additional amounts necessary to compensate such Lender for such additional cost or reduced amount receivable, such additional amounts together with interest on each such amount from the date two Business Days after the date demanded until payment in full thereof at the Alternate Base Rate. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and payment of all amounts outstanding hereunder.

32

27

(b) In the event that any Lender shall have determined that the adoption of any law, rule, regulation or guideline regarding capital adequacy (or any change therein or in the interpretation or application thereof) or compliance by any Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any central bank or Governmental Authority, including, without limitation, the issuance of any final rule, regulation or guideline, does or shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation would have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall promptly pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

(c) If the obligation of any Lender to make Eurodollar Loans has been suspended pursuant to subsection 3.7 or 3.9 for more than three consecutive months or any Lender has demanded compensation under subsection 3.10(a) or 3.10(b), the Borrower shall have the right to substitute a financial institution or financial institutions (which may be one or more of the Lenders) reasonably satisfactory to the Administrative Agent by causing such financial institution or financial institutions to purchase the rights (by paying to such Lender the principal amount of its outstanding Interim Term Loan together with accrued interest thereon and all other amounts accrued for its account or owed to it hereunder and executing an Assignment and Acceptance) and to assume the obligations of such Lender under the Loan Documents. Upon such purchase and assumption by such substituted financial institution or financial institutions, the obligations of such Lender hereunder shall be discharged; provided such Lender shall retain its rights hereunder with respect to periods prior to such substitution including, without limitation, its rights to compensation under this subsection 3.10.

3.11 Indemnity. Each Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of (a) default by such Borrower in payment when due of the principal amount of or interest on any Interim Term Loan of such Lender, (b) default by such Borrower in making a borrowing or conversion after

the Borrower has given a notice of borrowing or a notice of conversion in accordance with this Agreement, (c) default by such Borrower in making any prepayment after such Borrower has given a notice in accordance with this Agreement, or (d) the making of a prepayment of a Eurodollar Loan on a day which is not the last day of an Interest Period with respect thereto, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it or from fees payable to terminate the deposits from which such funds were obtained, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it to maintain its Eurodollar Loans hereunder or from fees payable to terminate the deposits from which such funds were obtained. A certificate as to any such loss or expense submitted by such Lender shall be conclusive, absent manifest error. This covenant shall survive termination of this Agreement and payment of all amounts outstanding hereunder.

3.12 Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without reduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority excluding, in the case of the Administrative Agent and each Lender, income or franchise taxes imposed on the Administrative Agent or such Lender by the jurisdiction under the laws of which the Administrative Agent or such Lender is organized or any political subdivision or taxing authority thereof or therein or by any jurisdiction in which such Lender's lending office is located or any political subdivision or taxing authority thereof or therein or as a result of a connection between such Lender and any jurisdiction other than a connection resulting solely from entering into this Agreement (all such non-excluded taxes, levies, imposts, deductions, charges or withholdings being thereafter called "Taxes"). Subject to the provisions of subsection 3.12(c), if any Taxes are required to be withheld from any amounts payable by the Borrower to the Administrative Agent or any Lender hereunder or under the Notes, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes. Whenever any Taxes are paid by the Borrower with respect to payments made in connection with this Agreement, as promptly as possible thereafter, the Borrower shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. Subject to the provisions of subsection 3.12(c), if the Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lenders as a result of any such failure.

(b) Each Lender that is not incorporated or organized under the laws of the United States of America or a state thereof agrees that, prior to the first date any payment is due to be made to it hereunder or under any Note, it will deliver to the Borrower and the Administrative Agent (i) two valid, duly completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, certifying in each case that such Lender is entitled to receive payments by the Borrower under this Agreement and the Notes payable to it, without deduction or withholding of any United States federal income taxes, and (ii) a valid, duly completed Internal Revenue Service Form W-8 or W-9 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax. Each Lender which delivers to the Borrower and the Administrative Agent a Form 1001 or 4224 and Form W-8 or W-9 pursuant to the next preceding sentence further undertakes to deliver to the Borrower and the Administrative Agent two further copies of the said Form 1001 or 4224 and Form W-8 or W-9, or successor applicable forms, or other manner or certification, as the case may be, on or before the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding tax, or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower, and such extensions or renewals thereof as may

reasonably be requested by the Borrower, certifying in the case of a Form 1001 or 4224 or successor applicable form that such Lender is entitled to receive payments by the Borrower under this Agreement without deduction or withholding of any United States federal income taxes, unless any change in treaty, law or regulation or official interpretation thereof has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such letter or form with respect to it and such Lender advises the Borrower that it is not capable of receiving payments without any deduction or withholding of United States federal income tax, and in the case of a Form W-8 or W-9 or successor applicable form, establishing an exemption from United States backup withholding tax (it being agreed that final and temporary Treasury Regulations promulgated in T.O. 8734 shall not constitute a change in law, regardless of their effective date).

(c) The Borrower shall not be required to pay any additional amounts to the Administrative Agent or any Lender (or Transferee except to the extent such Transferee's transferor was entitled, at the time of transfer, to receive additional amounts from the Borrower) in respect of Taxes pursuant to subsection 3.12(a) if the obligation to pay such additional amounts would not have arisen but for a failure by the Administrative Agent or such Lender (or Transferee) to comply with the requirements of subsection 3.12(b) or (c) (or in the case of a Transferee, the requirements of subsection 10.6(h)).

(d) Each Lender agrees to use reasonable efforts (including reasonable efforts to change its lending office) to avoid or to minimize any amounts which might otherwise be payable pursuant to this subsection 3.12; provided, however, that such efforts shall not impose on such Lender any additional costs or legal or regulatory burdens deemed by such Lender in its reasonable judgment to be material.

(e) The agreements in subsection 3.12(a) shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder until the expiration of the applicable statute of limitations for such taxes.

3.13 Use of Proceeds. The proceeds of the Interim Term Loans shall be used to pay a portion of the consideration for the UT Automotive Acquisition.

#### SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Lenders to enter into this Agreement and to make the Interim Term Loans, the Borrower hereby represents and warrants to the Administrative Agent and to each Lender that:

4.1 Financial Statements. The audited consolidated balance sheets of the Borrower as of December 31, 1998 and the related statements of income and cash flow for the fiscal year ending on such date, heretofore furnished to the Administrative Agent and the Lenders and certified by a Responsible Officer of the Borrower are complete and correct in all material

respects and fairly present the financial condition of the Borrower on such date in conformity with GAAP applied on a consistent basis (subject to normal year-end adjustments). All liabilities, direct and contingent, of the Borrower on such date required to be disclosed pursuant to GAAP are disclosed in such financial statements.

4.2 No Change. There has been no material adverse change in the business, operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole from that reflected on the financial

statements dated December 31, 1998 referred to in subsection 4.1.

4.3 Corporate Existence; Compliance with Law. The Borrower and each of its Material Subsidiaries (a) is duly organized, validly existing and in good standing (or the functional equivalent thereof in the case of Foreign Subsidiaries) under the laws of the jurisdiction of its organization, (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing (or the functional equivalent thereof in the case of Foreign Subsidiaries) under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except where the failure to be so qualified and in good standing would not, individually or in the aggregate, have a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole and would not adversely affect the ability of any Loan Party to perform its respective obligations under the Loan Documents to which it is a party and (d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole and would not reasonably be expected to adversely affect the ability of any Loan Party to perform its obligations under the Loan Documents to which it is a party.

4.4 Corporate Power; Authorization; Enforceable Obligations.

(a) Each Loan Party has the corporate power and authority, and the legal right, to execute, deliver and perform each of the Loan Documents to which it is a party or to which this Agreement requires it to become a party. The Borrower has the corporate power and authority to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions of this Agreement and the Notes. Each Loan Party has taken all necessary corporate action to authorize the execution, delivery and performance of each of the Loan Documents to which it is a party or to which this Agreement requires it to become a party.

(b) No consent or authorization of, filing with or other act by or in respect of any Person (including, without limitation, any Governmental Authority) is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents or the consummation of any of the transactions contemplated hereby or thereby, except for consents, authorizations, or filings which have been obtained and are in full force and effect.

36

31

(c) This Agreement and each other Loan Document to which any Loan Party is a party has been, and each other Loan Document to be executed by a Loan Party hereunder will be, duly executed and delivered on behalf of such Loan Party. This Agreement and each other Loan Document to which any Loan Party is a party constitutes, and each other Loan Document to be executed by a Loan Party hereunder will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar; Senior Debt. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party, the borrowings hereunder and the use of the proceeds thereof, (a) will not violate any Requirement of Law or any Contractual Obligation of the Borrower or any other Loan Party (including, without limitation, the 9 1/2% Subordinated Note Indenture and the Subordinated Note Indenture) except for violations of Requirements of Law and Contractual Obligations (other than such Indentures) which, individually or in the aggregate will not have a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole and will not adversely affect the ability of any Loan Party to perform its obligations under any of the Loan



Documents to which it is a party and (b) will not result in, or require, the creation or imposition of any Lien (other than the Liens created by the Security Documents) on any of its or their respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation. The Obligations of the Borrower constitute "Senior Indebtedness" benefitting from the subordination provisions contained in the Subordinated Debt, except to the extent that such Obligations are owed to an Affiliate of the Borrower.

4.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, overtly threatened by or against the Borrower or any of its Subsidiaries or against any of its or their respective properties or revenues (a) with respect to any Loan Document or any of the transactions contemplated hereby or thereby, (b) which would reasonably be expected to have a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole or (c) which would be reasonably expected to adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party.

4.7 No Default. Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation or any order, award or decree of any Governmental Authority or arbitrator binding upon it or any of its properties in any respect which would have a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole or which would adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party. No Default or Event of Default has occurred and is continuing.

37

32

4.8 Ownership of Property; Liens. The Borrower and each of its Material Subsidiaries has good record and marketable title in fee simple to, or a valid and subsisting leasehold interest in, all its material real property, and good title to all its other property, and none of such property is subject to any Lien, except as permitted in subsection 7.3 and except, in each case, where any failure to have good title or a valid and subsisting leasehold interest or the existence of any Lien would not reasonably be expected to have a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole.

4.9 Taxes. (a) The Borrower and each of its Material Subsidiaries has filed or caused to be filed all tax returns which to the knowledge of the Borrower are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than those which, in the aggregate, are not substantial in amount or those the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be and except insofar as the failure to make such filings or payments would not reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole); and (b) no tax lien (other than a Lien permitted in subsection 7.3) has been filed and, to the knowledge of the Borrower, no claim is being asserted with respect to any such tax, fee or other charge.

4.10 Securities Law, etc. Compliance. All transactions contemplated by this Agreement and the other Loan Documents comply in all material respects with all applicable laws and any rules and regulations thereunder, including takeover, disclosure and other federal, state and foreign securities law and Regulations T, U and X of the Federal Reserve Board.

4.11 ERISA. As to each Plan other than a Multiemployer Plan, neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred and no Lien under the Code or ERISA in favor

of PBGC or a Single Employer Plan has arisen during the five-year period prior to the date as of which this representation is deemed made. The present value of all accrued benefits under each Single Employer Plan maintained by the Borrower or any Commonly Controlled Entity (based on those assumptions used to fund the Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits, either individually or in the aggregate with all other Single Employer Plans under which such accrued benefits exceed such assets, by more than \$125,000,000. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan during the five year period prior to the date as of which this representation is made or deemed made, and neither the Borrower nor any Commonly Controlled Entity would become subject to liability under ERISA in the

aggregate which exceeds \$145,000,000 if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date hereof, and no such withdrawal is likely to occur. No such Multiemployer Plan is in Reorganization or Insolvent. The present value (determined using actuarial and other assumptions which are reasonable in respect of the benefits provided and the employees participating) of the liability of the Borrower and each Commonly Controlled Entity for post retirement benefits to be provided to their current and former employees under Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits by an amount in excess of \$145,000,000.

4.12 Investment Company Act; Other Regulations. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Borrower is not subject to regulation under any federal or state statute or regulation which limits its ability to incur Indebtedness.

4.13 Subsidiaries, etc. The Subsidiaries of the Borrower as of the Closing Date are those listed on Schedule VI. The Borrower owns, as of the Closing Date, the percentage of the issued and outstanding capital stock or other evidences of the ownership of each Subsidiary, listed on Schedule VI as set forth on such Schedule. Except as disclosed on Schedule VI, no such Subsidiary has issued any securities convertible into shares of its capital stock (or other evidence of ownership) or any options, warrants or other rights, to acquire such shares or securities convertible into such shares (or other evidence of ownership), and the outstanding stock and securities (or other evidence of ownership) of such Subsidiaries are owned by the Borrower and its Subsidiaries free and clear of all Liens, warrants, options or rights of others of any kind whatsoever except for Liens permitted by subsection 7.3.

4.14 Accuracy and Completeness of Information. All information, reports and other papers and data with respect to the Borrower or this Agreement or any transaction contemplated hereby furnished to the Lenders by the Borrower or on behalf of the Borrower, were, at the time the same were so furnished, complete and correct in all material respects, or have been subsequently supplemented by other information, reports or other papers or data, to the extent necessary to give the Lenders a true and accurate knowledge of the subject matter in all material respects. All projections with respect to the Borrower and its Subsidiaries, so furnished by the Borrower, as supplemented, were prepared and presented in good faith by the Borrower, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ materially from the projected results. No document furnished or statement made in writing to the Lenders by the Borrower in connection with the negotiation, preparation or execution of this Agreement contains any untrue statement of a material fact, or, to the knowledge of the Borrower after due inquiry, omits to state any such material fact necessary in order to make the statements contained therein not misleading, in either case which has not been corrected, supplemented or remedied by subsequent documents furnished or statements made in writing to the Lenders.

4.15 Security Documents. Each Pledge Agreement is effective to create in favor of the Administrative Agent, for the ratable benefit of the Lenders, a legal, valid and enforceable security interest in the pledged assets described therein. Each Pledge Agreement constitutes a fully perfected first Lien on, and security interest in, all right, title and interest of the Loan Party thereto in the pledged assets described therein.

4.16 Patents, Copyrights, Permits and Trademarks. Each of the Borrower and its Subsidiaries owns, or has a valid license or sub-license in, all domestic and foreign letters patent, patents, patent applications, patent and know-how licenses, inventions, technology, permits, trademark registrations and applications, trademarks, trade names, trade secrets, service marks, copyrights, product designs, applications, formulae, processes and the industrial property rights ("Proprietary Rights") used in the operation of its businesses in the manner in which they are currently being conducted and which are material to the business, operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole. Neither the Borrower nor any of its Subsidiaries is aware of any existing or threatened infringement or misappropriation of any Proprietary Rights of others by the Borrower or any of its Subsidiaries or of any Proprietary Rights of the Borrower or any of its Subsidiaries by others which is material to the business operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole.

4.17 Environmental Matters. Except as disclosed in Schedule VII, and other than such exceptions to any of the following that would not reasonably be expected to give rise to a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole:

(a) To the best knowledge of the Borrower and its Subsidiaries, after reasonable investigation, the Properties do not contain, and have not previously contained, any Hazardous Materials in amounts or concentrations or under such conditions which (A) constitute a violation of, or (B) could reasonably give rise to any liability under any applicable Environmental Laws.

(b) To the best knowledge of the Borrower and its Subsidiaries, after reasonable investigation, the Properties and all operations at the Properties are in compliance, and have been in compliance for the time period that each of the Properties has been owned by the Borrower or its Subsidiaries, with all Environmental Laws, and there is no contamination at, on or under the Properties, or violation of any Environmental Laws with respect to the Properties which could interfere with the continued operation of the Properties or impair the fair saleable value thereof. Neither the Borrower nor any Subsidiary has knowingly assumed any liability, by contract or otherwise, of any person under any Environmental Laws.

(c) Neither the Borrower nor any of its Subsidiaries has received any Environmental Complaint with regard to any of the Properties or the operations of the Borrower or any of its Subsidiaries, nor does the Borrower or any of its Subsidiaries have

knowledge or reason to believe that any such notice will be received or is being threatened.

(d) To the best knowledge of the Borrower and its Subsidiaries, based on the Borrower's and the Subsidiaries' customary practice of contracting only with licensed haulers for removal of Hazardous Materials from the Properties only to facilities authorized to receive such Hazardous Materials, Hazardous Materials have not been transported or disposed of from the Properties in violation of, or in a manner or to a location which could reasonably give rise to liability under, Environmental Laws, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could reasonably give

rise to liability under any Environmental Laws.

(e) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of the Borrower and its Subsidiaries, threatened, under any Environmental Law to which the Borrower and its Subsidiaries are or will be named as a party with respect to the Properties, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties.

(f) To the best knowledge of the Borrower and its Subsidiaries after reasonable investigation, there has been no release or threat of release of Hazardous Materials at or from the Properties, or arising from or related to the operations of the Borrower or its Subsidiaries in connection with the Properties in violation of or in amounts or in a manner that could reasonably give rise to liability under any Environmental Laws.

4.18 Year 2000 Matters. Any reprogramming required to permit the proper functioning, in and following the year 2000, of (i) the Borrower's computer systems and (ii) equipment containing embedded microchips (including systems and equipment supplied by others or with which the Borrower's systems interface) and the testing of all such systems and equipment, as so reprogrammed, are expected to be completed within such period of time as is required to avoid a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole as a result of the failure to complete such reprogramming. The cost to the Borrower of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to the Borrower (including, without limitation, reprogramming errors and the failure of others' systems or equipment) would not reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole.

#### SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Closing Date. The Closing Date shall occur on the date of satisfaction of the following conditions precedent:

41

36

(a) Agreement. The Administrative Agent shall have received counterparts of this Agreement, duly executed by a Responsible Officer of the Borrower and by each Lender.

(b) Subsidiary Guarantee. The Administrative Agent shall have received the Subsidiary Guarantee duly executed by each guarantor party thereto.

(c) Domestic Pledge Agreement. The Administrative Agent shall have received the Domestic Pledge Agreement listed on Schedule IV, duly executed by each pledgor party thereto.

(d) Pledged Stock; Stock Powers. The Administrative Agent shall have received the certificates representing the shares pledged pursuant to the Domestic Pledge Agreement listed on Schedule IV, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(e) Perfection Actions. The Administrative Agent shall have received evidence in form and substance satisfactory to it that all filings, recordings, registrations and other actions necessary or, in the opinion of the Administrative Agent, desirable to perfect the Liens created by the Domestic Pledge Agreements shall have been completed.

(f) UT Automotive Acquisition. The UT Automotive Acquisition shall have been consummated in accordance with the UT Automotive Acquisition Agreement concurrently with the transactions contemplated by this Agreement, and the Administrative Agent shall have received a certificate of a Responsible Officer to such effect.

(g) UT Automotive Financial Statements. The Lenders shall have received the audited financial statements of Lear Corporation Automotive Holdings (formerly known as UT Automotive, Inc.) for the fiscal year ended December 31, 1998.

(h) Consents. The Administrative Agent shall have received, and made available to each Lender, true and correct copies (in each case certified as to authenticity on such date by a duly authorized officer of the Borrower) of all documents and instruments, including all consents, authorizations and filings, required under any Requirement of Law or by Contractual Obligation of the Borrower or any of its Subsidiaries, in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the other Loan Documents, and such consents, authorizations and filings shall be satisfactory in form and substance to the Lenders and be in full force and effect.

(i) Incumbency Certificates. The Administrative Agent shall have received, with a copy for each Lender, a certificate of the Secretary or Assistant Secretary of each Domestic Loan Party, dated the Closing Date, as to the incumbency and signature of their respective officers executing each Loan Document to be entered into on the Closing Date

42

37

to which it is a party, together with satisfactory evidence of the incumbency of such Secretary or Assistant Secretary.

(j) Corporate Proceedings. The Administrative Agent shall have received, with a copy for each Lender, a copy of the resolutions in form and substance satisfactory to the Administrative Agent, of the Board of Directors (or the executive committee thereof) of each Domestic Loan Party authorizing (i) the execution, delivery and performance of each Loan Document to be entered into on the Closing Date to which it is a party, and (ii) the granting by it of the pledge and security interests, if any, granted by it pursuant to such Loan Document, certified by their respective Secretary or an Assistant Secretary as of the Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate.

(k) Fees. The Administrative Agent shall have received all fees required to be paid to the Administrative Agent and/or the Lenders pursuant to subsection 3.5 and/or any other written agreement on or prior to the Closing Date.

(l) Legal Opinion of Counsel to Borrower. The Administrative Agent shall have received, with a copy for each Lender, an opinion, dated the Closing Date, of Winston & Strawn, special counsel to the Borrower and its Subsidiaries, in substantially the form of Exhibit L and covering such other matters incident to the transactions contemplated hereby as the Lenders may reasonably require.

(m) Subordinated Debt Indentures. The Administrative Agent shall have received, with a copy for each Lender, a certified true copy of the outstanding Subordinated Debt Indentures.

(n) Closing Date under Other Credit Agreements. The Closing Date under (and as defined in) the Other Credit Agreements shall have occurred or shall occur simultaneously with the Closing Date hereunder.

5.2 Additional Conditions to Interim Term Loans. The agreement of each Lender to make the Interim Term Loan to be made by it on the Closing Date is subject to the satisfaction of the following conditions precedent as of the Closing Date:

(a) Representations and Warranties. The representations and

warranties made by each of the Loan Parties in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date (except that any representation or warranty which by its terms is made as of a specified date shall be true and correct in all material respects as of such specified date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on the Closing Date after giving effect to the making of the Interim Term Loans.

43

38

The borrowing by the Borrower of the Interim Term Loans shall constitute a representation and warranty by the Borrower as of the Closing Date that the conditions contained in this subsection 5.2 have been satisfied.

#### SECTION 6. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as the Interim Term Loan Commitments remain in effect, any Interim Term Loan remains outstanding and unpaid or any other amount is owing to any Lender or the Administrative Agent hereunder or under any other Loan Document, the Borrower shall and shall cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to each Lender (or to the Administrative Agent on behalf of each Lender):

(a) as soon as available, but in any event within 95 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related consolidated statements of income and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing;

(b) as soon as available, but in any event not later than 50 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of each such quarter and the related unaudited consolidated statements of income and cash flows of the Borrower and its consolidated Subsidiaries for such quarter and the portion of the fiscal year through such date, setting forth in each case in comparative form the figures for the corresponding quarterly period of the previous year, certified by a Responsible Officer (subject to normal year-end audit adjustments).

The Borrower covenants and agrees that all such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP (subject, in the case of interim statements, to normal year-end adjustments and to the fact that such financial statements may be abbreviated and may omit footnotes or contain incomplete footnotes) applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein).

6.2 Certificates; Other Information. Furnish to each Lender (or to the Administrative Agent on behalf of each Lender):

(a) concurrently with the delivery of the financial statements referred to in subsection 6.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no

44

39

knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in subsection 6.1(a) and (b), a certificate of a Responsible Officer of the Borrower (i) stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) stating, to the best of such Responsible Officer's knowledge, that all such financial statements are complete and correct in all material respects (subject, in the case of interim statements, to normal year-end audit adjustments) and have been prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as disclosed therein) and (iii) showing in detail the calculations supporting such statements in respect of subsection 7.1;

(c) promptly upon receipt thereof, copies of all final reports submitted to the Borrower by independent certified public accountants in connection with each annual, interim or special audit of the books of the Borrower made by such accountants, including, without limitation, any management letter commenting on the Borrower's internal controls submitted by such accountants to management in connection with their annual audit;

(d) promptly after the same are sent, copies of all financial statements and reports which the Borrower sends to its public equity holders, and within five days after the same are filed, copies of all financial statements and reports which the Borrower may make to, or file with, the Securities and Exchange Commission or any successor or analogous Governmental Authority; and

(e) promptly, subject to reasonable confidentiality requirements and confidentiality agreements to which the Borrower or any of its Subsidiaries is a party, such additional financial and other information as any Lender may from time to time reasonably request.

6.3 Performance of Obligations. Perform in all material respects all of its obligations under the terms of each material mortgage, indenture, security agreement and other debt instrument by which it is bound or to which it is a party and pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided for on the books of the Borrower or its Subsidiaries, as the case may be.

6.4 Conduct of Business, Maintenance of Existence and Compliance with Obligations and Laws. Continue to engage in business of the same general type as now conducted by it and preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable

45

40

in the normal conduct of its business except as otherwise permitted pursuant to subsection 7.5 and except, with respect to the corporate existence of Subsidiaries that are not Loan Parties and any rights, privileges and franchises, to the extent that the Board of Directors of the Borrower shall determine in good faith that the preservation or maintenance thereof is no longer desirable in the conduct of the business of the Borrower and its Subsidiaries; comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole and would not reasonably be expected to adversely affect the ability of the Borrower or any of its Subsidiaries to perform their respective obligations under any of the Loan Documents to which they are a party.

6.5 Maintenance of Property; Insurance. Keep all property useful and necessary in its business in good working order and condition where

the failure to maintain such property in good working order and condition would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole; maintain with financially sound and reputable insurance companies such insurance coverage as is reasonable for the business activities of the Borrower and its Subsidiaries; and furnish to the Administrative Agent, upon written request, full information as to the insurance carried.

6.6 Inspection of Property; Books and Records; Discussions. Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of any Lender (subject to reasonable confidentiality requirements) to visit and inspect any of its properties and examine and make abstracts from any of its books and records upon reasonable notice and at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the Borrower and its Subsidiaries with officers and employees of the Borrower and its Subsidiaries and, provided the Borrower is given an opportunity to participate, with its independent certified public accountants.

6.7 Notices. Promptly give notice to the Administrative Agent and each Lender:

(a) of the occurrence of any Default or Event of Default;

(b) of any (i) default or event of default under any Contractual Obligation of the Borrower or any of its Subsidiaries or (ii) litigation, investigation or proceeding which may exist at any time between the Borrower or any of its Subsidiaries and any Governmental Authority, which in the case of either clause (i) or (ii) above, would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole or would reasonably be expected to adversely affect the ability of the Borrower or any of its Subsidiaries to perform their respective obligations under any of the Loan Documents to which they are a party;

46

41

(c) of any litigation or proceeding affecting the Borrower or any of its Subsidiaries in which the then reasonably anticipated exposure of the Borrower and its Subsidiaries is \$20,000,000 or more and not covered by insurance, or in which injunctive or similar relief is sought which is then reasonably anticipated to have an adverse economic effect on the Borrower and its Subsidiaries of \$20,000,000 or more;

(d) of the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to any Single Employer Plan, unless such failure is cured within such 30 days, any Lien under the Code or ERISA in favor of the PBGC or a Single Employer Plan, or any withdrawal from, or the termination, Reorganization or Insolvency of any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Single Employer or Multiemployer Plan, where, in connection with any of the events described in clauses (i) or (ii), the resulting liability would reasonably be expected to cause a material adverse change in the business, assets, operations or financial condition of the Borrower and its Subsidiaries taken as a whole;

(e) of any Environmental Complaint which would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries, taken as a whole, and any notice from any Person of (i) the occurrence of any release, spill or discharge of any Hazardous Material that is



reportable under any Environmental Law, (ii) the commencement of any clean up pursuant to or in accordance with any Environmental Law of any Hazardous Material at, on, under or within the Property or any part thereof or (iii) any other condition, circumstance, occurrence or event, any of which would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries, taken as a whole, under any Environmental Law;

(f) of (i) the incurrence of any Lien (other than Liens permitted pursuant to subsection 7.3) on, or claim asserted against any of the collateral security in the Security Documents or (ii) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the collateral under any Security Document; and

(g) of a material adverse change in the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole.

Each notice pursuant to this subsection 6.7 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto.

47

42

#### 6.8 Maintenance of Liens of the Security Documents.

Promptly, upon the reasonable request of any Lender, at the Borrower's expense, execute, acknowledge and deliver, or cause the execution, acknowledgement and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Administrative Agent necessary or desirable for the continued validity, perfection and priority of the Liens on the collateral covered thereby.

6.9 Environmental Matters. (a) Comply in all material respects with, and use all reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all Environmental Laws and all requirements existing thereunder and obtain and comply in all material respects with and maintain, and use all reasonable efforts to ensure that all tenants and subtenants obtain, comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by Environmental Laws.

(b) Promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives as to which an appeal has been taken in good faith and the pendency of any and all such appeals does not materially and adversely affect the Borrower or any Subsidiary or the operations of the Borrower or any Subsidiary.

(c) Defend, indemnify and hold harmless the Administrative Agent and the Lenders and their Affiliates, and their respective employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the violation of, noncompliance with or liability under any Environmental Laws applicable to the Borrower or its Subsidiaries or the Properties, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing arise solely out of the gross negligence or willful misconduct of the party seeking indemnification therefor. This indemnity shall continue in full force and effect regardless of the termination of this Agreement.

#### 6.10 Security Documents; Guarantee Supplement. Subject to

subsection 10.18, (a) within 60 days after the Closing Date, at its own expense, (i) cause 65% of the capital stock of Lear Germany to be pledged to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, pursuant to a pledge agreement in form and substance satisfactory to the Administrative Agent, and (ii) cause the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, a legal opinion of German counsel acceptable to the Administrative Agent covering such matters in respect of such pledge agreement as the Administrative Agent shall reasonably request.

(b) As soon as possible and in no event later than 45 days after the delivery of any financial statements under subsection 13.1(a) or (b), for any fiscal period ending on or after December 31, 1999, cause (i) all of the capital stock owned directly or indirectly by the Borrower

48

43

of each of the Borrower's direct or indirect Domestic Subsidiaries which on the date of such financial statements constituted at least 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to be pledged to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, pursuant to a pledge agreement in form and substance satisfactory to the Administrative Agent, (ii) 65% of the capital stock (or such lesser amount as may be owned by the Borrower) of each of the Borrower's direct Foreign Subsidiaries which on the date of such financial statements constituted at least 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to be pledged to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, pursuant to a pledge agreement in form and substance satisfactory to the Administrative Agent, and (iii) the Administrative Agent in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, legal opinions of counsel to the Borrower acceptable to the Administrative Agent covering such matters in respect of such pledges as the Administrative Agent shall reasonably request.

(c) As soon as possible and in no event later than 45 days after the delivery of any financial statements under subsection 13.1(a) or (b) for any fiscal period ending on or after December 31, 1999, cause (i) each of the Borrower's direct and indirect Domestic Subsidiaries which on the date of such financial statements constituted 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to execute and deliver a Guarantee Supplement to the Administrative Agent in its capacity as Agent pursuant to the Intercreditor Agreement, and (ii) the Administrative Agent in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, opinions of counsel to the Borrower, in form and substance satisfactory to the Administrative Agent, covering such matters in respect of the Subsidiary Guarantee as the Administrative Agent shall reasonably request; provided, that, notwithstanding the foregoing, a Domestic Subsidiary shall not be required to execute and deliver a Guarantee Supplement or otherwise become a party to the Subsidiary Guarantee if (x) it is a holding company whose only material asset consists of capital stock of one or more Foreign Subsidiaries and (y) the capital stock of such Domestic Subsidiary is pledged to the Administrative Agent in its capacity as Agent pursuant to the Intercreditor Agreement.

(d) (i) Cause to be pledged to the Administrative Agent in its capacity as Agent pursuant to the Intercreditor Agreement, on the Closing Date 100% of the Capital Stock of each Domestic Subsidiary which would have constituted more than 10% of Consolidated Assets on December 31, 1998 or represented at least 10% of Consolidated Revenues for the twelve-month period ended on December 31, 1998, and (ii) cause each Domestic Subsidiary described in the foregoing clause (i) to be Subsidiary Guarantors on the Closing Date; provided, that (A) Lear Corporation (Germany) Ltd. shall not be required to be a Subsidiary Guarantor and the Borrower shall not be required to pledge its Capital Stock and (B) Lear Corporation EEDS and Interiors shall not be required to be a Subsidiary Guarantor and the Borrower shall not be required to cause its

Capital Stock to be pledged unless Lear Corporation EEDS and Interiors meets the tests

49

44

set forth in paragraph (c) above in respect of any fiscal period ending on or after December 31, 1999.

(e) For purposes of calculating Consolidated Assets and Consolidated Revenues pursuant to the foregoing paragraphs (), (c) and (d) for any date on or prior to March 31, 2000, or for twelve-month periods ended on or prior to March 31, 2000, the assets and revenues of Lear Corporation Automotive Holdings shall be included on a pro forma basis as if the UT Automotive Acquisition had occurred on the first day of the relevant period.

#### SECTION 7. NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as the Interim Term Loan Commitments remain in effect, any Interim Term Loan remains outstanding and unpaid or any other amount is owing to any Lender or the Administrative Agent hereunder or under any other Loan Document, the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

##### 7.1 Financial Covenants.

(a) Interest Coverage. Permit the ratio of (i) Consolidated Operating Profit for any four consecutive fiscal quarters ending during any period set forth below to (ii) Consolidated Interest Expense for such four consecutive fiscal quarters, to be less than the ratio set forth opposite such period below:

Period -----	Ratio -----
Closing - December 31, 1999	2.75x
January 1, 2000 - December 31, 2000	3.00x
January 1, 2001 - December 31, 2001	3.25x
Thereafter	3.50x

; provided, that in calculating the foregoing ratio for the periods of four consecutive fiscal quarters ending on or about 6/30/99, 9/30/99, 12/31/99 and 3/31/00, Consolidated Interest Expense shall be determined giving pro forma effect to the aggregate principal amount of Indebtedness incurred in connection with the UT Automotive Acquisition (less the aggregate net cash proceeds received by the Borrower in respect of the sale of any part of the business acquired in connection with the UT Automotive Acquisition) as if such Indebtedness had been incurred on the first day of the relevant period, and in making such calculation, the interest rate assumed to be applicable to such Indebtedness shall be (i) with respect to \$1,400,000,000 of such Indebtedness, the weighted average interest rate applicable during the last fiscal quarter in such period to loans outstanding under the Interim Term Loan Agreement and/or the debt securities that refinance the loans under the Interim Term Loan Agreement and (ii) with respect to the remainder of such Indebtedness, the weighted average interest rate applicable during the last fiscal quarter in such period to loans in Dollars under the New Revolving Credit Agreement.

(b) Leverage Ratio. Permit the ratio of (i) Consolidated Indebtedness at the end of any fiscal quarter ending during any period set forth below to (ii) Consolidated Operating

50

45

Profit for the four consecutive fiscal quarters then ended to be greater than the ratio set forth opposite such period below:

Period -----	Ratio -----
Closing - June 30, 2000	4.50x
July 1, 2000 through December 31, 2001	4.00x
Thereafter	3.75x

7.2 Limitation on Indebtedness. Permit any Subsidiary to create, incur, assume or suffer to exist any Indebtedness, except:

(a) (i) Indebtedness in respect of the Interim Term Loans and  
(ii) Indebtedness in respect of extensions of credit under the Other Credit Agreements and, without duplication, Indebtedness of any Subsidiary backed by letters of credit issued under either of the Other Credit Agreements;

(b) Indebtedness under the Subsidiary Guarantee and any Bond Guarantee;

(c) Indebtedness in respect of Interest Rate Agreement Obligations and Currency Agreement Obligations entered into to protect against fluctuations in interest rates or exchange rates and not for speculative reasons;

(d) Indebtedness incurred by a Special Purpose Subsidiary in connection with a Receivable Financing Transaction;

(e) intercompany Indebtedness permitted by subsection 7.9; and

(f) other Indebtedness, subject to the provisions of subsection 7.8.

7.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except (subject, in the case of Liens described in paragraphs (o) through (t) below, to the provisions of subsection 7.8):

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP (or, in the case of Foreign Subsidiaries, generally accepted accounting principles in effect from time to time in their respective jurisdictions of organization);

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, suppliers or other like Liens arising in the ordinary course of business relating to obligations not overdue for a period of more than 60 days or which are bonded or being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith and deposits securing liabilities to insurance carriers under insurance and self-insurance programs;

(d) Liens (other than any Lien imposed by ERISA) incurred on deposits to secure the performance of bids, trade contracts (other than

for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds, utility payments and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred which, in the aggregate, do not materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(f) Liens created pursuant to the Security Documents;

(g) attachment, judgment or other similar Liens arising in connection with court or arbitration proceedings fully covered by insurance or involving individually or in the aggregate, no more than \$40,000,000 at any one time, provided that the same are discharged, or that execution or enforcement thereof is stayed pending appeal, within 60 days or, in the case of any stay of execution or enforcement pending appeal, within such lesser time during which such appeal may be taken;

(h) Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business;

(i) statutory Liens and rights of offset arising in the ordinary course of business of the Borrower and its Subsidiaries;

(j) Liens in connection with leases or subleases granted to others and the interest or title of a lessor or sublessor (other than the Borrower or any Subsidiary of the Borrower) under any lease;

(k) Liens arising in connection with Industrial Development Bonds or other industrial development, pollution control or other tax-favored or government-sponsored financing transactions, provided that such liens do not at any time encumber any property, other than the property financed by such transaction and other property, assets or revenues related to the property so financed on which Liens are customarily granted in connection

with such transactions (in each case, together with improvements and attachments thereto);

(l) Liens on receivables subject to a Receivable Financing Transaction;

(m) Liens securing Indebtedness permitted by subsection 7.2(c) and any other Indebtedness in respect of Interest Rate Agreement Obligations or Currency Agreement Obligations of the Borrower entered into to protect against fluctuations in interest rates or exchange rates and not for speculative reasons, provided that such Liens run in favor of a Lender hereunder or a lender under one of the Other Credit Agreements;

(n) Extensions, renewals and replacements of any Lien described in subsections 7.3(a) through (m) above;

(o) Liens (including, without limitation, Liens incurred in connection with Financing Leases, operating leases and sale-leaseback transactions) securing Indebtedness of the Borrower and its Subsidiaries permitted by subsection 7.2 incurred to finance the acquisition of property; provided that (i) such Liens shall be created substantially simultaneously with the purchase of such property, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased and (iv) the principal

amount of Indebtedness secured by any such Lien shall at no time exceed 100% of the purchase price of such property;

(p) Liens securing the Indebtedness of Foreign Subsidiaries permitted by subsection 7.2, provided that such Liens permitted by this paragraph do not at any time encumber any property located in the United States;

(q) Liens securing reimbursement obligations with respect to documentary letters of credit permitted hereunder which encumber documents and other property relating to such letters of credit;

(r) Liens securing Acquired Indebtedness permitted by subsection 7.2, provided, that (i) such Liens existed at the time such corporation became a Subsidiary or such assets were acquired and were not created in anticipation thereof, (ii) any such Lien does not by its terms cover any property or assets after the time such corporation became or becomes a Subsidiary or such assets were acquired which were not covered immediately prior thereto (and improvements and attachments thereto) and (iii) any such Lien does not by its terms secure any Indebtedness other than Indebtedness existing immediately prior to the time such corporation became or becomes a Subsidiary or such assets were acquired;

(s) except as otherwise provided for in subsections 7.3(a) through (n), Liens securing Indebtedness of Domestic Subsidiaries permitted under subsection 7.2;

(t) other Liens; and

53

48

(u) extensions, renewals and replacements of any Lien described in subsections 7.3(o) through (t) above.

7.4 Limitation on Guarantee Obligations. Create, incur, assume or suffer to exist any Guarantee Obligation except:

(a) Guarantee Obligations of the Borrower under the Other Credit Agreements and of the Domestic Subsidiaries under the Subsidiary Guarantee and any Bond Guarantee;

(b) Guarantee Obligations of any Subsidiary Guarantor in respect of obligations of the U.S. Borrower or any other Subsidiary Guarantor;

(c) Guarantee Obligations of any Subsidiary that is not a Subsidiary Guarantor in respect of obligations of any other Subsidiary that is not a Subsidiary Guarantor;

(d) Guarantee Obligations in respect of operating leases;

(e) Guarantee Obligations of the U.S. Borrower in respect of obligations of any Subsidiary that are permitted to be incurred under this Agreement; and

(f) other Guarantee Obligations, subject to the provisions of subsection 7.8.

7.5 Limitations on Fundamental Changes. Unless expressly permitted under this Agreement, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets, or make any material change in its present method of conducting business, except:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any one or more other Subsidiaries of the Borrower;

(b) any Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any other Subsidiary of the Borrower;

(c) the Borrower may merge or consolidate with any Person, provided that (A) the Borrower is the surviving corporation of such merger or consolidation, (B) after giving effect thereto, no Default or Event of Default is in existence and (C) if such merger or consolidation had occurred on the first day of the period of four full fiscal quarters most recently ended prior to the date of such event, the Borrower would have been in compliance with subsection 7.1 during such period of four full fiscal quarters; and

54

49

(d) any Subsidiary may be merged, consolidated or amalgamated with or into any Person, or may sell, lease, transfer or otherwise dispose of its assets (upon voluntary liquidation, dissolution or otherwise) to any Person or may liquidate, wind up or dissolve itself if (A) after giving effect thereto, no Default or Event of Default is in existence and (B) if such merger, consolidation, amalgamation, sale, lease, transfer or other disposition had occurred on the first day of the period of four fiscal quarters most recently ended prior to the date of such event, the Borrower would have been in compliance with subsection 7.1 during such period of four full fiscal quarters.

7.6 Limitation on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of, any of its property, business or assets (including, without limitation, receivables and leasehold interests) whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's capital stock to any Person other than the Borrower or any Wholly Owned Subsidiary (or to qualify directors if required by applicable law or similar de minimis issuances of capital stock to comply with Requirements of Law), except:

(a) the sale or other disposition of obsolete or worn out property or other property not necessary for operations disposed of in the ordinary course of business; provided that (i) the Net Proceeds of each such transaction are applied to obtain a replacement item or items of property within 120 days of the disposition thereof or (ii) the fair market value of any property not replaced pursuant to clause (i) above shall not exceed \$20,000,000 in the aggregate in any one fiscal year of the Borrower;

(b) the sale of inventory or Cash Equivalents in the ordinary course of business;

(c) the sale of any property in connection with any sale and leaseback transaction;

(d) the sale by any Foreign Subsidiary of its accounts receivable; provided that the terms of each such sale are satisfactory in form and substance to the Administrative Agent;

(e) the sale by any Domestic Subsidiary of its accounts receivable; provided that the terms of each such sale are satisfactory in form and substance to the Administrative Agent;

(f) any sale or other disposition permitted under subsections 7.5 or 7.9;

(g) any operating lease entered into in the ordinary course of

business;

(h) any assignments or licenses of intellectual property in the ordinary course of business;

(i) any sale, contribution or transfer to or by a Special Purpose Subsidiary in connection with a Receivable Financing Transaction; and

55

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(j) any sale or other disposition of assets if (A) after giving effect thereto and the application of the proceeds therefrom, no Default or Event of Default is in existence and (B) if such sale or other disposition had occurred on the first day of the period of four full final quarters most recently ended prior to the date of such sale or other disposition, the Borrower would have been in compliance with subsection 7.1 during such period of four full fiscal quarters.

7.7 Limitation on Dividends. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of capital stock of the Borrower or any warrants or options to purchase any such stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any Subsidiary, except for (a) (i) payment by the Borrower of amounts then owing to management personnel of the Borrower pursuant to the terms of their respective employment contracts or under any employee benefit plan, (ii) mandatory purchases by the Borrower of its common stock from management personnel pursuant to the terms of their respective employment agreements or any employee benefit plan, (iii) additional repurchases by the Borrower of its common stock from management personnel, and other officers or employees of the Borrower or any Subsidiary in an amount not to exceed \$35,000,000 in the aggregate and (iv) the purchase, redemption or retirement of any shares of any capital stock of the Borrower or options to purchase capital stock of the Borrower in connection with the exercise of outstanding stock options, (b) if no Default or Event of Default has occurred and is continuing (or would occur and be continuing after giving effect thereto) when any such dividend is declared by the Board of Directors of the Borrower or such payment is made on the account of the purchase of capital stock of the Borrower, cash dividends on the Borrower's capital stock or such payments made on the account of the purchase of capital stock of the Borrower not to exceed, in the aggregate, in any fiscal quarter (the "Payment Quarter") an amount equal to the greater of (i) \$25,000,000 and (ii) (A) 50% (100% if the Borrower shall have attained Investment Grade Status) of Consolidated Net Income of the Borrower and its consolidated Subsidiaries for the period of four consecutive fiscal quarters ended immediately prior to the Payment Quarter (such period of four quarters being the "Calculation Period" in respect of such Payment Quarter), less (B) the cash amount of all (I) dividends paid and redemptions made by the Borrower during such Calculation Period in respect of capital stock and (II) payments made on the account of the purchase of capital stock of the Borrower during such Calculation Period, but only to the extent permitted by the terms of the outstanding Subordinated Debt, and (c) dividends or distributions in the form of additional shares of such capital stock or in options, warrants or other rights to purchase capital stock.

7.8 Limitation on Subsidiary and Secured Indebtedness. Create, incur, assume or suffer to exist Subsidiary and Secured Indebtedness in an aggregate principal amount at any time outstanding exceeding 10% of Consolidated Assets at such time; or create, incur, assume or suffer to exist any Indebtedness that constitutes Subsidiary and Secured Indebtedness and that is secured by any Lien on any property, assets or receivables of the Borrower or any of its Subsidiaries (other than Liens permitted by paragraphs (a) through (n) of subsection 7.3) in an aggregate principal amount at any time exceeding 5% of Consolidated Assets at such time.



7.9 Limitation on Investments, Loans and Advances. Make or suffer to exist any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets constituting a business unit of, or make any other investment in, any Person, or acquire or invest in any interest in any Person, except:

- (a) extensions of trade credit in the ordinary course of business;
- (b) investments in Cash Equivalents;
- (c) investments by Foreign Subsidiaries in high quality investments of a type similar to Cash Equivalents made outside of the United States of America;
- (d) capital contributions and equity investments made prior to the date hereof in any Subsidiary or Special Entity and any recapitalization thereof not increasing the amounts thereof;
- (e) (i) loans, advances, and extensions of credit by any Subsidiary to the Borrower and (ii) loans, advances, extensions of credit, capital contributions and other investments by the Borrower or any Subsidiary to or in any Subsidiary;
- (f) the purchase by the Borrower or any Subsidiary of participating interests in loans to Foreign Subsidiaries; provided that the amount of each such participating interest does not exceed the amount which the Borrower or such Subsidiary would otherwise be permitted to lend or contribute to such Foreign Subsidiaries pursuant to this subsection 7.9;
- (g) the Borrower and its Subsidiaries may acquire or invest in any Special Entities or the assets constituting a business unit of any Person that would be a Special Entity, provided that the aggregate purchase price of such acquisitions after the date hereof does not exceed \$400,000,000 (less, in the case of Special Entities that become Subsidiaries of the Borrower, the aggregate amount of Indebtedness of such Special Entities at the time such Special Entities are acquired) per fiscal year; and provided, further, that up to \$100,000,000 of such permitted amount which is not expended in any fiscal year may be carried over for such acquisitions in any subsequent fiscal year; and provided, still further, that no more than \$150,000,000 per fiscal year of any such permitted amount may be expended to acquire stock or other evidence of beneficial ownership of Special Entities that do not become Subsidiaries of the Borrower;
- (h) advances to employees in the ordinary course of business for travel, relocation and related expenses;
- (i) investments received in connection with the bankruptcy or reorganization of suppliers, customers and other Persons having obligations in favor of the Borrower or any Subsidiary in settlement of delinquent obligations of, and other disputes with, customers, suppliers and such other Persons arising in the ordinary course of business;

- (j) advances, loans, extensions of credit or other investments

held by a Person at the time it becomes a Subsidiary of the Borrower in connection with an acquisition permitted hereunder; provided, that such advances, loans, extensions of credit or other investments have not been made in anticipation of such acquisition;

(k) other investments, advances, loans, extensions of credit and capital contributions by the Borrower and its Subsidiaries not exceeding \$125,000,000 in the aggregate at any one time outstanding;

(l) the UT Automotive Acquisition; and

(m) investments in or acquisitions of companies or business units, in each case, engaged primarily in the manufacturing of automotive parts business and businesses related thereto so long as (i) no Default or Event of Default shall have occurred and be continuing before and after giving effect to such transaction, (ii) the Borrower would be in pro forma compliance with subsection 7.1 after giving effect to such transaction, (iii) after giving pro forma effect to such transaction as if it had occurred on the first day of the period of four consecutive fiscal quarters most recently ended prior to the date of such transaction, the ratio of (a) Consolidated Indebtedness on the date of, and after giving effect to, such transaction to (b) Consolidated Operating Profit for such period of four consecutive fiscal quarters would be less than 4.00 and (iv) such transaction is not the result of a hostile bid made by the Borrower or its Subsidiaries.

7.10 Limitation on Optional Payments and Modification of Debt Instruments; Certain Derivative Transactions. (a) Prepay, purchase, redeem, retire, defease or otherwise acquire, or make any payment on account of any principal of, interest on, or premium payable in connection with the prepayment, redemption or retirement of any outstanding Subordinated Debt, except that the Borrower may prepay, purchase or redeem Subordinated Debt with the proceeds of the issuance of other subordinated Indebtedness of the Borrower or capital stock of the Borrower; provided that, in the case of the issuance of subordinated Indebtedness, either (i) the principal terms of such other subordinated Indebtedness are no more restrictive, taken as a whole, to the Borrower and its Subsidiaries than the principal terms of the Subordinated Debt being repaid, purchased or redeemed or (ii) the terms and conditions of the other subordinated Indebtedness are reasonably satisfactory to the Administrative Agent; provided, further, that, notwithstanding any provision contained in this subsection 7.10, if no Default or Event of Default has occurred and is continuing or would occur and be continuing as a result of the following, the Subordinated Debt may be prepaid at any time without restriction; (b) enter into any derivative transaction or similar transaction obligating the Borrower or any of its Subsidiaries to make any payment to any other Person as a result of any change in value or market price of Subordinated Debt or Capital Stock of the Borrower; or (c) without the consent of the Administrative Agent, amend, modify or change, or consent or agree to any amendment, modification or change to any of the terms of any Subordinated Debt (except that without the consent of the Administrative Agent or any Lender, the terms of the Subordinated Debt may be amended, modified or changed if such amendment, modification or change would extend the maturity or reduce the amount of any payment of principal thereof, would reduce the rate

extend the date for payment of interest thereon, would eliminate covenants (other than covenants with respect to subordination to Indebtedness under this Agreement and, if applicable, the Subsidiary Guarantee) or defaults in such Subordinated Debt or would make such covenants or defaults less restrictive or make any other change that would not require the consent of the holders of such Subordinated Debt).

7.11 Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate unless such transactions are otherwise permitted under this Agreement, or such transactions are in the ordinary course of the Borrower's or such Subsidiary's business and are upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary,

as the case may be, than it would obtain in a comparable arm's length transaction with a Person not an Affiliate; provided, however, that the Borrower may engage The Cypress Group, LLC or any Affiliate of The Cypress Group, LLC as financial advisor, underwriter, broker, dealer-manager or finder in connection with any transaction at the then customary market rates for similar services.

7.12 Corporate Documents. Amend its Certificate of Incorporation or By-Laws, each as in effect on the Closing Date, if such amendment would reasonably be expected to impair the ability of the Loan Parties to perform their respective obligations under the Loan Documents to which they are a par

7.13 Fiscal Year. Permit the fiscal year of the Borrower to end on a day other than December 31.

7.14 Limitation on Restrictions Affecting Subsidiaries. Enter into any agreement with any Person other than the Lenders pursuant hereto which prohibits or limits the ability of any Subsidiary to (a) pay dividends or make other distributions or pay any Indebtedness owed to the Borrower or any Subsidiary, (b) make loans or advances to the Borrower or any Subsidiary or (c) transfer any of its properties or assets to the Borrower or any Subsidiary, except (i) prohibitions or restrictions under applicable law, (ii) agreements and instruments governing or evidencing secured Indebtedness otherwise permitted to be incurred under this Agreement that limits the right of the borrower to (A) dispose of the assets securing such Indebtedness or (B) in the case of any Foreign Subsidiary, to make dividends or distributions, (iii) prohibitions or restrictions under agreements relating to Acquired Indebtedness and any refinancings thereof, (iv) prohibitions or restrictions with respect to the distribution or dispositions of assets or property in joint venture and similar agreements entered into in the ordinary course of business, (v) customary non-assignment provisions in leases and other agreements entered into in the ordinary course of business, (vi) customary net worth provisions contained in leases and other agreements entered into by a Subsidiary in the ordinary course of business, (vii) customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of the assets or stock of such Subsidiary, (viii) (x) any such restrictions existing by reasons of Contractual Obligations listed on Schedule VIII or (y) Contractual Obligations in effect on the Closing Date affecting Subsidiaries acquired in the UT Automotive Acquisition, (ix) any restrictions on a Special Purpose Subsidiary, (x) restrictions on cash or other deposits or net worth provisions under customer and supply agreements entered into in the ordinary course

59

54

of business, and (xi) any restrictions contained in any instrument or agreement that refinances any Indebtedness or other obligations which contains similar restrictions.

7.15 Special Purpose Subsidiary. Permit (a) any Special Purpose Subsidiary to engage in any business other than Receivable Financing Transactions and activities directly related thereto or (b) at any time the Borrower or any of its Subsidiaries (other than a Special Purpose Subsidiary) or any of their respective assets to incur any liability, direct or indirect, contingent or otherwise, in respect of any obligation of a Special Purpose Subsidiary whether arising under or in connection with any Receivable Financing Transaction or otherwise.

7.16 Interest Rate Agreements. Enter into, or become a party to, any Interest Rate Agreement that is speculative in nature.

## SECTION 8. EVENTS OF DEFAULT

Upon the occurrence of any of the following events:

(a) Any Borrower shall fail to pay (i) any principal of the Interim Term Loans when due (whether at the stated maturity, by acceleration or otherwise) in accordance with the terms thereof or hereof or (ii) any interest on the Interim Term Loans, or any fee or

other amount payable hereunder, within five days after any such interest, fee or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made or deemed made by the Borrower or any other Loan Party herein or in any other Loan Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) The Borrower or any other Loan Party shall default in the observance or performance of any negative covenant contained in Section 7; or

(d) The Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document other than as provided in (a) through (c) above, and such default shall continue unremedied for a period of 30 days; or

(e) Any Loan Document shall cease, for any reason, to be in full force and effect, or the Borrower or any other Loan Party shall so assert; or any security interest created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby, except, in each case, as provided in subsection 10.18; or

60

55

(f) The Subsidiary Guarantee shall cease, for any reason, to be in full force and effect, or any guarantor thereunder shall so assert, except as provided in subsection 10.18; or

(g) The subordination provisions contained in any instrument pursuant to which the Subordinated Debt was created or in any instrument evidencing such Subordinated Debt shall cease, for any reason, to be in full force and effect or enforceable in accordance with their terms; or

(h) The Borrower or any of its Subsidiaries shall (i) default in any payment of principal of or interest on any Indebtedness (other than Indebtedness under this Agreement), in the payment of any Guarantee Obligation or in the payment of any Interest Rate Agreement Obligation, in any case where the principal amount thereof then outstanding exceeds \$40,000,000 beyond the period of grace (not to exceed 60 days), if any, provided in the instrument or agreement under which such Indebtedness, Guarantee Obligation or Interest Rate Agreement Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness, Guarantee Obligation or Interest Rate Agreement Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or, beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable; or

(i) (i) The Borrower or any Material Subsidiary shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate

it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Borrower or any Material Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any Material Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower or any Material Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower or any Material Subsidiary shall take any action in furtherance of, or indicating its consent to,

61

56

approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or any Material Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(j) (i) Any Person shall engage in any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Majority Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Majority Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist, with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to subject the Borrower or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole; or

(k) One or more judgments or decrees shall be entered against the Borrower or any of its Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance) of \$40,000,000 or more and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(l) (i) Any Person or "group" (within the meaning of Section 13(d) or 15(d) of the Exchange Act) (A) shall have acquired beneficial ownership of 35% or more of any outstanding class of capital stock of the Borrower having ordinary voting power in the election of directors or (B) shall obtain the legal right (whether or not exercised) to elect a majority of the Borrower's directors or (ii) the Board of Directors of the Borrower shall not consist of a majority of Continuing Directors;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (i) above with respect of the Borrower, automatically the Interim Term Loan Commitments shall immediately terminate and the Interim Term Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable, and (B) if such event is any other Event of Default, any of the following actions may be taken: (i) with the consent of the Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative Agent shall, by notice to the Borrower declare the Interim Term Loan Commitments to be terminated forthwith, whereupon

62

57

the Interim Term Commitments shall immediately terminate; (ii) with the consent of the Majority Lenders, the Administrative Agent may, or upon the direction of the Majority Lenders, the Administrative Agent shall, by notice of default to the Borrower, declare the Interim Term Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable and (iii) the Administrative Agent may, and upon the direction of the Majority Lenders shall, exercise any and all remedies and other rights provided pursuant to this Agreement and/or the other Loan Documents.

Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

SECTION 9. THE ADMINISTRATIVE AGENT; THE MANAGING AGENTS, DOCUMENTATION AGENT AND SYNDICATION AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints Chase as the Administrative Agent of such Lender under this Agreement and the other Loan Documents, and each Lender irrevocably authorizes Chase to act as the Administrative Agent of such Lender and to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Person's gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower or other Person or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document

or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of the Borrower or any other Person to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document or to inspect the properties, books or records of the Borrower.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified as between itself and the Lenders in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Majority Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Interim Term Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action reasonably promptly with respect to such Default or Event of Default as shall be reasonably directed by the Majority Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Administrative Agent and Other Lender. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and

based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and made its own decision to make its Interim Term Loan hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without

reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower which may come into the possession of the Administrative Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. Each Lender agrees to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to the outstanding principal amount of its Interim Term Loan on the date on which indemnification is sought, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Interim Term Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent. The agreements in this subsection shall survive the payment of the Interim Term Loans and all other amounts payable hereunder.

9.8 Administrative Agent in its Individual Capacity. The Administrative Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower as though the Administrative Agent were not the Administrative Agent hereunder and under the other Loan Documents. With respect to the Interim Term Loan made by the Administrative Agent and any Note issued to it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Majority Lenders shall appoint from among the Lenders a successor administrative agent for the

Lenders, which successor administrative agent shall be approved by the Borrower (such approval not to be unreasonably withheld), whereupon such successor administrative agent shall succeed to the rights, powers and duties of the resigning Administrative Agent, and the term "Administrative Agent" shall mean such successor administrative agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Interim Term Loans. After any resigning Administrative Agent's resignation as either Administrative Agent, the provisions of this subsection shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.



9.10 The Documentation Agent, Managing Agents and Co-Syndication Agents. Each Lender, the Documentation Agent and each Co-Syndication Agent and Managing Agent acknowledge that the Documentation Agent, Co-Syndication Agents and Managing Agents, in such capacities, shall have no duties or responsibilities, and shall incur no liabilities, under this Agreement or the other Loan Documents in their respective capacities as such.

9.11 Actions Under Security Documents . With respect to any action under or in respect of the Security Documents that the provisions of this Agreement permit or require the Administrative Agent to take only with the consent, or upon the direction, of all of the Lenders or the Majority Lenders, as the case may be, the Lenders acknowledge that the Administrative Agent shall be required to take such action only if such action is approved by, in addition to all the Lenders or the Majority Lenders, as the case may be, such instructing group of lenders under each of the Other Credit Agreements as the Other Credit Agreements require for such action.

9.12 Intercreditor Agreement . In the event that a Refinancing Agreement is entered into, the Administrative Agent is authorized and directed to enter into an intercreditor agreement reasonably satisfactory to the Administrative Agent as contemplated by the definition of Refinancing Agreement set forth in subsection 1.1, and to enter into such amendments, if any, to the Subsidiary Guarantee and the Security Documents as it shall reasonably deem required in order to give effect to such intercreditor agreement, provided, that, in any case, the Indebtedness of the Borrower hereunder and under the Other Credit Agreements (including any Refinancing Agreement in respect of either of the Other Credit Agreements) shall be pari passu and equally and ratably secured.

#### SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. (a) Neither this Agreement or any other Loan Document, nor any terms hereof or thereof may be amended, supplemented, waived or modified except in accordance with the provisions of this subsection 10.1. The Majority Lenders may, or, with the written consent of the Majority Lenders, the Administrative Agent may, from time to time, (i) enter into with the Borrower written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Lenders or

66

61

of the Borrower hereunder or thereunder or (ii) waive at the Borrower's request, on such terms and conditions as the Majority Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall:

(A) reduce the amount or extend the scheduled date of maturity of any Interim Term Loan or of any scheduled installment thereof, or reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Interim Term Loan Commitment, in each case without the consent of each Lender affected thereby;

(B) amend, supplement, modify or waive any provision of this subsection 10.1 or reduce the percentages specified in the definition of "Majority Lenders" or consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, in each case without the consent of all the Lenders or reduce the percentages specified in the definitions of "Majority Lenders" without the consent of all of the Lenders;

(C) amend, supplement, modify or waive any provision of

Section 9 or any other provision of this Agreement governing the respective rights or obligations of the Administrative Agent without the consent of the then Administrative Agent;

(G) amend, modify or waive any provision of subsection 3.8 without the consent of each Lender affected thereby; or

(H) release all or substantially all of the guarantees contained in the Subsidiary Guarantee or all or substantially all of the Collateral under, and as defined in, the Security Documents without the consent of each Lender other than as permitted under subsection 10.18.

Any waiver and any amendment, supplement or modification pursuant to this subsection 10.1 shall apply to each of the Lenders and shall be binding upon the Borrower, the Lenders, the Administrative Agent and all future holders of the Interim Term Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or five days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, or, in the case of delivery by a nationally recognized overnight courier, when received, addressed as follows in the case of the Borrower and the Administrative

67

62

Agent, and as set forth in Schedule I in the case of the other parties hereto, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Borrower: Lear Corporation  
21557 Telegraph Road  
Southfield, Michigan 48034  
Attention: Raymond F. Lowry  
Telecopy: (248) 746-1730

The  
Administrative Agent: The Chase Manhattan Bank  
270 Park Avenue  
New York, New York 10017  
Attention: Richard Smith  
Telecopy: (212) 270-5100

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders pursuant to subsection 2.3, 3.2, 3.4 or 3.7.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Borrower, the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in the other Loan Documents (or in any amendment, modification or supplement hereto or thereto) and in any certificate delivered pursuant hereto or such other Loan Documents shall survive the execution and delivery of this Agreement and the Notes and the making of the

Interim Term Loans hereunder.

10.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent for all its reasonable out-of-pocket costs and reasonable expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the Notes and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent, (b) to pay or reimburse each Lender and the Administrative Agent for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes and any such other documents, including, without limitation, fees and disbursements of counsel to the Administrative Agent and the reasonable fees and disbursements of counsel to the

68

63

several Lenders, and (c) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective directors, officers, employees and agents harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Notes and the other Loan Documents, the use or proposed use by the Borrower of the proceeds of the Loans (all the foregoing, collectively, the "indemnified liabilities"); provided that the Borrower shall have no obligation hereunder to (i) the Administrative Agent with respect to indemnified liabilities arising from the gross negligence or willful misconduct of the Administrative Agent or (ii) any Lender with respect to indemnified liabilities arising from the gross negligence or willful misconduct of such Lender, in each case as finally determined by a court of competent jurisdiction. The agreements in this subsection shall survive repayment of the Interim Term Loans and all other amounts payable hereunder.

#### 10.6 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Administrative Agent, all future holders of the Interim Term Loans and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in the Interim Term Loan owing to such Lender, the Interim Term Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Interim Term Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. Any agreement pursuant to which any Lender shall sell any such participating interest shall provide that such Lender shall retain the sole right and responsibility to exercise such Lender's rights and enforce the Borrower's obligations hereunder, including the right to consent to any amendment, supplement, modification or waiver of any provision of this Agreement or any of the other Loan Documents, provided that such participation agreement may provide that such Lender will not agree to any amendment, supplement,

modification or waiver described in clause (A) or (B) of the proviso to the second sentence of subsection 10.1(a) without the consent of the Participant. The Borrower agrees that if amounts outstanding under this Agreement are due or

unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in subsection 10.7(a) as fully as if it were a Lender hereunder. The Borrower agrees that each Participant shall be entitled to the benefits of subsections 3.10, 3.11, 3.12 and 10.6 with respect to its participation in the Commitments and the Loans outstanding from time to time hereunder as if it was a Lender; provided, that no Participant shall be entitled to receive any greater amount pursuant to such subsections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time and from time to time assign to any Lender or any Affiliate thereof or, with the prior written consent of the Borrower (such consent not to be unreasonably withheld) and the Administrative Agent (such consent not to be unreasonably withheld), to an additional bank or financial institution (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Loan Documents including, without limitation, its Interim Term Loan Commitment and its Interim Term Loan, pursuant to an Assignment and Acceptance, substantially in the form of Exhibit K, executed by such Assignee, such assigning Lender (and, in the case of an Assignee that is not then a Lender or an Affiliate thereof, by the Borrower and the Administrative Agent) and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that in the case of any such assignment to an additional bank or financial institution, the aggregate amount of the Interim Term Loan Commitment or Interim Term Loan being assigned shall not be less than \$10,000,000 (or such lesser amount as may be agreed by the Borrower and the Administrative Agent), and after giving effect to such assignment such assignor Lender, if it retains any Interim Term Loan Commitment or Interim Term Loans, shall retain an Interim Term Loan Commitment or Interim Term Loan of at least \$10,000,000. Upon such execution, delivery, acceptance and recording, from and after the closing date determined pursuant to such Assignment and Acceptance, (I) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with an Interim Term Loan Commitment as set forth therein, and (II) the assigning Lender thereunder shall be released from its obligations under this Agreement to the extent that such obligations shall have been expressly assumed by the Assignee pursuant to such Assignment and Acceptance (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto). Notwithstanding the foregoing, no consent of the Borrower shall be required for any assignment effected while an Event of Default under Section 8(i) is in existence.

(d) The Administrative Agent, on behalf of the Borrower, shall maintain at its address referred to in subsection 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and

the Interim Term Loan Commitment of, and principal amounts of the Interim Term Loan owing to, each Lender from time to time. The entries in the Register shall constitute prima facie evidence of the information recorded therein, and the Borrower, the Administrative Agent and the Lenders may (and, in the case of any Interim Term Loan or other obligation hereunder not evidenced by a Note, shall) treat each Person whose name is recorded in the Register as the owner of an Interim Term Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Loan Documents, notwithstanding any notice to the contrary. Any assignment of an Interim Term Loan or other obligation hereunder not evidenced by a Note shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Assignee (and, in the case of an Assignee that is not then a Lender or an Affiliate thereof, executed by the Borrower and the Administrative Agent), together with payment to the Administrative Agent of a registration and processing fee of \$3,500, the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register and give prompt notice of such acceptance and recordation to the Lenders and the Borrower.

(f) The Borrower authorizes each Lender to disclose to any Participant or Assignee (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates which has been delivered to such Lender by or on behalf of the Borrower pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Borrower in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement; provided, that any such Transferee is advised of the confidential nature of such information, if applicable, such Lender takes reasonable steps, in accordance with customary practices, to ensure that any such information is not used in violation of federal or state securities laws and such Lender otherwise complies with subsection 10.20.

(g) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this subsection concerning assignments of Interim Term Loans and Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by a Lender of any Interim Term Loan or Note to any Federal Reserve Bank in accordance with applicable law.

(h) If, pursuant to this subsection, any interest in this Agreement or any Interim Term Loan is transferred from a Lender to any Transferee which is organized under the laws of any jurisdiction other than the United States or any state thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to agree (for the benefit of the transferor Lender, the Administrative Agent and the Borrower) to provide the transferor Lender (and, in the case of any Transferee registered in the Register, the Administrative Agent and the Borrower) the tax forms and other documents required to be delivered pursuant to

subsection 3.12(b) or (c) and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

10.7 Adjustments; Set-Off. (a) If any Lender (a "Benefitted Lender") shall at any time receive any payment of all or part of its Interim Term Loan then due and owing to it, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(i), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Interim Term Loan then due and owing to it, or interest thereon, such Benefitted Lender

shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Interim Term Loan owing to it, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable hereunder (whether at the stated maturity thereof, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch, agency or Affiliate thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

10.8 Intercreditor Agreement. The Administrative Agent is hereby authorized to enter into an intercreditor agreement, in form and substance reasonably satisfactory to it, to allow up to \$75,000,000 in loans outstanding on the Closing Date and owing to Deutsche Bank AG New York Branch and/or Cayman Islands Branch and Toronto Dominion (Texas), Inc., or their respective affiliates, to be equally and ratably secured by the Collateral and to benefit from guarantees from the Subsidiary Guarantors on a basis which is pari passu with the Subsidiary Guarantee.

10.9 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be delivered to the Borrower and the Administrative Agent.

72

67

10.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.11 Integration. This Agreement and the other Loan Documents represent the agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.12 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.13 Submission to Jurisdiction; Waivers. (a) The Borrower hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal

action or proceeding relating to this Agreement or any other Loan Document to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in subsection 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

10.14 Acknowledgements. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

73

68

(b) none of the Administrative Agent or any Lender has any fiduciary relationship with or duty to such Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and the Lenders, on the one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.

10.15 WAIVERS OF JURY TRIAL. EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.16 [Reserved]

10.17 [Reserved].

10.18 Release of Collateral and Guarantees. (a) The Lenders hereby agree with the Borrower, and hereby instruct the Administrative Agent, that if (i) the Borrower attains Release Status, (ii) the Administrative Agent has no actual knowledge of the existence of a Default, (iii) the Borrower shall have delivered a certificate of a Responsible Officer stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default, and (iv) all Bond Guarantees shall have been released or shall be released concurrently with the requested release of the Subsidiary Guarantee, the Administrative Agent shall, at the request and expense of the Borrower, take such actions as shall be reasonably requested by the Borrower to release its security interest in all collateral held by it pursuant to the Security Documents and to release all Subsidiary Guarantors from their obligations under the Subsidiary Guarantee. In such event, the provisions of subsection 6.10 shall be deemed terminated and of no further force or effect.

(b) The Lenders hereby agree with the Borrower, and hereby instruct the Administrative Agent, that if (i) on any date the ratio of Consolidated Indebtedness on such date to Consolidated Operating Profit for the

four consecutive fiscal quarters most recently ended, is less than 2.50 to 1.00, (ii) the Administrative Agent has no actual knowledge of the existence of a Default, (iii) the Borrower shall have delivered a certificate of a Responsible Officer stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default, and (iv) all Bond Guarantees shall have been released or shall be released simultaneously with the requested release of the Subsidiary Guarantee, the Administrative Agent shall, at the request and expense of the Borrower, take such actions as shall be reasonably requested by the Borrower to release its security interest in all collateral held by it pursuant to the Security Documents and to release all Subsidiary Guarantors from their obligations under the Security Guarantee. In such event, the provisions of subsection 6.10 shall be deemed terminated and of no further force or effect.

74

69

(c) The Lenders hereby agree with the Borrower, and hereby instruct the Administrative Agent, that if the Borrower shall have delivered to the Administrative Agent written that it proposes to sell or otherwise dispose of any Subsidiary whose stock is pledged pursuant to a Pledge Agreement or which is a Subsidiary Guarantor, and such disposition is permitted by this Agreement, the Administrative Agent shall, at the request and expense of the Borrower, take such actions as shall be reasonably requested by the Borrower to release its security interest in the stock of such Subsidiary to release such Subsidiary Guarantor from its obligations under the Subsidiary Guarantee; provided, that such Subsidiary shall have been, or shall simultaneously be, released from all Bond Guarantees.

10.19 [Reserved]

10.20 Confidentiality. Each Lender agrees to take normal and reasonable precautions to maintain the confidentiality of information designated in writing as confidential and provided to it by the Borrower or any Subsidiary in connection with this Agreement; provided, however, that any Lender may disclose such information (a) at the request of any bank regulatory authority or in connection with an examination of such Lender by any such authority, (b) pursuant to subpoena or other court process, (c) when required to do so in accordance with the provisions of any applicable law, (d) at the discretion of any other Governmental Authority, (e) to such Lender's Affiliates, independent auditors and other professional advisors or (f) to any Transferee or potential Transferee; provided that such Transferee agrees to comply with the provisions of this subsection 10.20.

10.21 Conflicts. In the event that there exists a conflict between provisions in this Agreement and provisions in any other Loan Document, the provisions of this Agreement shall control.

75

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

LEAR CORPORATION

By: /s/

-----  
Title:



THE CHASE MANHATTAN BANK, as  
Administrative Agent and as a Lender

By: /s/ \_\_\_\_\_  
Title:

CITICORP USA, INC., as Co-  
Syndication Agent and as a Lender

By: /s/ \_\_\_\_\_  
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as  
Documentation Agent

By: /s/ \_\_\_\_\_  
Title:

By: /s/ \_\_\_\_\_  
Title:

DEUTSCHE BANK AG NEW YORK BRANCH  
AND/OR CAYMAN ISLANDS BRANCH, as a  
Lender

By: /s/ \_\_\_\_\_  
Title:

By: /s/ \_\_\_\_\_  
Title:

MORGAN STANLEY SENIOR FUNDING, INC.

By: /s/ \_\_\_\_\_  
Title:

CREDIT SUISSE FIRST BOSTON, as Co-Syndication Agent and as a Lender

By: /s/ \_\_\_\_\_  
Title:

By: /s/ \_\_\_\_\_  
Title:

TORONTO DOMINION (TEXAS), INC.

By: /s/ \_\_\_\_\_  
Title:

THE BANK OF NOVA SCOTIA

By: /s/ \_\_\_\_\_  
Title:

BANK OF AMERICA NT & SA

By: /s/ \_\_\_\_\_  
Title:

SCHEDULE I

COMMITMENTS; ADDRESSES

A. Commitment Amounts

LENDER	COMMITMENT
Citicorp USA, Inc.	210,000,000
Deutsche Bank AG New York Branch and/or Cayman Islands Branch	105,000,000
The Chase Manhattan Bank	105,000,000
Morgan Stanley Senior Funding, Inc.	700,000,000
Credit Suisse First Boston	105,000,000
Toronto Dominion (Texas), Inc.	35,000,000
The Bank of Nova Scotia	35,000,000
Bank of America NT & SA	105,000,000
Total	1,400,000,000

B. ADDRESSES FOR NOTICES  
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BANKERS TRUST COMPANY (CHICAGO)  
233 South Wacker Drive, 84th Floor  
Chicago, IL 60606  
Attn: Thomas Cole  
Tel: (312) 993-8051  
Fax: (312) 993-8218

MORGAN STANLEY DEAN WITTER ADVISORS INC.  
Two World Trade Center  
New York, NY 10048  
Attn: Bram Smith  
Tel: (212) 761-2660  
Fax: (212) 761-3932

BANK OF NOVA SCOTIA (CHICAGO)  
181 West Madison Street, Suite 3700  
Chicago, IL 60602  
Attn: David Brooks  
Tel: (312) 201-4182  
Fax: (312) 201-4108

CREDIT SUISSE FIRST BOSTON  
11 Madison Avenue  
New York, NY 10010-3829  
Attn: Kristin Lepri  
Tel: (212) 325-9058  
Fax: (212) 325-8309

DEUTSCHE BANK SECURITIES INC.  
31 West 52nd Street, 24th Floor  
New York, NY 10019  
Attn: Rolf-Peter Mikolayczyk  
Tel: (212) 469-8237  
Fax: (212) 469-8212

TORONTO DOMINION (TEXAS), INC.  
909 Fannin Street, 17th Floor  
Houston, TX 77010  
Attn: Mario Da Ponte  
Tel: (312) 977-2127  
Fax: (713) 951-9921

87

TORONTO DOMINION BANK (NEW YORK)  
31 West 52nd Street  
New York, NY 10019-6101  
Attn: Clark Terriff  
Tel: (212) 468-0569  
Fax: (212) 262-1926

CHASE MANHATTAN CORPORATION (HEADQUARTERS)  
270 Park Avenue  
New York, NY 10017  
Attn: David Fox  
Tel: (212) 270-4345  
Fax: (212) 270-1047

BANK OF NOVA SCOTIA (CHICAGO)  
181 West Madison Street, Suite 3700  
Chicago, IL 60602-4514  
Attn: James Coleman  
Tel: (312) 201-4140  
Fax: (312) 201-4108

BANKAMERICA (CHICAGO)  
231 LaSalle Street  
Chicago, IL 60697  
Attn: Lewis Fisher  
Tel: (312) 828-3137  
Fax: (312) 987-7384

DEUTSCHE BANK AG NEW YORK BRANCH AND/OR  
CAYMAN ISLAND BRANCH  
31 West 52nd Street 24th Floor  
New York, New York 10019  
Attn: Hans-Josef Thiele

Tel: (212) 469-8649  
Fax: (212) 469-8212

CITICORP SECURITIES INC.  
399 Park Avenue, Zone 12, 8th Floor  
New York, NY 10043  
Attn: Elizabeth Palermo  
Tel: (212) 559-3533  
Fax: (212) 826-2375

88

SCHEDULE II

[Reserved]

89

SCHEDULE III

[Reserved]

90

SCHEDULE IV

SECURITY DOCUMENTS

I. Pledge Agreements

1. Company Pledge Agreement, dated as of the date hereof, made by the U.S. Borrower, Lear Operations Corporation and Lear Corporation Automotive Systems, pledging 100% of the stock of Lear Operations Corporation and Lear Corporation Automotive Holdings in favor of the General Administrative Agent, substantially in the form of Exhibit Q to the Agreement.

2. Pledge Agreement to be entered into within 60 days after the Closing Date in respect of 65% of the capital stock of Lear Germany.

91

SCHEDULE V

[RESERVED]

## SCHEDULE VI

SUBSIDIARIES<sup>1</sup>

## DOMESTIC SUBSIDIARIES:

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Amtex, Inc.	Pennsylvania	50%	Lear Corporation
Bryan Manufacturing Company	Ohio	100%	Lear Corporation Automotive Holdings
Corporate Eagle Two LLC		50%	LCT, Inc.
Detroit Automotive Interiors L.L.C.	Michigan	49%	Lear Corporation
Essex International de Chihuahua, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
General Seating of America, Inc.	Delaware	50%	Lear Corporation
Industrial Electrical Specialties, Inc.	Delaware	55%	Lear Corporation Automotive Holdings
IPCO Inc.	Delaware	100%	Lear Corporation Automotive Holdings
LCT, Inc.	Michigan	100%	Lear Corporation
Lear Corporation (Germany) Ltd.	Delaware	100%	Lear Corporation
Lear Corporation Global Development, Inc.	Delaware	100%	Lear Corporation
Lear Corporation Mendon	Delaware	100%	Lear Corporation
Lear Donnelly Overhead Systems, L.L.C.	Michigan	50%	Lear Corporation
Lear East L.P.	Pennsylvania	100%	Lear East, Inc. (99%); Lear Corporation Global Development, Inc. (1%)
Lear East, Inc.	Delaware	100%	Lear Operations Corporation
Lear Investments Company, L.L.C.	Delaware	100%	Lear Corporation
Lear Mexican Holding, L.L.C.	Delaware	100%	Lear Seating Holdings Corp. #50
Lear Midwest Automotive, Limited Partnership	Delaware	100%	Lear Midwest, Inc. (99.9%); Lear Corporation Mendon (0.1%)
Lear Midwest, Inc.	Kentucky	100%	Lear Operations Corporation
Lear Operations Corporation	Delaware	100%	Lear Corporation
Lear Seating Holdings Corp. #50	Delaware	100%	Lear Corporation
Lear Seating Holdings Corp. #100	Delaware	100%	Lear Corporation
Lear Technologies, L.L.C.	Delaware	100%	Lear Corporation
Lear Trim L.L.C.	Delaware	100%	NAB Corporation (99.9%); Lear Corporation (.1%)

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1. After giving effect to the UT Automotive Acquisition.

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Masland Transportation, Inc.	Delaware	100%	Lear Corporation
Motors Acquisition Corporation	Delaware	100%	Lear Corporation
NAB Corporation	Delaware	100%	Lear Corporation
Precision Fabrics Group	North Carolina	29%	Lear Corporation

Superior Coach Corporation	Ohio	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Japan), Inc.	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (U.K.) Limited	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Automotive Systems, Inc.	Ohio	100%	Lear Corporation Automotive Holdings
United Technologies Automotive, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Furukawa Corporation	Delaware	51%	Lear Corporation Automotive Holdings
UT Automotive Advanced Technology, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
UT Automotive Dearborn, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
Lear Corporation Automotive Holdings	Delaware	100%	Lear Operations Corporation
Wagner Industries, Inc.	Indiana	100%	Lear Corporation Automotive Holdings

#### FOREIGN SUBSIDIARIES:

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
AB Extruding	Sweden	100%	Lear Corporation Sweden AB
AB Trelleborgsplast	Sweden	100%	Lear Corporation Sweden AB
All Automotive Industries Canada Inc.	Canada	100%	Lear Corporation
Alfombras San Luis S.A.	Argentina	100%	Industria Textil Dragui S.A.
Arbitrario B.V.	Netherlands	100%	Lear Corporation
Asia Pacific Components Co., Ltd.	Thailand	98%	Lear Seating (Thailand) Corp., Ltd.
Auto Interiors India Private Ltd.	India	25%	
Autoform Kunsrstoffteile GmbH	Germany	69%	Gruppo Pianfej S.r.L (44%); Pianfei Glass SA (25%)
Autoform Kunststoffteile GmbH & Co KG	Germany	70.89%	Gruppo Pianfej S.r.L (45.2%); Pianfei Glass SA (29.69%)
Autotrim, S.A. de C.V.	Mexico	40%	Interiores Automotrics Summa S.A. de C.V.
AVB Anlagen und Vorrichtungsbau	Germany	55%	Lear Corporation Bereiligungs GmbH
Aviken Plast AB	Sweden	100%	Lear Corporation Gnosjoplast AB
Chongqing Lear Chang'an Automotive Interior Trim Co., Ltd.	China	35.75%	Lear Corporation China Ltd.
Consortio Industrial Mexicanos de Autopartes S.A. de C.V.	Mexico	100%	Lear Corporation 99.4%; Empresas Industriales Mexicanos de Autopartes, S.A. de C.V. .6%
Davart Group Ltd.	UK	100%	Lear Corporation UK Interior Systems Limited
Donnelly Eurotrim Ltd.	Ireland	50%	Lear Donnelly Overhead Systems, L.L.C.
El Trim (Pty.) Ltd.	Italy	51%	Lear Corporation Beteiligungs GmbH
Empetek autodily s.r.o.	Czech Republic	50%	Lear Donnelly Overhead Systems, L.L.C.
Empresas Industriales Mexicanos de Autopartes, S.A. de C.V.	Mexico	74.98%	Lear Corporation
Favesa S.r.l. de C.V.	Mexico	100%	Lear Holdings S.r.l. de C.V.
Gate Deutschland GmbH	Germany	100%	Lear Corporation Automotive Holdings
Gate France S.A.	France	99.760%	Lear Corporation Automotive Holdings
Gate S.p.A.	Italy	100%	Lear Corporation Automotive Holdings
Gate UK Limited	U.K.	100%	Lear Corporation Automotive Holdings

General Seating of Canada Ltd.	Canada	50%	Lear Corporation Canada, Ltd.
General Seating of Thailand Corp. Ltd.		50%	Lear Corporation

95

4

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
Gruppo Pianfei S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
Guilford Kast Plastifol Dynamics Ltd.	UK	33.3%	Lear Corporation Drahtfedem GmbH
Hanil Lear Automotive Parts Private Ltd.	India	50%	Lear Corporation
Hubei UTA-Xianfeng Auto Electric Company, Ltd.	China	100%	Lear Corporation Automotive Holdings
Industria Textil Dragui S.A.	Argentina	100%	Industrias Lear de Argentina, S.A.
Industrias Cousin Freres, S.L.	Spain	49.99%	Lear Corporation Italia S.p.A..
Industrias Lear de Argentina, S.A.	Argentina	100%	Lear Corporation
Industrias Lear Trim S. de R.L. de C.V.	Mexico	100%	Lear Holdings S.r.l. de C.V.
Inteco S.p.A.	Italy	100%	Strapazzini Auto S.p.A. (99%), Lear Corporation Italia Holding S.r.L. (1%)
Interiores Automotrices Summa S.A. de C.V.	Mexico	40%	Lear Operations Corporation
Interiores Para Autos, S.A. de C.V.	Mexico	40%	Interiores Auto Matricies Summa S.A. de C.V.
Interni S.A.	Brazil	25%	
Jiangxi Jiangling Lear Interior Systems Co. Ltd.	China	32%	Lear Corporation China Ltd.
John Cotton Plastics Ltd.	UK	100%	Lear Corporation UK Interior Systems Limited
L.S. Servicos Ltda.	Brazil	100%	Lear Corporation
Lear Automotive Corporation Singapore Pte. Ltd.	Singapore	100%	Lear Corporation
Lear Bahia Ltd.	Brazil	100%	Lear do Brazil Ltda.
Lear Belgium Newco	Belgium	100%	Lear Corporation
Lear Brits (SA) (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Car Seating do Brasil Ltda.	Brazil	100%	L.S. Servicos Ltda.
Lear Corporation (Nottingham) Limited	UK	100%	Lear Corporation (UK) Limited
Lear Corporation (S.A.) (Pty.) Ltd.	South Africa	100%	
Lear Corporation (SSD) Ltd.	UK	100%	Lear UK ISM Limited
Lear Corporation (SSD) NV	Belgium	100%	Lear Corporation
Lear Corporation (UK) Ltd.	UK	100%	Lear UK Acquisition Limited
Lear Corporation Asientos, S.A.	Spain	100%	Lear Corporation Spain S.L.
Lear Corporation Australia Pty. Ltd.	Australia	100%	Lear Corporation

96

5



Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
Lear Corporation Austria GmbH	Austria	100%	Lear Corporation Beteiligungs GmbH
Lear Corporation Austria GmbH & Co. KG	Austria	100%	Lear Corporation Beteiligungs GmbH (99%); Lear Corporation Austria GmbH (1%)
Lear Corporation Automotive Components (Pty.) Ltd.	South Africa	100%	
Lear Corporation Beteiligungs GmbH	Germany	100%	Lear Corporation (Germany) Ltd.
Lear Corporation Drahtfedern GmbH	Germany	100%	Lear Corporation Beteiligungs GmbH
Lear Corporation Canada Ltd.	Ontario	100%	Lear Corporation
Lear Canada Investments Ltd.	Ontario	100%	Lear Corporation
Lear Corporation China Ltd.	Mauritius	65%	
Lear Corporation France S.A.R.L.	France	100%	Lear Corporation
Lear Corporation GmbH & Co. KG	Germany	100%	Lear Corporation Drahtfedern GmbH
Lear Corporation Holdings Spain S.L.		100%	Lear Corporation
Lear Corporation Hungary KFT		100%	Lear Corporation Drahtfedern GmbH
Lear Corporation Interior Components (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Corporation Italia Holding S.r.L.	Italy	100%	Lear Corporation
Lear Corporation Italia S.p.A.	Italy	100%	Lear Corporation Italia Holdings S.r.L.
Lear Corporation Italia Speciality Car Group S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
Lear Corporation Italia Sud S.p.A.	Italy	100%	Lear Corporation Italia S.p.A.
Lear Corporation Mexico S.A. de C.V.	Mexico	99.6%	Lear Holdings S.r.l. de C.V.
Lear Corporation Poland Gliwice S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Poland II S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Poland S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Portugal-Components Para Automovers, Lda.	Portugal	100%	Lear Corporation
Lear Corporation Spain S.L.		100%	Lear Corporation Holdings Spain S.L.
Lear Corporation Sweden AB	Sweden	100%	Lear Corporation
Lear Corporation Sweden Gnosjöplast AB	Sweden	100%	Lear Corporation Sweden AB
Lear Corporation UK Holdings Ltd.	UK	100%	Lear Corporation

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
Lear Corporation UK Interior Systems Ltd.	UK	100%	Lear Corporation UK Holdings Ltd.
Lear Corporation Verwaltungs GmbH	Germany	100%	Lear Corporation Drahtfedern GmbH
Lear de Venezuela, C.A.	Venezuela	100%	Lear Corporation
Lear de Brazil Ltda.	Brazil	100%	Lear Corporation

Lear Donnelly Mexico, S. de R.L. de C.V.		(50%)	Lear Donnelly Overhead Systems, L.L.C.
Lear Foreign Sales Group	US Virgin Islands	100%	Lear Corporation
Lear Holdings S.r.L. de C.V.		(50%)	Lear Mexican Holdings, L.L.C.
Lear Inespo Comercial Industrial Ltda.	Brazil	50.01%	Lear Corporation
Lear JIT (Pty.) Ltd.	South Africa	51%	Lear Corporation Drahtfedern GmbH
Lear North West (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Seating (Thailand) Corp., Ltd.	Thailand	98%	Lear Corporation
Lear Seating Private Limited	India	[49%]	Ramco Investments Limited
Lear Sewing (Pty) Ltd.	South Africa	51%	Lear Corporation Drahtfedern GmbH
Lear Teknik Oto Yan Sanayi Limited Sirket	Turkey	66.67%	Lear Corporation
Lear UK Acquisition Limited	UK	100%	Lear Corporation UK Holdings Limited
Lear UK ISM Limited	UK	100%	Lear Corporation (UK) Limited
Lear Vijayjyot Seating Private Limited	India	50%	Ramco Investments Limited
LECA S.p. zo.o	Poland	100%	Lear Corporation
Markol Otomotiv Yan Sanayi VE Ticaret A.S.	Turkey	35%	Lear Corporation
Masland (UK) Limited	UK	100%	Lear Corporation
Masland Industries of Canada Limited	Canada	100%	Lear Corporation
Mecanismos Auxiliarios Industriales, S.A.	Spain	99.9%	Lear Corporation Automotive Holdings
No-Sag Drahtfedern Spitzer & Co. KG	Austria	62.5%	Lear Corporation Drahtfedern GmbH
OOO Lear	Russia	100%	Lear Corporation Global Development, Inc.
Pianfei Engineering S.r.L.	Italy	100%	Gruppo Pianfei S.r.L.
Pianfei Glass SA	Spain	35%	Gruppo Pianfei S.r.L.
Pianfei Ipa S.p.A.	Italy	100%	Gruppo Pianfei S.r.L. (98%); Lear Corporation Italia Holding S.r.L. (2%)
Pianfei Melti S.r.L.	Italy	73%	Lear Corporation Italia Holding S.r.L.

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
Pianfei Sicilia S.r.L.	Italy	100%	Gruppo Pianfei S.r.L.
Pianfei Sud S.r.L.	Italy	100%	Gruppo Pianfei S.r.L. (70%); Pianfei Melfi S.r.L. (30%)
Polovat Auto Sp.zo.o.	Poland	100%	Polovar Sp.z.o.o.
Polovat Sp.zo.o.	Poland	100%	Arbirario B.V.
Protos S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
PRPI S.p.A. (in liquidation)	Italy	85%	Gruppo Pianfei S.r.L.(18%); Pianfei Engineering S.r.L. (67%)
Rael Handels GmbH	Austria	100%	Lear Corporation Bereiligungs GmbH
Ramco Investments Limited	Mauritius	100%	Lear Corporation
Roloplast Formsprutning AB	Sweden	100%	Lear Corporation Gnosjoplast AB
S.A.L.B.I. AB	Sweden	50%	Lear Corporation Sweden AB
Shanghai Lear Automobile Interior	China	35.75%	Lear Corporation China Ltd.

Trim Co., Ltd.			
Shanghai Songjiang Lear Automotive Carpet & Accoustics Co. Ltd.	China	35.75	Lear Corporation China Ltd.
Siam UT Automotive Co., Ltd.	Thailand	99.9976%	Lear Corporation Automotive Holdings
Societe No Sag Francaise	France	56%	Lear Corporation France S.A.R.L.
Societe Offran-Villaise de Technologie, S.A.	France	100%	Lear Corporation France S.A.R.L.
Sommer Masland (UK) Limited	UK	50%	Masland (UK) Limited
Spitzer GmbH	Austria	62.5%	Lear Corporation Drahtfedern GmbH
Stapur SA	Argentina	5%	Lear Corporation Automotive Holdings
Strapazzini Auto S.p.A.		100%	Strapazini Resine S.r.L. (1%) Strapazzini Resine S.r.L. (99%)
Strapazzini Resine S.R.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
SWECA Sp.z.o.o.	Poland	100%	Lear Corporation
United Technologies Automotive (Argentina) S.A.	Argentina	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Europe) S.A.	France	99.75%	Lear Corporation Automotive Holdings
United Technologies Automotive (France) S.A.R.L.	France	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Honduras) S.A.	Honduras	98%	Lear Corporation Automotive Holdings

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
United Technologies Automotive (Hungary) Kft	Hungary	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Philippines), Inc.	Philippines	99.9%	Lear Corporation Automotive Holdings
United Technologies Automotive (Poland) Sp.zo.o.	Poland	75%	Lear Corporation Automotive Holdings
United Technologies Automotive Electrical Systems de Mexico, S.A. de C.V.	Mexico	99.9%	Lear Corporation Automotive Holdings
United Technologies Gate Espana, S.A.	Spain	99.992%	Lear Corporation Automotive Holdings
UPM S.r.L.	Italy	39%	Gruppo Pianfei S.r.L.
UT Automotive (Netherlands) B.V.	Netherlands	100%	Lear Corporation Automotive Holdings
UT Automotive (Poland) Sp.zo.o.	Poland	100%	Lear Corporation Automotive Holdings
UT Automotive (Portugal) Components De Automovios S.A.	Portugal	100%	Lear Corporation Automotive Holdings
UT Automotive Almussafes Services, S.A.	Spain	99%	Lear Corporation Automotive Holdings
UT Automotive Services Netherlands B.V.	Netherlands	100%	Lear Corporation Automotive Holdings
UT Automotive Tunisia S.A.	Tunisia	99.98%	Lear Corporation Automotive Holdings
UT Loewe Automotive Electronics GmbH	Germany	100%	Lear Corporation Automotive Holdings
UT Automotive Saerouns Service, GmbH	Germany	100%	Lear Corporation Automotive Holdings
Wuhan UTA-DCAC Auto Electric Company, Limited	China	75%	Lear Corporation Automotive Holdings

P.T. Lear Corporation	Indonesia	51%	Lear Corporation
F.G. Microdesign	Italy	70%	Lear Corporation Automotive Holdings

100

## SCHEDULE VII

### HAZARDOUS MATERIAL

The Borrower has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("Superfund") at the Organic Chemical site in Grandville, MI, A-1 Disposal Site in Plainwell, MI, the Thermo-Chem site in Muskegon, MI, the Sunrise landfill in Wayland Township, MI, and the Ostego landfill in Michigan. In addition, the Borrower has received settlement offers to resolve its responsibility at the PCB, Inc. site in Kansas City, KS and MO (\$2500.00) and the ABC Barrel and Drum site in Detroit, MI (\$8500.00). Although liability at the sites has not been finalized, the Borrower believes that expected liability is not material.

101

## SCHEDULE VIII

### CONTRACTUAL OBLIGATION RESTRICTIONS

1. Indenture, dated February 1, 1994, between Lear Corporation, as Issuer and the State Street Bank & Trust Company (as successor to the First National Bank of Boston), as Trustee, relating to the Borrower's 8 1/4% Subordinated Notes.
2. Indenture, dated July 1, 1996 between Lear Corporation, as Issuer, and the Bank of New York, as Trustee, relating to the U.S. Borrower's 9 1/2% Subordinated Notes.
3. Loan Agreement between NS Beteiligungs GmbH and Industriekreditbank AG-Deutsch Industrielk.
4. Agreements and security instruments with respect to indebtedness assumed in connection with the Acquisition and the Fiat Seat Business, GSA, GSC, Delphi, Borealis, Masland Industries, Automotive Industries, Keiper, Pianfei, Strapazzini, Dragui, Polovat and Ovatex acquisitions and agreements governing indebtedness which refinance such indebtedness.
5. Loan Agreement between Lear Corporation Canada Ltd. and the Province of Ontario, Canada relating to indebtedness of up to \$2,000,000 (Canadian).
6. Loan Agreement, dated January 27, 1993, between Lear Corporation Canada Ltd. and the Province of Ontario, Canada.
7. Industrial Facilities Agreement governing indebtedness of ASAA Technologies, Inc. to Cumberland Plateau Planning District Commission and Cumberland Plateau Company.
8. Mortgage loan agreements governing indebtedness and ASAA Technologies, Inc. to Associated Lender Lakeshore N.A.
9. Agreement governing working capital Indebtedness of Lear Seating (Indonesia) Pty Ltd. and Lear Australia Pty Ltd.

10. Term Loan Agreement between Lear Corporation and Toronto Dominion (Texas), Inc. (as amended).
11. Term Loan Agreement between Lear Corporation and Deutsche Bank AG New York Branch and/or Cayman Islands Branch (as amended).

102

# SCHEDULE IX

## AGENTS

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INSTITUTION	AGENCY
-----	
The Chase Manhattan Bank	Administrative Agent
-----	
Chase Securities Inc.	Sole Book Manager and Sole Lead Arranger
-----	
Citicorp USA, Inc.	Co-Syndication Agent
-----	
Deutsche Bank AG New York Branch and/or Cayman Islands Branch	Documentation Agent
-----	
Morgan Stanley Senior Funding, Inc.	Managing Agent
-----	
Credit Suisse First Boston	Co-Syndication Agent
-----	
Toronto Dominion (Texas), Inc.	Managing Agent
-----	
The Bank of Nova Scotia	Managing Agent
-----	
Bank of America NT &SA	Managing Agent
=====	

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\$1,000,000,000  
REVOLVING CREDIT AND  
TERM LOAN AGREEMENT

Dated as of May 4, 1999

among

LEAR CORPORATION,  
THE FOREIGN SUBSIDIARY BORROWERS,

The Lenders Party Hereto,

CITICORP USA, INC.  
and  
MORGAN STANLEY SENIOR FUNDING, INC.,  
as Co-Syndication Agents,

TORONTO DOMINION (TEXAS), INC.,  
as Documentation Agent,

The Other Agents Named in  
Schedule IX Hereto

and

THE CHASE MANHATTAN BANK,  
as Administrative Agent

-----

CHASE SECURITIES INC.,  
as Sole Book Manager and Sole Lead Arranger

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TABLE OF CONTENTS

Page

SECTION 1.	DEFINITIONS.....	1
1.1	Defined Terms.....	1
1.2	Other Definitional Provisions.....	27
SECTION 2.	AMOUNT AND TERMS OF REVOLVING CREDIT	
	COMMITMENTS.....	28
2.1	Revolving Credit Commitments.....	28
2.2	Repayment of Revolving Credit Loans; Evidence of Debt.....	28
2.3	Procedure for Revolving Credit Borrowing.....	29
2.4	Termination or Reduction of Revolving Credit Commitments.....	29
2.5	Borrowings of Revolving Credit Loans and Refunding of Loans.....	30
SECTION 3.	AMOUNT AND TERMS OF TERM LOAN	
	COMMITMENTS.....	31
3.1	Term Loan Commitments.....	31
3.2	Repayment of Term Loans; Evidence of Debt.....	31
3.3	Procedure for Term Loan Borrowing.....	32
SECTION 4.	AMOUNT AND TERMS OF MULTICURRENCY	
	COMMITMENT.....	33
4.1	Multicurrency Commitments.....	33

4.2	Repayment of Multicurrency Loans; Evidence of Debt.....	33
4.3	Procedure for Multicurrency Borrowing.....	34
4.4	Termination or Reduction of Multicurrency Commitments.....	34
4.5	Redenomination and Alternative Currencies.....	34
SECTION 5.	GENERAL PROVISIONS APPLICABLE TO LOANS .....	35
5.1	Interest Rates and Payment Dates.....	35
5.2	Conversion and Continuation Options.....	35
5.3	Minimum Amounts of Tranches.....	36
5.4	Optional and Mandatory Prepayments.....	36
5.5	Commitment Fees; Other Fees.....	37
5.6	Computation of Interest and Fees.....	38
5.7	Inability to Determine Interest Rate.....	39
5.8	Pro Rata Treatment and Payments.....	39
5.9	Illegality.....	42
5.10	Requirements of Law.....	42
5.11	Indemnity.....	44
5.12	Taxes .....	44

-i-

5.13	Assignment of Commitments Under Certain Circumstances.....	46
5.14	Use of Proceeds.....	47
SECTION 6.	REPRESENTATIONS AND WARRANTIES.....	47
6.1	Financial Statements.....	47
6.2	No Change.....	47
6.3	Corporate Existence; Compliance with Law.....	48
6.4	Corporate Power; Authorization; Enforceable Obligations.....	48
6.5	No Legal Bar; Senior Debt.....	49
6.6	No Material Litigation.....	49
6.7	No Default.....	49
6.8	Ownership of Property; Liens.....	49
6.9	Taxes .....	50
6.10	Securities Law, etc. Compliance.....	50
6.11	ERISA .....	50
6.12	Investment Company Act; Other Regulations.....	51
6.13	Subsidiaries, etc. ....	51
6.14	Accuracy and Completeness of Information.....	51
6.15	Security Documents.....	52
6.16	Patents, Copyrights, Permits and Trademarks.....	52
6.17	Environmental Matters.....	52
6.18	Year 2000 Matters.....	53
SECTION 7.	CONDITIONS PRECEDENT.....	54
7.1	Conditions to Closing Date.....	54
7.2	Conditions to Each Loan.....	55
SECTION 8.	AFFIRMATIVE COVENANTS.....	56
8.1	Financial Statements.....	56
8.2	Certificates; Other Information.....	57
8.3	Performance of Obligations.....	58
8.4	Conduct of Business, Maintenance of Existence and Compliance with Obligations and Laws.....	58
8.5	Maintenance of Property; Insurance.....	58
8.6	Inspection of Property; Books and Records; Discussions.....	58
8.7	Notices .....	59
8.8	Maintenance of Liens of the Security Documents.....	60
8.9	Environmental Matters.....	60
8.10	Security Documents; Guarantee Supplement.....	61
SECTION 9.	NEGATIVE COVENANTS.....	62
9.1	Financial Covenants.....	63
9.2	Limitation on Indebtedness.....	63

-ii-

9.3	Limitation on Liens.....	64
9.4	Limitation on Guarantee Obligations.....	66
9.5	Limitations on Fundamental Changes.....	67
9.6	Limitation on Sale of Assets.....	68
9.7	Limitation on Dividends.....	69
9.8	Limitation on Subsidiary and Secured Indebtedness.....	69
9.9	Limitation on Investments, Loans and Advances.....	70
9.10	Limitation on Optional Payments and Modification of Debt Instruments; Certain Derivative Transactions.....	71
9.11	Transactions with Affiliates.....	72
9.12	Corporate Documents.....	72
9.13	Fiscal Year.....	72
9.14	Limitation on Restrictions Affecting Subsidiaries.....	72
9.15	Special Purpose Subsidiary.....	73
9.16	Interest Rate Agreements.....	73
SECTION 10.	GUARANTEE.....	73
10.1	Guarantee.....	73
10.2	No Subrogation.....	74
10.3	Amendments, etc. with respect to the Obligations; Waiver of Rights.....	74
10.4	Guarantee Absolute and Unconditional.....	75
10.5	Reinstatement.....	76
10.6	Payments.....	76
SECTION 11.	EVENTS OF DEFAULT.....	76
SECTION 12.	THE ADMINISTRATIVE AGENT; DOCUMENTATION AGENT; CO-SYNDICATION AGENTS; THE MANAGING AGENTS; THE LEAD MANAGERS AND THE CO-AGENTS.....	79
12.1	Appointment.....	79
12.2	Delegation of Duties.....	80
12.3	Exculpatory Provisions.....	80
12.4	Reliance by Administrative Agent.....	80
12.5	Notice of Default.....	81
12.6	Non-Reliance on Administrative Agent and Other Lender.....	81
12.7	Indemnification.....	81
12.8	Administrative Agent in its Individual Capacity.....	82
12.9	Successor Administrative Agent.....	82
12.11	Actions Under Security Documents.....	82
12.12	Intercreditor Agreement.....	83
SECTION 13.	MISCELLANEOUS.....	83
13.1	Amendments and Waivers.....	83

13.2	Notices.....	86
13.3	No Waiver; Cumulative Remedies.....	86
13.4	Survival of Representations and Warranties.....	87
13.5	Payment of Expenses and Taxes.....	87
13.6	Successors and Assigns; Participations and Assignments.....	87
13.7	Adjustments; Set-Off.....	90
13.8	Loan Conversion/Participations.....	91
13.10	Counterparts.....	93
13.11	Severability.....	93
13.12	Integration.....	93
13.13	GOVERNING LAW.....	93
13.14	Submission to Jurisdiction; Waivers.....	93
13.15	Acknowledgement.....	94
13.16	WAIVERS OF JURY TRIAL.....	94
13.17	Power of Attorney.....	94
13.18	[Reserved].....	94
13.19	Release of Collateral and Guarantees.....	95
13.20	Judgment.....	95
13.21	Confidentiality.....	96
13.22	Conflicts.....	96



## SCHEDULES:

I	Commitments; Addresses
II	Foreign Subsidiary Borrowers
III	Administrative Schedule
IV	Security Documents
V	[Reserved]
VI	Subsidiaries
VII	Hazardous Material
VIII	Contractual Obligation Restrictions
IX	Agents

## EXHIBITS:

A	Form of Revolving Credit Note
B	Form of Term Note
C	[Reserved]
D	[Reserved]
E	[Reserved]
F	[Reserved]
G	[Reserved]
H	[Reserved]
I	Form of Joinder Agreement
J	[Reserved]
K	Form of Assignment and Acceptance
L	Form of Opinion of Winston & Strawn
M	[Reserved]
N	Matters to be Covered by Foreign Subsidiary Opinion
O	Form of Subsidiary Guarantee
P	Form of Intercreditor Agreement
Q	Form of Pledge Agreement

- v -

7

REVOLVING CREDIT AND TERM LOAN AGREEMENT, dated as of May 4, 1999 among LEAR CORPORATION, a Delaware corporation (the "U.S. Borrower"), each FOREIGN SUBSIDIARY BORROWER (as hereinafter defined) (together with the U.S. Borrower, the "Borrowers"), the Managing Agents named on Schedule IX hereto (the "Managing Agents"), the Co-Agents named on Schedule IX hereto (the "Co-Agents"), the Lead Managers named on Schedule IX hereto (the "Lead Managers"), the several banks and other financial institutions from time to time parties hereto (the "Lenders"), CITICORP USA, INC. and MORGAN STANLEY SENIOR FUNDING, INC., as co-syndication agents (the "Co- Syndication Agents"), TORONTO DOMINION (TEXAS), INC., as documentation agent (the "Documentation Agent"), and THE CHASE MANHATTAN BANK, a New York banking corporation (as hereinafter defined, the "Administrative Agent"), as administrative agent for the Lenders hereunder.

## W I T N E S S E T H :

WHEREAS, the U.S. Borrower is a party to the UT Automotive Acquisition Agreement (as defined below) pursuant to which the U.S. Borrower (or a Subsidiary designated by it) will consummate the UT Automotive Acquisition (as defined below); and

WHEREAS, in order to finance a portion of the purchase price of the UT Automotive Acquisition, and to finance general corporate purposes of the U.S. Borrower and its Subsidiaries, the U.S. Borrower has requested the Lenders to make available the credit facilities described herein, and the

Lenders are willing to make such credit facilities available upon and subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

#### SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"ABR Loans": Revolving Credit Loans or Term Loans, as the case may be, the rate of interest applicable to which is based upon the Alternate Base Rate.

"Acquired Indebtedness": Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Subsidiary of the U.S. Borrower or assumed in connection with the acquisition of assets from such Person and not incurred by such

8

2

Person in contemplation of such Person becoming a Subsidiary of the U.S. Borrower or such acquisition, and any refinancings thereof.

"Adjusted Aggregate Revolving Outstandings": with respect to each Lender, the Aggregate Revolving Outstandings of such Lender, plus the amount of any participating interests purchased by such Lender pursuant to subsection 13.8, minus the amount of any participating interests sold by such Lender pursuant to subsection 13.8.

"Administrative Agent": Chase, together with its affiliates, as arranger of the Commitments and as Administrative Agent for the Lenders under this Agreement and the other Loan Documents, and any successor thereto appointed pursuant to subsection 12.9.

"Administrative Schedule": Schedule III, which contains interest rate definitions and administrative information in respect of each Available Foreign Currency.

"Affiliate": of any Person, (a) any other Person (other than a Wholly Owned Subsidiary of such Person) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person or (b) any other Person who is a director or executive officer of (i) such Person, (ii) any Subsidiary of such Person (other than a Wholly Owned Subsidiary) or (iii) any Person described in clause (a) above. For purposes of this definition, a Person shall be deemed to be "controlled by" such other Person if such other Person possesses, directly or indirectly, power either to (A) vote 10% or more of the securities having ordinary voting power for the election of directors of such first Person or (B) direct or cause the direction of the management and policies of such first Person whether by contract or otherwise.

"Aggregate Available Multicurrency Commitments": as at any date of determination with respect to all Multicurrency Lenders, an amount in U.S. Dollars equal to the Available Multicurrency Commitments of all Multicurrency Lenders on such date.

"Aggregate Available Revolving Credit Commitments": as at any date of determination with respect to all Lenders, an amount in U.S. Dollars equal to the Available Revolving Credit Commitments of all Lenders on such date.

"Aggregate Revolving Credit Commitments": the aggregate amount of the Revolving Credit Commitments of all the Lenders.

"Aggregate Revolving Outstandings": as at any date of

determination with respect to any Lender, an amount in U.S. Dollars equal to the sum of (a) the aggregate outstanding principal amount of Revolving Credit Loans of such Lender and (b) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of such Lender.

9

3

"Aggregate Multicurrency Outstandings": as at any date of determination with respect to any Lender, an amount in the applicable Available Foreign Currencies equal to the aggregate unpaid principal amount of such Lender's Multicurrency Loans.

"Aggregate Total Outstandings": as at any date of determination with respect to any Lender, an amount in U.S. Dollars equal to the sum of (a) the Aggregate Revolving Outstandings of such Lender and (b) the aggregate outstanding principal amount of Term Loans of such Lender.

"Agreement": this Revolving Credit and Term Loan Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Agreement Currency": as defined in subsection 13.20(b).

"Alternate Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of:

- (a) the U.S. Prime Rate in effect on such day; and
- (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%.

If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) above, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the U.S. Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the U.S. Prime Rate or the Federal Funds Effective Rate, respectively.

"Amended and Restated Credit Agreement": the Second Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among the U.S. Borrower, certain of its Foreign Subsidiaries, the lenders parties thereto, Chase, as general administrative agent, and others, as the same may be amended, supplemented or otherwise modified from time to time, and any Refinancing Agreement in respect thereof.

"Applicable Margin": with respect to each day, the rate per annum based on the Ratings in effect on such day, as set forth under the relevant column heading below:

10

4

Rating	Applicable Margin - Term Loans	Applicable Margin - Revolving Credit Loans and Multicurrency Loans
-----	-----	-----

Rating I	.75%	.75%
Rating II	1.00%	1.00%
Rating III	1.25%	1.25%

;provided, that during the period from the Closing Date until the date on which the Borrower delivers to the Lenders its financial statements for the fiscal quarter ending September 30, 1999 pursuant to subsection 8.1, the Applicable Margins shall be those set forth above opposite Rating III.

"Assignee": as defined in subsection 13.6(c).

"Available Foreign Currencies": Pounds Sterling, euro, Swedish Kroner, and any other available and freely-convertible non-U.S. Dollar currency selected by the U.S. Borrower and approved by the Administrative Agent and the Majority Multicurrency Lenders in the manner described in subsection 13.1(b).

"Available Multicurrency Commitment": as at any date of determination with respect to any Multicurrency Lender (after giving effect to the making and payment of any Revolving Credit Loans required to be made on such date pursuant to subsection 2.5), an amount in U.S. Dollars equal to the lesser of (a) the excess, if any, of (i) the amount of such Multicurrency Lender's Multicurrency Commitment in effect on such date over (ii) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of such Multicurrency Lender on such date and (b) the excess, if any, of (i) the amount of such Multicurrency Lender's Revolving Credit Commitment in effect on such date over (ii) the Aggregate Revolving Outstandings of such Multicurrency Lender on such date.

"Available Revolving Credit Commitment": as at any date of determination with respect to any Lender (after giving effect to the making and payment of any Revolving Credit Loans required to be made on such date pursuant to subsection 2.5), an amount equal to the excess, if any, of (a) the amount of such Lender's Revolving Credit Commitment in effect on such date over (b) the Aggregate Revolving Outstandings of such Lender on such date.

11

5

"Benefitted Lender": as defined in subsection 13.7.

"Board": the Board of Governors of the Federal Reserve System (or any successor thereto).

"Bond Guarantee": the guarantee entered into by any Subsidiary Guarantor in respect of up to an aggregate principal amount of \$1,400,000,000 of senior unsecured debt securities to be issued by the U.S. Borrower, all or a portion of the proceeds of which will be used to repay in full the Interim Term Loans outstanding under (and as defined in) the Interim Term Loan Agreement.

"Borrowers": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified in a notice pursuant to subsection 2.3, 3.2 or 4.2 as a date on which a Borrower requests the Lenders to make Loans hereunder.

"Business Day": (a) when such term is used in respect of a day on which a Loan in an Available Foreign Currency is to be made, a payment is to be made in respect of such Loan, an Exchange Rate is to be set in respect of such Available Foreign Currency or any other dealing in such Available Foreign Currency is to be carried out pursuant to this Agreement, such term shall mean a London Banking Day which is also a day on which banks are open for general banking business in (x) the city which is the principal financial center of the country of issuance of such Available Foreign Currency (or, in the

case of Multicurrency Loans in Pounds Sterling, Paris) and (y) in the case of euro only, Frankfurt am Main, Germany (or such other principal financial center as the Administrative Agent may from time to time designate for this purpose), and (b) when such term is used in any context in this Agreement (including as described in the foregoing clause (a)), such term shall mean a day which, in addition to complying with any applicable requirements set forth in the foregoing clause (a) is a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close; provided, that when such term is used for the purpose of determining the date on which the Eurocurrency Rate is determined under this Agreement for any Multicurrency Loan denominated in euro for any Interest Period therefor and for purposes of determining the first and last day of any such Interest Period, references in this Agreement to Business Days shall be deemed to be references to Target Operating Days.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents": (a) securities issued or unconditionally guaranteed or insured by the United States Government or the Canadian Government or any agency or

12

6

instrumentality thereof having maturities of not more than twelve months from the date of acquisition, (b) securities issued or unconditionally guaranteed or insured by any state of the United States of America or province of Canada or any agency or instrumentality thereof having maturities of not more than twelve months from the date of acquisition and having one of the two highest ratings obtainable from either S&P or Moody's, (c) time deposits, certificates of deposit and bankers' acceptances having maturities of not more than twelve months from the date of acquisition, in each case with any Lender or with any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia, Japan, Canada or any member of the European Economic Community or any U.S. branch of a foreign bank having at the date of acquisition capital and surplus of not less than \$100,000,000, (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (a), (b) and (c) entered into with any bank meeting the qualifications specified in clause (c) above, (e) commercial paper issued by the parent corporation of any Lender and commercial paper rated, at the time of acquisition, at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's and in either case maturing within twelve months after the date of acquisition, (e) deposits maintained with money market funds having total assets in excess of \$300,000,000, (f) demand deposit accounts maintained in the ordinary course of business with banks or trust companies, (g) temporary deposits, of amounts received in the ordinary course of business pending disbursement of such amounts, in demand deposit accounts in banks outside the United States and (h) deposits in mutual funds which invest substantially all of their assets in preferred equities issued by U.S. corporations rated at least AA (or the equivalent thereof) by S&P.

"Chase": The Chase Manhattan Bank, a New York banking corporation.

"Closing Date": the date on which all of the conditions precedent set forth in subsection 7.1 shall have been met or waived.

"Co-Agents": as defined on Schedule IX hereto.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": any collateral in which a security interest is created pursuant to any Security Document.

"Commitment Fee Rate": with respect to each day, the rate per annum based on the Ratings in effect on such day, as set forth under the relevant column heading below:

Rating -----	Commitment Fee Rate -----
Rating I	.175%
Rating II	.20%

Rating III	.25%;
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provided, that during the period from the Closing Date until the date on which the Borrower delivers to the Lenders its financial statements for the fiscal quarter ending September 30, 1999 pursuant to subsection 8.1, the Commitment Fee Rate shall be that set forth above opposite Rating III.

"Commitments": the collective reference to the Revolving Credit Commitments, the Multicurrency Commitments and the Term Loan Commitments.

"Commonly Controlled Entity": an entity, whether or not incorporated, which is under common control with the U.S. Borrower within the meaning of Section 4001 of ERISA or is part of a group which includes the U.S. Borrower and which is treated as a single employer under Section 414 of the Code.

"Consolidated Assets": at a particular date, all amounts which would be included under total assets on a consolidated balance sheet of the U.S. Borrower and its Subsidiaries as at such date, determined in accordance with GAAP.

"Consolidated Indebtedness": at a particular date, all Indebtedness of the U.S. Borrower and its Subsidiaries which would be included under indebtedness on a consolidated balance sheet of the U.S. Borrower and its Subsidiaries as at such date, determined in accordance with GAAP, less any cash of the U.S. Borrower and its Subsidiaries as at such date.

"Consolidated Interest Expense": for any fiscal period, the amount which would, in conformity with GAAP, be set forth opposite the caption "interest expense" (or any like caption) on a consolidated income statement of the U.S. Borrower and its Subsidiaries for such period; provided, that Consolidated Interest Expense for any period shall (a) exclude (i) fees payable in respect of such period under subsection 5.5 of this Agreement and similar fees payable in respect of such period under the Other Credit Agreements, and (ii) any amortization or write-off of deferred financing fees during such period and (b) include any interest income during such period.

"Consolidated Net Income": for any fiscal period, the consolidated net income (or deficit) of the U.S. Borrower and its Subsidiaries for such period (taken as a cumulative whole), determined

in accordance with GAAP; provided that (a) any provision for post-retirement medical benefits, to the extent such provision calculated under FAS 106 exceeds actual cash outlays calculated on the "pay as you go" basis, shall not to be taken into account, and (b) there shall be excluded (i) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the U.S. Borrower or any Subsidiary, (ii) the income (or deficit) of any Person (other than a Subsidiary) in which the U.S. Borrower or any Subsidiary has an ownership interest, except to the extent that any such income has been actually received by the U.S. Borrower or such Subsidiary in the form of dividends or similar distributions, (iii) the

14

8

undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation or Requirement of Law (other than (a) prior to January 1, 2000, any Contractual Obligation or Requirement of Law in effect on the Closing Date affecting Subsidiaries acquired in the UT Automotive Acquisition, and (b) any Requirement of Law of Germany) applicable to such Subsidiary, and (iv) in the case of a successor to the U.S. Borrower or any Subsidiary by consolidation or merger or as a transferee of its assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets; provided, further that the exclusions in clauses (i) and (iv) of this definition shall not apply to the mergers or consolidations of the U.S. Borrower or its Subsidiaries with their respective Subsidiaries.

"Consolidated Operating Profit": for any fiscal period, Consolidated Net Income for such period excluding (a) extraordinary gains and losses arising from the sale of material assets and other extraordinary and/or non-recurring gains and losses, (including the restructuring and related charges in the amount of \$133,000,000 recorded by the U.S. Borrower in the fourth quarter of fiscal year 1998), (b) charges, premiums and expenses associated with the discharge of Indebtedness, (c) charges relating to FAS 106, (d) license fees (and any write-offs thereof), (e) stock compensation expense, (f) deferred financing fees (and any write-offs thereof), (g) write-offs of goodwill, (h) foreign exchange gains and losses, (i) miscellaneous income and expenses and (j) miscellaneous gains and losses arising from the sale of assets plus, to the extent deducted in determining Consolidated Net Income, the excess of (i) the sum of (A) Consolidated Interest Expense, (B) any expenses for taxes, (C) depreciation and amortization expense and (D) minority interests in income of Subsidiaries over (ii) net equity earnings in Affiliates (excluding Subsidiaries). For purposes of calculating the ratio set forth in subsection 9.1(b), Consolidated Operating Profit for any fiscal period shall in any event include the Consolidated Operating Profit for such fiscal period of any entity acquired by the U.S. Borrower or any of its Subsidiaries during such period; and for purposes of calculating the ratio set forth in subsections 9.1(a) and 13.19 for the periods of four consecutive fiscal quarters ending on or about 6/30/99, 9/30/99, 12/31/99 and 3/31/00, Consolidated Operating Profit shall include the Consolidated Operating Profit during such periods of the entities acquired by the U.S. Borrower in the UT Automotive Acquisition.

"Consolidated Revenues": for any fiscal period, the consolidated revenues of the U.S. Borrower and its Subsidiaries for such period, determined in accordance with GAAP.

"Continuing Directors": the directors of the U.S. Borrower on the Closing Date and each other director, if such other director's nomination for election to the Board of Directors of the U.S. Borrower is recommended by a majority of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Conversion Date": any date on which either (a) an Event of Default under Section 11(i) has occurred or (b) the Commitments shall have been terminated prior to the Revolving Credit Termination Date and/or the Loans shall have been declared immediately due and payable, in either case pursuant to Section 11.

"Conversion Sharing Percentage": on any date with respect to any Lender and any Multicurrency Loans of such Lender outstanding in any currency other than U.S. Dollars, the percentage of such Multicurrency Loans such that, after giving effect to the conversion of such Multicurrency Loans to U.S. Dollars and the purchase and sale by such Lender of participating interests as contemplated by subsection 13.8, the Revolving Outstandings Percentage of such Lender will equal such Lender's Revolving Credit Commitment Percentage on such date (calculated immediately prior to giving effect to any termination or expiration of the Revolving Credit Commitments on the Conversion Date).

"Converted Loans": as defined in subsection 13.8(a).

"Co-Syndication Agents": as defined in the preamble hereto.

"CSI": Chase Securities Inc.

"Currency Agreement": any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement designed to protect the U.S. Borrower or any Subsidiary against fluctuations in currency values.

"Currency Agreement Obligations": all obligations of the U.S. Borrower or any Subsidiary to any financial institution under any one or more Currency Agreements.

"Default": any of the events specified in Section 11, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Documentation Agent": as defined in the preamble hereto.

"Dollars", "U.S. Dollars" and "\$": dollars in lawful currency of the United States of America.

"Domestic Loan Party": each Loan Party that is organized under the laws of any jurisdiction of the United States.

"Domestic Pledge Agreements": the collective reference to all Pledge Agreements pursuant to which the Capital Stock of any Domestic Subsidiary is pledged.

"Domestic Subsidiary": any Subsidiary other than a Foreign Subsidiary.

"EMU": Economic and Monetary Union as contemplated in the Treaty on European Union.

"EMU Legislation": legislative measures of the European Union for the introduction of, changeover to or operation of the euro in one or more member states.



"Environmental Complaint": any complaint, order, citation, notice or other written communication from any Person with respect to the existence or alleged existence of a violation of any Environmental Laws or legal liability resulting from air emissions, water discharges, noise emissions, Hazardous Material or any other environmental, health or safety matter.

"Environmental Laws": any and all applicable Federal, foreign, state, provincial, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority and any and all common law requirements, rules and bases of liability regulating, relating to or imposing liability or standards of conduct concerning pollution or protection of the environment or the Release or threatened Release of Hazardous Materials, as now or hereafter in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"euro": the single currency of the European Union as constituted by the Treaty on European Union and as referred to in EMU Legislation.

"Eurocurrency Liabilities": at any time, the aggregate of the rates (expressed as a decimal fraction) of any reserve requirements in effect at such time (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurocurrency Rate": with respect to each Interest Period pertaining to a Multicurrency Loan, the Eurocurrency Rate determined for such Interest Period and the Available Foreign Currency in which such Multicurrency Loan is denominated in the manner set forth in the Administrative Schedule.

"Eurodollar Loans": Revolving Credit Loans or Term Loans, as the case may be, the rate of interest applicable to which is based upon the Eurodollar Rate.

17

11

"Eurodollar Rate": with respect to each Interest Period pertaining to a Eurodollar Loan, the rate per annum equal to the average (rounded upward to the nearest 1/16th of 1%) of the respective rates notified to the Administrative Agent by each of the U.S. Reference Lenders as the rate at which such U.S. Reference Lender is offered Dollar deposits at or about 10:00 a.m., New York City time, two Business Days prior to the beginning of such Interest Period,

(a) in the interbank eurodollar market where the eurodollar and foreign currency exchange operations in respect of its Eurodollar Loans then are being conducted,

(b) for delivery on the first day of such Interest Period,

(c) for the number of days contained therein, and

(d) in an amount comparable to the amount of its Eurodollar Loan to be outstanding during such Interest Period.

"euro unit": the currency unit of the euro as defined in the EMU Legislation.

"Event of Default": any of the events specified in Section 11, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Exchange Act": the Securities Exchange Act of 1934, as amended.

"Exchange Rate": with respect to any non-U.S. Dollar currency on any date, the rate at which such currency may be exchanged into U.S. Dollars, as set forth on such date on the relevant Reuters currency page at or about 11:00 A.M., London time, on such date. In the event that such rate does not appear on any Reuters currency page, the "Exchange Rate" with respect to such non-U.S. Dollar currency 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 U.S. Borrower or, in the absence of such agreement, such "Exchange Rate" shall instead be the Administrative Agent's spot rate of exchange in the interbank market where its foreign currency exchange operations in respect of such non-U.S. Dollar currency are then being conducted, at or about 10:00 A.M., local time, on such date for the purchase of U.S. Dollars with such non-U.S. Dollar currency, for delivery two Business Days later; provided, that if at the time of any such determination, no such spot rate can reasonably be quoted, the Administrative Agent may use any reasonable method as it deems applicable to determine such rate, and such determination shall be conclusive absent manifest error.

"Federal Funds Effective Rate": for any day, the weighted average of the rates per annum on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business

18

12

Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Financing Lease": (a) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of the U.S. Borrower and its Subsidiaries and (b) any other such lease to the extent that the then present value of the minimum rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.

"First Lender": as defined in subsection 13.8(c).

"Foreign Subsidiaries": each of the Subsidiaries so designated on Schedule VI and any Subsidiaries organized outside the United States which are created after the effectiveness hereof.

"Foreign Subsidiary Borrower": each Foreign Subsidiary listed as a Foreign Subsidiary Borrower in Schedule II as amended from time to time in accordance with subsection 13.1(b)(i).

"Foreign Subsidiary Opinion": with respect to any Foreign Subsidiary Borrower, a legal opinion of counsel to such Foreign Subsidiary Borrower addressed to the Administrative Agent and the Lenders covering the matters set forth on Exhibit N, with such assumptions, qualifications and deviations therefrom as the Administrative Agent shall approve (such approval not to be unreasonably withheld).

"Funding Commitment Percentage": as at any date of determination (after giving effect to the making and payment of any Loans made on such date pursuant to subsection 2.5), with respect to any Lender, that percentage which the Available Revolving Credit Commitment of such Lender then constitutes of the Aggregate Available Revolving Credit Commitments.

"GAAP": generally accepted accounting principles in the United States of America in effect from time to time.

"Governmental Authority": any nation or government, any state, province or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee Obligation": as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent (a) to purchase any such primary obligation or

19

13

any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation shall be deemed to be an amount equal to the value as of any date of determination of the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made (unless such Guarantee Obligation shall be expressly limited to a lesser amount, in which case such lesser amount shall apply) or, if not stated or determinable, the value as of any date of determination of the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

"Guarantor Supplement": a supplement to the Subsidiary Guarantee, substantially in the form of Annex A to the Subsidiary Guarantee, whereby a Subsidiary of the U.S. Borrower becomes a "Guarantor" under the Subsidiary Guarantee.

"Hazardous Materials": any solid wastes, toxic or hazardous substances, materials or wastes, defined, listed, classified or regulated as such in or under any Environmental Laws, including, without limitation, asbestos, petroleum or petroleum products (including gasoline, crude oil or any fraction thereof), polychlorinated biphenyls, and urea-formaldehyde insulation, and any other substance the presence of which may give rise to liability under any Environmental Law.

"Indebtedness": of a Person, at a particular date, the sum (without duplication) at such date of (a) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable as obligor, (b) indebtedness secured by any Lien on any property or asset owned or held by such Person regardless of whether the indebtedness secured thereby shall have been assumed by or is a primary liability of such Person, (c) obligations of such Person under Financing Leases, (d) the face amount of all letters of credit issued for the account of such person and, without duplication, the unreimbursed amount of all drafts drawn thereunder and (e) obligations (in the nature of principal or interest) of such Person in respect of acceptances or similar obligations issued or created for the account of such Person; but excluding (i) trade and other accounts payable in the ordinary course of business in accordance with customary trade terms and which are not overdue for more than 120 days or, if overdue for more than 120 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person, (ii) deferred compensation obligations to employees and (iii) any obligations otherwise constituting Indebtedness the payment of which such Person

has provided for pursuant to the terms of such Indebtedness or any agreement or instrument pursuant to which such Indebtedness was

20

14

incurred, by the irrevocable deposit in trust of an amount of funds or a principal amount of securities, which deposit is sufficient, either by itself or taking into account the accrual of interest thereon, to pay the principal of and interest on such obligations when due.

"Industrial Revenue Bonds": industrial revenue bonds issued for the benefit of the U.S. Borrower or its Subsidiaries and in respect of which the U.S. Borrower or its Subsidiaries will be the source of repayment.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intercreditor Agreement": the Intercreditor Agreement, substantially in the form of Exhibit P, to be entered into pursuant to subsection 13.9, as amended or otherwise modified from time to time.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding, (b) as to any Eurodollar Loan or Multicurrency Loan having an Interest Period of three months or less, the last day of such Interest Period and (c) as to any Eurodollar Loan or Multicurrency Loan having an Interest Period longer than three months, (i) each day which is three months, or a whole multiple thereof, after the first day of such Interest Period and (ii) the last day of such Interest Period.

"Interest Period": with respect to any Eurodollar Loan or Multicurrency Loan:

(a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan or Multicurrency Loan and ending one, two, three or six months thereafter, and if deposits in the relevant currency for such longer Interest Periods are available to all relevant Lenders (as determined by such Lenders), nine or twelve months thereafter, as selected by the relevant Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan or Multicurrency Loan and ending one, two, three or six months thereafter, and if deposits in the relevant currency for such longer Interest Periods are available to all relevant Lenders (as determined by such Lenders), nine or twelve months thereafter, as selected by the relevant Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

21

15

provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period pertaining to a Eurodollar Loan or Multicurrency Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such

extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period applicable to a Eurodollar Loan or Multicurrency Loan that would otherwise extend beyond the Revolving Credit Termination Date or Term Loan Maturity Date, as the case may be, shall end on the Revolving Credit Termination Date or Term Loan Maturity Date, as the case may be; and

(iii) any Interest Period pertaining to a Eurodollar Loan or Multicurrency Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

"Interest Rate Agreement": any interest rate protection agreement, interest rate swap or other interest rate hedge arrangement (other than any interest rate cap or other similar agreement or arrangement pursuant to which the U.S. Borrower has no credit exposure), to or under which the U.S. Borrower or any of its Subsidiaries is a party or a beneficiary.

"Interest Rate Agreement Obligations": all obligations of the U.S. Borrower or any Subsidiary to any financial institution under any one or more Interest Rate Agreements.

"Interim Term Loan Agreement": the Interim Term Loan Agreement, dated as of May 4, 1999, among the U.S. Borrower, the lenders parties thereto, Chase, as administrative agent, and others, as the same may be amended, supplemented or otherwise modified from time to time, and any Refinancing Agreement in respect thereof.

"Investment Grade Status": shall exist at any time when the actual or implied rating of the U.S. Borrower's senior long-term unsecured debt is at or above BBB- from S&P and at or above Baa3 from Moody's; if either of S&P or Moody's shall change its system of classifications after the date of this Agreement, Investment Grade Status shall exist at any time when the actual or implied rating of the U.S. Borrower's senior long-term unsecured debt is at or above the new rating which most closely corresponds to the above-specified level under the previous rating system.

"Judgment Currency": as defined in subsection 13.19(b).

"Lead Managers": as defined on Schedule IX hereto.

"Lear Germany": Lear Corporation Beteiligungs GmbH.

"Lenders": as defined in the preamble hereto, provided that no Person shall become a "Lender" hereunder after the Closing Date without compliance with subsection 13.6(c).

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement or any Financing Lease having substantially the same economic effect as any of the foregoing).

"Loan Documents": the collective reference to this Agreement, any Notes and the Security Documents.

"Loan Parties": the collective reference to the Borrowers, each guarantor or grantor party to any Security Document and each issuer of pledged stock under each Pledge Agreement.

"Loans": the collective reference to the Revolving Credit Loans, the Term Loans and the Multicurrency Loans.

"Loans to be Converted": as defined in subsection 13.8(a).

"London Banking Day": any day on which banks in London are open for general banking business, including dealings in foreign currency and exchange.

"Majority Lenders": (a) at any time prior to the termination of the Revolving Credit Commitments, Lenders holding in the aggregate more than 50% of the aggregate amount of the Revolving Credit Commitments and the aggregate outstanding principal amount of Term Loans; and (b) at any time after the termination of the Revolving Credit Commitments, Lenders whose Aggregate Total Outstandings aggregate more than 50% of the Aggregate Total Outstandings of all Lenders; provided that for purposes of this definition the Aggregate Total Outstandings of each Lender shall be adjusted up or down so as to give effect to any participations purchased or sold pursuant to subsection 13.8.

"Majority Multicurrency Lenders": at any time, Multicurrency Lenders whose Multicurrency Commitment Percentages aggregate more than 50%.

"Majority Revolving Credit Lenders": at any time, Lenders whose Revolving Credit Commitment Percentages aggregate more than 50%.

23

17

"Majority Term Loan Lenders " : at any time, Lenders holding more than 50% of the aggregate outstanding principal amount of Term Loans.

"Managing Agents": as defined on Schedule IX hereto.

"Material Subsidiary": each Loan Party and any other Subsidiary which (a) for the most recent fiscal year of the U.S. Borrower accounted for more than 10% of Consolidated Revenues or (b) as of the end of such fiscal year, was the owner of more than 10% of Consolidated Assets, all as shown on the consolidated financial statements of the U.S. Borrower for such fiscal year.

"Moody's": Moody's Investors Service, Inc. or any successor thereto.

"Multicurrency Commitment": as to any Multicurrency Lender at any time, its obligation to make Multicurrency Loans to the U.S. Borrower or Foreign Subsidiary Borrowers in an aggregate amount in Available Foreign Currencies of which the U.S. Dollar Equivalent does not exceed at any time outstanding the lesser of (a) the amount set forth opposite such Multicurrency Lender's name in Schedule I under the heading "Multicurrency Commitment", and (b) the Revolving Credit Commitment of such Multicurrency Lender, in each case as such amount may be reduced from time to time as provided in subsection 4.4 and the other applicable provisions hereof.

"Multicurrency Commitment Percentage": as to any Multicurrency Lender at any time, the percentage which such Multicurrency Lender's Multicurrency Commitment then constitutes of the aggregate Multicurrency Commitments (or, if the Multicurrency Commitments have terminated or expired, the percentage which (a) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of such Multicurrency Lender at such time constitutes of (b) the U.S. Dollar Equivalent of the Aggregate Multicurrency Outstandings of all Multicurrency Lenders at such time).

"Multicurrency Lender": each Lender having a Multicurrency Commitment or holding Multicurrency Loans.

"Multicurrency Loans": as defined in subsection 4.1.

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA .

"National Currency Unit": the unit of currency (other than a euro unit) of a Participating Member State.

"Net Proceeds ": shall mean the gross proceeds received by the U.S. Borrower or any Subsidiary from a sale or other disposition of any asset of the U.S. Borrower or such Subsidiary less (a) all reasonable fees, commissions and other out-of-pocket expenses incurred by the U.S. Borrower or such Subsidiary in connection therewith, (b) Federal,

24

18

state, local and foreign taxes assessed in connection therewith and (c) the principal amount, accrued interest and any related prepayment fees of any Indebtedness (other than the Loans) which is secured by any such asset and which is required to be repaid in connection with the sale thereof.

"9 1/2% Subordinated Note Indenture": the Indenture dated as of July 1, 1996, between the U.S. Borrower and The Bank of New York, as trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 14.10.

"9 1/2% Subordinated Notes": the 9 1/2% Subordinated Notes of the U.S. Borrower due 2006, issued pursuant to the 9 1/2% Subordinated Note Indenture.

"Non-Multicurrency Lender": each Lender which is not a Multicurrency Lender.

"Notes": the collective reference to the Revolving Credit Notes and the Term Notes.

"Notice of Multicurrency Loan Borrowing": with respect to a Multicurrency Loan, a notice from the Borrower (or the U.S. Borrower on its behalf) in respect of such Loan, containing the information in respect of such Loan and delivered to the Person, in the manner and by the time, specified for a Notice of Multicurrency Loan Borrowing in respect of the currency of such Loan in the Administrative Schedule.

"Notice of Multicurrency Loan Continuation": with respect to a Multicurrency Loan, a notice from the Borrower (or the U.S. Borrower on its behalf) in respect of such Loan, containing the information in respect of such Loan and delivered to the Person, in the manner and by the time, specified for a Notice of Multicurrency Loan Continuation in respect of the currency of such Loan in the Administrative Schedule.

"Obligations": collectively, the unpaid principal of and interest on the Loans, Interest Rate Agreement Obligations to any Lender, Currency Agreement Obligations to any Lender and all other obligations and liabilities of (a) the U.S. Borrower under or in connection with this Agreement (including, without limitation, the obligations under Section 10 hereof) and the other Loan Documents and (b) each Foreign Subsidiary Borrower under this Agreement and the other Loan Documents (including, without limitation, interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the maturity of the Loans and interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the U.S. Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, the Notes, the other Loan Documents or any other document made,

delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by any Borrower pursuant to the terms of this Agreement or any other Loan Document).

"Other Credit Agreements": the collective reference to the Amended and Restated Credit Agreement and the Interim Term Loan Agreement.

"Other Lender": as defined in subsection 13.8(c).

"Participants": as defined in subsection 13.6(b).

"Participating Member State": any member state of the EMU which has the euro as its lawful currency.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Person": an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan which is covered by ERISA and in respect of which the U.S. Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledge Agreements": the collective reference to the Pledge Agreements listed in Schedule IV and each other pledge agreement or similar agreement that may be delivered to the Administrative Agent as collateral security for any or all of the Obligations of the U.S. Borrower hereunder, and the obligations of the U.S. Borrower under the Other Credit Agreements, in each case as such Pledge Agreements or similar agreements may be amended, supplemented or otherwise modified from time to time.

"Pledged Stock": as defined in each of the Pledge Agreements.

"Property": each parcel of real property owned or operated by the U.S. Borrower and its Subsidiaries.

"Proprietary Rights": as defined in subsection 6.16.

"Quotation Day": in respect of the determination of the Eurocurrency Rate for any Interest Period for Multicurrency Loans in any Available Foreign Currency, the day on which quotations would ordinarily be given by prime banks in the London interbank

market (or, if such Available Foreign Currency is Pounds Sterling, in the Paris interbank market) for deposits in such Available Foreign Currency for delivery on the first day of such Interest Period; provided, that if quotations would ordinarily be given on more than one date, the Quotation Day for such Interest Period shall be the last of such dates. On the date hereof, the Quotation Day in respect of any Interest Period for any Available Foreign Currency (other than the euro) is customarily the last London Banking Day prior to the beginning of such Interest Period which is (a) at least two London Banking Days prior to the beginning of such Interest Period and (b) a



day on which banks are open for general banking business in the city which is the principal financial center of the country of issue of such Available Foreign Currency (and, in the case of Pounds Sterling, in Paris); and the Quotation Day in respect of any Interest Period for the euro is the day which is two Target Operating Days prior to the first day of such Interest Period.

"Rating": the respective rating of each of the Rating Agencies applicable to the long-term senior unsecured non-credit enhanced debt of the Borrower, as announced by the Rating Agencies from time to time.

"Rating Agencies": collectively, S&P and Moody's.

"Rating Category": each of Rating I, Rating II and Rating III.

"Rating I, Rating II and Rating III": the respective Ratings set forth below:

Rating ----- Category -----	S&P ---	Moody's -----
Rating I	greater than or equal to BBB	greater than or equal to Baa2
Rating II	BBB-	Baa3
Rating III	lower than or equal to BB+	lower than or equal to Bal

; provided, that (i) if on any day the Ratings of the Rating Agencies do not fall in the same Rating Category, the Rating Category of the higher of such Ratings shall be applicable for such day, (ii) if on any day the Rating of only one of the Rating Agencies is available, then the Rating Category of such Rating shall be applicable for such day and (iii) if on any day a Rating is available from neither of the Rating Agencies, then Rating III shall be applicable for such day. Any change in the applicable Rating Category resulting from a change in the Rating of a Rating Agency shall become effective on the date such change is publicly announced by such Rating Agency.

"Receivable Financing Transaction": any transaction or series of transactions involving a sale for cash of accounts receivable, without recourse based upon the collectibility of the receivables sold, by the U.S. Borrower or any of its Subsidiaries to a Special Purpose Subsidiary and a subsequent sale or pledge of such accounts receivable (or an interest therein) by such Special Purpose Subsidiary, in each case without any guarantee by the U.S. Borrower or any of its Subsidiaries (other than the Special Purpose Subsidiary).

"Refinancing Agreement": with respect to the Interim Term Loan Agreement or the Amended and Restated Credit Agreement, as the case may be, a successor agreement satisfying the following criteria: (a) such successor agreement refinances in whole, and replaces the commitments under, the Interim Term Loan Agreement or the Amended and Restated Credit Agreement, as the case may be, (b) either (i) the covenants, representations and warranties and events of default set forth in such successor agreement shall be equivalent to the corresponding provisions set forth in the Interim Term Loan Agreement or the Amended and Restated Credit Agreement, as the case may be, or (ii) to the extent such provisions are more restrictive on the Borrower and its Subsidiaries than the provisions of this Agreement,

the U.S. Borrower shall, contemporaneously with entering into such Refinancing Agreement, enter into with the Administrative Agent an amendment to this Agreement reasonably satisfactory to the Administrative Agent pursuant to which such more restrictive provisions shall be incorporated herein (the Lenders hereby authorizing the Administrative Agent to enter into such amendment), (c) such successor agreement shall not be guaranteed by any Person other than the Subsidiary Guarantors pursuant to the Subsidiary Guarantee and, if applicable, the Borrower and shall not be secured except pursuant to the Security Documents and (d) the lenders under such successor agreement (or an agent for such lenders) shall have entered into an intercreditor agreement with the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, which shall, in any event, contain customary indemnities, liability limitations, exculpation provisions and other customary protective provisions in favor of the Administrative Agent, in its capacity as Agent under (and as defined in) the Subsidiary Guarantee and the Security Documents, substantially equivalent to those set forth in the corresponding provisions of the Interim Term Loan Agreement or the Amended and Restated Credit Agreement, as the case may be.

"Register": as defined in subsection 13.6(d).

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, escaping, leaking, dumping, disposing, spreading, depositing or dispersing of any Hazardous Materials in, unto or onto the environment.

"Release Status": shall exist at any time when the actual or implied rating of the U.S. Borrower's senior long-term unsecured debt is at or above BBB- from S&P or at or above Baa3 from Moody's; if either of S&P or Moody's shall change its system of classifications after the date of this Agreement Release Status shall exist at any time

28

22

when the actual or implied rating of the U.S. Borrower's senior long-term unsecured debt is at or above the new rating which most closely corresponds to the above-specified level under the previous rating system.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under any of subsections .13, .14, .16, .18, .19 or .20 of PBGC Reg. ss. 4043 or any successor regulation thereto.

"Requirement of Law": as to (a) any Person, the certificate of incorporation and by-laws or the partnership or limited partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, and (b) any property, any law, treaty, rule, regulation, requirement, judgment, decree or determination of any Governmental Authority applicable to or binding upon such property or to which such property is subject, including, without limitation, any Environmental Laws.

"Responsible Officer": with respect to any Loan Party, the chief executive officer, the president, the chief financial officer, any vice president, the treasurer or the assistant treasurer of such Loan Party.

"Revolving Credit Commitment": as to any Lender at any time, its obligation to make Revolving Credit Loans to the U.S. Borrower in

an aggregate amount not to exceed at any time outstanding the U.S. Dollar amount set forth opposite such Lender's name in Schedule I under the heading "Revolving Credit Commitment", as such amount may be reduced from time to time pursuant to subsection 2.4 and the other applicable provisions hereof.

"Revolving Credit Commitment Percentage": as to any Lender at any time, the percentage which such Lender's Revolving Credit Commitment then constitutes of the aggregate Revolving Credit Commitments of all Lenders (or, if the Revolving Credit Commitments have terminated or expired, the percentage which (a) the Aggregate Revolving Outstandings of such Lender at such time then constitutes of (b) the Aggregate Revolving Outstandings of all Lenders at such time).

"Revolving Credit Commitment Period": the period from and including the Closing Date to but not including the Revolving Credit Termination Date, or such earlier date on which the Revolving Credit Commitments shall terminate as provided herein.

29

23

"Revolving Credit Lender": each Lender having an amount greater than zero set forth under the heading "Revolving Credit Commitment" opposite its name on Schedule I.

"Revolving Credit Lenders": Lenders listed in Part A of Schedule I hereto.

"Revolving Credit Loan": as defined in subsection 2.1.

"Revolving Credit Note": as defined in subsection 2.2(e).

"Revolving Credit Termination Date": May 4, 2004.

"Revolving Outstandings Percentage": on any date with respect to any Lender, the percentage which the Adjusted Aggregate Revolving Outstandings of such Lender constitutes of the Adjusted Aggregate Revolving Outstandings of all Lenders.

"Securities Act": the Securities Act of 1933, as amended.

"Security Documents": the collective reference to the Pledge Agreements, the Subsidiary Guarantee and each other guarantee, security document or similar agreement that may be delivered to the Administrative Agent as collateral security for any or all of the Obligations, in each case as amended, supplemented or otherwise modified from time to time, including, without limitation, to give effect to any Refinancing Agreement permitted hereunder.

"Single Employer Plan": any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"S&P": Standard & Poor's Ratings Group or any successor thereto.

"Special Affiliate": any Affiliate of the U.S. Borrower (a) as to which the U.S. Borrower holds, directly or indirectly, (i) power to vote 20% or more of the securities having ordinary voting power for the election of directors of such Affiliate or (ii) a 20% ownership interest in such Affiliate and (b) which is engaged in business of the same or related general type as now being conducted by the U.S. Borrower and its Subsidiaries.

"Special Entity": any Person which is engaged in business of the same or related general type as now being conducted by the U.S. Borrower and its Subsidiaries.

"Special Purpose Subsidiary": any Wholly Owned Subsidiary of the U.S. Borrower created by the U.S. Borrower for the sole purpose of facilitating a Receivable Financing Transaction.

"Subordinated Debt": any obligations (for principal, interest or otherwise) evidenced by or arising under or in respect of the Subordinated Notes and the 9 1/2% Subordinated Notes.

"Subordinated Debt Indentures": the collective reference to the Subordinated Note Indenture and the 9 1/2% Subordinated Note Indenture.

"Subordinated Note Indenture": the Indenture, dated as of February 1, 1994, between the U.S. Borrower and State Street Bank and Trust Company (as successor to The First National Bank of Boston), as trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 9.10.

"Subordinated Notes": the 8 1/4% Subordinated Notes of the U.S. Borrower due 2002, issued pursuant to the Subordinated Note Indenture.

"Subsequent Participant": any member state of the EMU that adopts the euro as its lawful currency after January 1, 1999.

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person (exclusive of any Affiliate in which such Person has a minority ownership interest). Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the U.S. Borrower.

"Subsidiary and Secured Indebtedness ": the collective reference (without duplication) to (a) any Indebtedness of any Subsidiary, other than Indebtedness permitted by paragraphs (a) through (e) of subsection 9.2, (b) any Guarantee Obligation of any Subsidiary, other than Guarantee Obligations permitted by paragraphs (a) through (e) of subsection 9.4, (c) any Indebtedness or Guarantee Obligation of any Person that is secured by any Lien on any property, assets or revenues of the U.S. Borrower or any of its Subsidiaries, other than Liens permitted by paragraphs (a) through (n) of subsection 9.3. For purposes of clause (b) of the preceding sentence, the amount of any Guarantee Obligation shall be determined as set forth in the definition of "Guarantee Obligation" in this subsection 1.1; and for purposes of clause (c) of the preceding sentence, the amount of any Indebtedness or Guarantee Obligation that is secured by a Lien on any property, assets or revenues of the U.S. Borrower or any of its Subsidiaries shall equal the lesser of (x) the amount of any such Indebtedness or Guarantee Obligation and (y) the fair market value as of the date of determination of the property, assets or revenues subject to such Lien. At any time of determination, the amount of Subsidiary and Secured Indebtedness

outstanding shall be determined without duplication of any other Subsidiary and Secured Indebtedness then outstanding.

"Subsidiary Guarantee": the Subsidiary Guarantee, dated as of the date hereof, made by certain Subsidiaries of the U.S. Borrower in favor of the Administrative Agent, substantially in the form of Exhibit O, as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Guarantor": each Subsidiary that is a guarantor party to the Subsidiary Guarantee, so long as the Subsidiary Guarantee remains in effect.

"Target Operating Day": any day that is not (a) a Saturday or Sunday, (b) Christmas Day or New Year's Day or (c) any other day on which the Trans-European Real-time Gross Settlement Operating System (or any successor settlement system) is not operating (as determined by the Administrative Agent).

"Taxes": as defined in subsection 5.12(a).

"Term Loan": as defined in subsection 3.1.

"Term Loan Commitment": as to any Lender at any time, its obligation to make a Term Loan to the U.S. Borrower in a principal amount not to exceed the amount set forth opposite such Lender's name in Schedule I.

"Term Loan Lender": each Lender having a Term Loan Commitment or holding Term Loans.

"Term Loan Maturity Date": May 4, 2004.

"Term Note": as defined in subsection 3.2(e).

"Tranche": the collective reference to Revolving Credit Loans or Term Loans, as the case may be, that are Eurodollar Loans, or Multicurrency Loans, the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Transferee": as defined in subsection 13.6(f).

"Treaty on European Union": the Treaty of Rome of March 25, 1957, as amended by the Single European Act 1986 and the Maastricht Treaty (which was signed at Maastricht on February 7, 1992, and came into force on November 1, 1993), as amended from time to time.

"Type": as to any Revolving Credit Loan or Term Loan, as the case may be, its nature as an ABR Loan or a Eurodollar Loan.

"U.S. Borrower": as defined in the preamble hereto.

"U.S. Dollar Equivalent": with respect to an amount denominated in any currency other than U.S. Dollars, the equivalent in U.S. Dollars of such amount determined at the Exchange Rate on the date of determination of such equivalent. In making any determination of the U.S. Dollar Equivalent for purposes of calculating the amount of Loans to be borrowed from the respective Lenders on any Borrowing Date, the Administrative Agent shall use the relevant Exchange Rate in effect on the date on which the interest rate for such Loans is determined pursuant to the provisions of this Agreement and the other Loan Documents.

"U.S. Prime Rate": the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City. The U.S. Prime Rate is not intended to be the lowest rate of interest charged by the Administrative Agent in connection with extensions of credit to borrowers.

"U.S. Reference Lenders": Chase and The Bank of Nova Scotia.

"UT Automotive Acquisition": the acquisition by the U.S. Borrower (or a Subsidiary as its designee) of the capital stock of Lear Corporation Automotive Holdings, a Delaware corporation formerly known as UT Automotive, Inc., and certain related entities, pursuant to the UT Automotive Acquisition Agreement.

"UT Automotive Acquisition Agreement": the Stock Purchase Agreement, dated as of March 16, 1999, between Nevada Bond Investment Corp. II, a Nevada corporation, as Seller, and the U.S. Borrower (or a Subsidiary as its designee), as Buyer, as amended, supplemented or otherwise modified, and certain related agreements.

"Wholly Owned Subsidiary": as to any Person, a corporation, partnership or other entity of which (a) 100% of the common capital stock or other ownership interests of such corporation, partnership or other entity or (b) more than 95% of the common capital stock or other ownership interests of such corporation, partnership or other entity where the portion of the common capital stock or other ownership interests not held by such Person is held by other Persons to satisfy applicable legal requirements, is owned, directly or indirectly, by such Person; provided, however, that so long as the U.S. Borrower owns, directly or indirectly, more than 95% of the capital stock of Lear Italia, Lear Italia shall be deemed a Wholly Owned Subsidiary of the U.S. Borrower.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes, the other Loan Documents or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the Notes and any other Loan Document, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms

33

27

relating to the U.S. Borrower and its Subsidiaries not defined in subsection 1.1 and accounting terms partly defined in subsection 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

## SECTION 2. AMOUNT AND TERMS OF REVOLVING CREDIT COMMITMENTS

2.1 Revolving Credit Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans (each, a "Revolving Credit Loan") in U.S. Dollars to the U.S. Borrower from time to time during the Revolving Credit Commitment Period so long as after giving effect thereto (i) the Available Revolving Credit Commitment of each Lender is greater than or equal to zero and (ii) the Aggregate Revolving Outstandings of all Revolving Credit Lenders do not exceed the Aggregate Revolving Credit Commitments. During the Revolving Credit Commitment Period the U.S. Borrower may use the Revolving Credit Commitments by borrowing, prepaying the Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Revolving Credit Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans or (iii) a combination thereof, as determined by the U.S. Borrower and notified to the Administrative Agent in accordance with subsections 2.3 and 5.2, provided that no Revolving Credit Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Revolving Credit Termination Date.

2.2 Repayment of Revolving Credit Loans; Evidence of Debt. (a) The U.S. Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Credit Loan of such Lender (whether made before or after the termination or expiration of the Revolving Credit Commitments) on the Revolving Credit Termination Date and on such other date(s) and in such other amounts as

may be required from time to time pursuant to this Agreement. The U.S. Borrower hereby further agrees to pay interest on the unpaid principal amount of the Revolving Credit Loans from time to time outstanding until payment thereof in full at the rates per annum, and on the dates, set forth in subsection 5.1.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the U.S. Borrower to such Lender resulting from each

34

28

Revolving Credit Loan of such Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain the Register pursuant to subsection 13.6(d), and a subaccount therein for each Lender, in which shall be recorded (i) the date and amount of each Revolving Credit Loan made hereunder, the Type thereof and each Interest Period applicable thereto, (ii) the date of each continuation thereof pursuant to subsection 5.2, (iii) the date of each conversion of all or a portion thereof to another Type pursuant to subsection 5.2, (iv) the date and amount of any principal or interest due and payable or to become due and payable from the U.S. Borrower to each Lender hereunder in respect of the Revolving Credit Loans and (v) both the date and amount of any sum received by the Administrative Agent hereunder from the U.S. Borrower in respect of the Revolving Credit Loans and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to subsection 2.2(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the U.S. Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligations of the U.S. Borrower to repay (with applicable interest) the Revolving Credit Loans made to the U.S. Borrower by such Lender in accordance with the terms of this Agreement.

(e) The U.S. Borrower agrees that, upon the request to the Administrative Agent by any Lender, the U.S. Borrower will execute and deliver to such Lender a promissory note of the U.S. Borrower evidencing the Revolving Credit Loans of such Lender, substantially in the form of Exhibit A with appropriate insertions as to date and principal amount (each, a "Revolving Credit Note"); provided, that the delivery of such Revolving Credit Notes shall not be a condition precedent to the Closing Date.

2.3 Procedure for Revolving Credit Borrowing. The U.S. Borrower may borrow under the Revolving Credit Commitments during the Revolving Credit Commitment Period on any Business Day, provided that the U.S. Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, (a) at least three Business Days prior to the requested Borrowing Date, if all or any part of the requested Revolving Credit Loans are to be initially Eurodollar Loans, (b) on the Closing Date, in the case of ABR Loans borrowed on the Closing Date, or (c) at least one Business Day prior to the requested Borrowing Date, otherwise), specifying in each case (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be of Eurodollar Loans, ABR Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the amount of such Type of Loan and the length of the initial Interest Period therefor. Each borrowing under the Revolving Credit Commitments (other than a borrowing under subsection 2.5) shall be in an amount equal to (A) in the case of ABR Loans, \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof (or, if the then Aggregate Available Revolving Credit Commitments are less than \$10,000,000, such lesser amount) and (B) in the case of Eurodollar Loans, \$10,000,000 or a whole multiple of

35

29

\$1,000,000 in excess thereof. Upon receipt of any such notice from the U.S.

Borrower, the Administrative Agent shall promptly notify each Lender thereof. Not later than 12:00 Noon, New York City time, on each requested Borrowing Date each Lender shall make an amount equal to its Funding Commitment Percentage of the principal amount of the Revolving Credit Loans requested to be made on such Borrowing Date available to the Administrative Agent at its office specified in subsection 13.2 in U.S. Dollars and in immediately available funds. Except as otherwise provided in subsection 2.5, the Administrative Agent shall on such date credit the account of the U.S. Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

2.4 Termination or Reduction of Revolving Credit Commitments. The U.S. Borrower shall have the right, upon not less than five Business Days' notice to the Administrative Agent, to terminate the Revolving Credit Commitments or, from time to time, to reduce the amount of the Revolving Credit Commitments; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Available Revolving Credit Commitment or Available Multicurrency Commitment of any Lender would not be greater than or equal to zero. Any such reduction shall be in an amount equal to \$2,500,000 or a whole multiple of \$500,000 in excess thereof and shall reduce permanently the Revolving Credit Commitments then in effect.

2.5 Borrowings of Revolving Credit Loans and Refunding of Loans. (a) If on any Borrowing Date on which a Borrower has requested the Multicurrency Lenders to make Multicurrency Loans (the "Requested Multicurrency Loans"), (i) the principal amount of the Requested Multicurrency Loans to be made by any Multicurrency Lender exceeds the Available Multicurrency Commitment of such Multicurrency Lender on such Borrowing Date (before giving effect to the making and payment of any Loans required to be made pursuant to this subsection 2.5 on such Borrowing Date) and (ii) the U.S. Dollar Equivalent of the amount of such excess is less than or equal to the Aggregate Available Revolving Credit Commitments of all Non-Multicurrency Lenders (before giving effect to the making and payment of any Loans pursuant to this subsection 2.5 on such Borrowing Date), each Non-Multicurrency Lender shall make a Revolving Credit Loan to the U.S. Borrower on such Borrowing Date, and the proceeds of such Revolving Credit Loans shall be simultaneously applied to repay outstanding Revolving Credit Loans and/or Multicurrency Loans of the Multicurrency Lenders (as directed by the U.S. Borrower) in each case in amounts such that, after giving effect to (1) such borrowings and repayments and (2) the borrowing from the Multicurrency Lenders of the Requested Multicurrency Loans, the Revolving Outstandings Percentage of each Lender will equal (as nearly as possible) its Revolving Credit Commitment Percentage. To effect such borrowings and repayments, (x) not later than 12:00 Noon, New York City time, on such Borrowing Date, the proceeds of such Revolving Credit Loans shall be made available by each Non-Multicurrency Lender to the Administrative Agent at its office specified in subsection 13.2 in U.S. Dollars and in immediately available funds and the Administrative Agent shall apply the proceeds of such Revolving Credit Loans toward repayment of outstanding Revolving Credit Loans and/or Multicurrency Loans of the Multicurrency Lenders (as directed by the U.S. Borrower) and (y) concurrently with the repayment of such Loans on such Borrowing Date, (I) the Multicurrency

Lenders shall, in accordance with the applicable provisions hereof, make the Requested Multicurrency Loans in an aggregate amount equal to the amount so requested by such Borrower (but not in any event greater than the Aggregate Available Multicurrency Commitments after giving effect to the making of such repayment of any Loans on such Borrowing Date) and (II) the relevant Borrower shall pay to the Administrative Agent for the account of the Lenders whose Loans to such Borrower are repaid on such Borrowing Date pursuant to this subsection 2.5 all interest accrued on the amounts repaid to the date of repayment, together with any amounts payable pursuant to subsection 5.11 in connection with such repayment.

(b) If any borrowing of Revolving Credit Loans is required pursuant to this subsection 2.5, the U.S. Borrower shall notify the Administrative Agent in the manner provided for Revolving Credit Loans in subsection 2.3, except that the minimum borrowing amounts and threshold multiples in excess thereof applicable to ABR Loans set forth in subsection 2.3 shall not be applicable to the extent that such minimum borrowing amounts exceed the amounts of Revolving Credit Loans required to be made pursuant to this subsection 2.5.



SECTION 3. AMOUNT AND TERMS OF TERM LOAN  
COMMITMENTS

3.1 Term Loan Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make a term loan (each, a "Term Loan") in U.S. Dollars to the U.S. Borrower on the Closing Date in a principal amount not exceeding the Term Loan Commitment of such Lender.

(b) The Term Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans or (iii) a combination thereof, as determined by the Borrower and notified to the Administrative Agent in accordance with subsections 3.3 and 5.2.

3.2 Repayment of Term Loans; Evidence of Debt. (a) The U.S. Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of the Term Loan of such Lender in installments payable on the dates set forth below, with each such installment being in the aggregate principal amount for all Term Loan Lenders set forth opposite such date below (and on such other date(s) and in such other amounts as may be required from time to time pursuant to this Agreement).

Installment Date -----	Aggregate Principal Amount -----
October 31, 2000	\$50,000,000
April 30, 2001	\$50,000,000
October 31, 2001	\$50,000,000
April 30, 2002	\$50,000,000
October 31, 2002	\$75,000,000
April 30, 2003	\$75,000,000
October 31, 2003	\$75,000,000

37

31

April 30, 2004	\$75,000,000
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The U.S. Borrower hereby further agrees to pay interest on the unpaid principal amount of the Term Loans from time to time outstanding until payment thereof in full at the rates per annum, and on the dates, set forth in subsection 5.1.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the U.S. Borrower to such Lender resulting from the Term Loan of such Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain the Register pursuant to subsection 13.6(d), and a subaccount therein for each Lender, in which shall be recorded (i) the date and amount of the Term Loan of each Lender made hereunder, the Type thereof and each Interest Period applicable thereto, (ii) the date of each continuation thereof pursuant to subsection 5.2, (iii) the date of each conversion of all or a portion thereof to another Type pursuant to subsection 5.2, (iv) the date and amount of any principal or interest due and payable or to become due and payable from the U.S. Borrower to each Lender hereunder in respect of the Term Loans and (v) both the date and amount of any sum received by the Administrative Agent hereunder from the U.S. Borrower in respect of the Term Loans and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to subsection 3.2(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the

obligations of the U.S. Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligations of the U.S. Borrower to repay (with applicable interest) the Term Loan made to the U.S. Borrower by such Lender in accordance with the terms of this Agreement.

(e) The U.S. Borrower agrees that, upon the request to the Administrative Agent by any Lender, the U.S. Borrower will execute and deliver to such Lender a promissory note of the U.S. Borrower evidencing the Term Loan of such Lender, substantially in the form of Exhibit B with appropriate insertions as to date and principal amount (each, a "Term Note"); provided, that the delivery of such Term Notes shall not be a condition precedent to the Closing Date.

3.3 Procedure for Term Loan Borrowing. The U.S. Borrower may borrow the Term Loans on the Closing Date, provided that the U.S. Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, (a) at least three Business Days prior to the Closing Date, if all or any part of the Term Loans are to be initially Eurodollar Loans, or (b) on the Closing Date, otherwise), specifying in each case (i) the amount to be borrowed, (ii) the anticipated Closing Date, (iii) whether the borrowing is to be of Eurodollar Loans, ABR Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the amount of such Type of Loan and the length of the initial Interest Period therefor. Upon receipt of any such notice from the U.S. Borrower, the Administrative Agent shall promptly notify each Lender

38

32

thereof. Not later than 1:30 p.m., New York City time, on the Closing Date each Lender shall make an amount equal to the principal amount of the Term Loan to be made by it available to the Administrative Agent at its office specified in subsection 13.2 in U.S. Dollars and in immediately available funds. The Administrative Agent shall on such date credit the account of the U.S. Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

#### SECTION 4. AMOUNT AND TERMS OF MULTICURRENCY COMMITMENT

4.1 Multicurrency Commitments. Subject to the terms and conditions hereof, each Multicurrency Lender severally agrees to make revolving credit loans (each, a "Multicurrency Loan") in any Available Foreign Currency to the U.S. Borrower or any Foreign Subsidiary Borrower from time to time during the Revolving Credit Commitment Period so long as after giving effect thereto (a) the Available Multicurrency Commitment of such Multicurrency Lender is greater than or equal to zero, (b) the aggregate outstanding principal amount of Multicurrency Loans does not exceed an amount of which the U.S. Dollar Equivalent is \$165,000,000 and (c) the Aggregate Revolving Outstandings of all Lenders do not exceed the Aggregate Revolving Credit Commitments. During the Revolving Credit Commitment Period, the U.S. Borrower and Foreign Subsidiary Borrowers may use the Multicurrency Commitments by borrowing, repaying the Multicurrency Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

4.2 Repayment of Multicurrency Loans; Evidence of Debt. (a) Each of the U.S. Borrower and each Foreign Subsidiary Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Multicurrency Lender the then unpaid principal amount of each Multicurrency Loan of such Multicurrency Lender to such Borrower on the Revolving Credit Termination Date and on such other date(s) and in such other amounts as may be required from time to time pursuant to this Agreement. Each of the U.S. Borrower and each Foreign Subsidiary Borrower hereby further agrees to pay interest on the unpaid principal amount of the Multicurrency Loans advanced to it and from time to time outstanding until payment thereof in full at the rates per annum, and on the dates, set forth in subsection 5.1.

(b) Each Multicurrency Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of each

Borrower to such Multicurrency Lender resulting from each Multicurrency Loan of such Multicurrency Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Multicurrency Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain the Register pursuant to subsection 13.6(d), and a subaccount therein for each Multicurrency Lender, in which shall be recorded (i) the date and amount of each Multicurrency Loan made hereunder, (ii) the date and amount of any principal or interest due and payable or to become due and payable from each Borrower to each Multicurrency Lender hereunder in respect of the Multicurrency Loans and (iii) both the date and

39

33

amount of any sum received by the Administrative Agent hereunder from each Borrower in respect of the Multicurrency Loans and each Multicurrency Lender's share thereof.

(d) The entries made in the Register and the accounts of each Multicurrency Lender maintained pursuant to subsection 4.2(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of each Borrower therein recorded; provided, however, that the failure of any Multicurrency Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of such Borrower to repay (with applicable interest) the Multicurrency Loans made to such Borrower by such Multicurrency Lender in accordance with the terms of this Agreement.

4.3 Procedure for Multicurrency Borrowing. The U.S. Borrower or any Foreign Subsidiary Borrower may request the Multicurrency Lenders to make Multicurrency Loans during the Revolving Credit Commitment Period on any Business Day by delivering a Notice of Multicurrency Loan Borrowing. Each borrowing under the Multicurrency Commitments shall be in an amount in an Available Foreign Currency of which the U.S. Dollar Equivalent is equal to at least \$10,000,000 (or, if the then Aggregate Available Multicurrency Commitments are less than \$10,000,000, such lesser amount). Upon receipt of any such Notice of Multicurrency Borrowing from any Borrower, the Administrative Agent shall promptly notify each Multicurrency Lender thereof. Not later than the funding time for the relevant Available Foreign Currency set forth in the Administrative Schedule each Multicurrency Lender shall make an amount equal to its Multicurrency Commitment Percentage of the principal amount of Multicurrency Loans requested to be made on such Borrowing Date available to the Administrative Agent at the funding office for the relevant Available Foreign Currency set forth in the Administrative Schedule in the relevant Available Foreign Currency and in immediately available funds. The amounts made available by each Multicurrency Lender will then be made available on such Borrowing Date to the relevant Borrower at the funding office for the relevant Available Foreign Currency set forth in the Administrative Schedule and in like funds as received by the Administrative Agent.

4.4 Termination or Reduction of Multicurrency Commitments. The U.S. Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Multicurrency Commitments or, from time to time, to reduce the amount of the Multicurrency Commitments; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Available Multicurrency Commitment of any Multicurrency Lender would be less than zero. Any such reduction shall be in an amount equal to \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof and shall reduce permanently the Multicurrency Commitments then in effect.

4.5 Redenomination and Alternative Currencies. Each obligation under this Agreement of a party to this Agreement which has been denominated in the national currency unit of a Subsequent Participant state shall be redenominated into the euro unit in accordance

40

34

with EMU legislation immediately upon such Subsequent Participant becoming a

Participating Member State (but otherwise in accordance with EMU Legislation).

#### SECTION 5. GENERAL PROVISIONS APPLICABLE TO LOANS

5.1 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such Interest Period plus the Applicable Margin in effect for such day.

(b) Each ABR Loan shall bear interest for each day on which it is outstanding at a rate per annum equal to the Alternate Base Rate for such day.

(c) Each Multicurrency Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurocurrency Rate determined for such Interest Period plus the Applicable Margin in effect for such day.

(d) If all or a portion of (i) the principal amount of any Loan, (ii) any interest payable thereon or (iii) any fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this subsection plus 2%.

(e) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (d) of this subsection shall be payable from time to time on demand.

5.2 Conversion and Continuation Options. (a) The U.S. Borrower may elect from time to time to convert outstanding Eurodollar Loans (in whole or in part) to ABR Loans by giving the Administrative Agent at least one Business Day's prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto unless the U.S. Borrower shall agree to pay the costs associated therewith as set forth in subsection 5.11(d). The U.S. Borrower may elect from time to time to convert outstanding ABR Loans made to it (in whole or in part) to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. All or any part of outstanding Eurodollar Loans and ABR Loans may be converted as provided herein, provided that (i) no ABR Loan may be converted into a Eurodollar Loan when any Default or Event of Default has occurred and is continuing and the Administrative Agent or the Majority Revolving Credit Lenders (in the case of Revolving Credit Loans) or the Majority Term Loan Lenders (in the case of Term Loans) have determined that such conversion is not appropriate, (ii) any such conversion may only be made if, after giving effect thereto, subsection 5.3 shall not have been violated,

(iii) no ABR Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Revolving Credit Termination Date (in the case of Revolving Credit Loans) or Term Loan Maturity Date (in the case of Term Loans).

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the U.S. Borrower giving notice to the Administrative Agent of the length of the next Interest Period to be applicable to such Loans determined in accordance with the applicable provisions of the term "Interest Period" set forth in subsection 1.1, provided that no Eurodollar Loan may be continued as such (i) when any Default or Event of Default has occurred and is continuing and the Administrative Agent or the Majority Revolving Credit Lenders (in the case of Revolving Credit Loans) or the Majority Term Loan Lenders (in the case of Term Loans) have determined that such continuation is not appropriate, (ii) if, after giving effect thereto, subsection 5.3 would be contravened or (iii) after the date that is one month prior to the Revolving Credit Termination Date (in the case of Revolving Credit Loans) or the Term Loan Maturity Date (in the case of Term Loans), and provided, further, that if the U.S. Borrower shall fail to give such notice or if such

continuation is not permitted pursuant to the preceding proviso such Eurodollar Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period.

(c) Any Multicurrency Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the U.S. Borrower or the relevant Borrower giving a Notice of Multicurrency Loan Continuation, provided, that if the relevant Borrower shall fail to give such Notice of Multicurrency Loan Continuation, such Multicurrency Loans shall automatically be continued for an Interest Period of one month.

5.3 Minimum Amounts of Tranches. All borrowings, conversions and continuations of Revolving Credit Loans and Multicurrency Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, (a) the aggregate principal amount of the Eurodollar Loans comprising each Tranche shall be equal to \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof, (b) the aggregate principal amount of the Multicurrency Loans comprising each Tranche shall be in an amount of which the U.S. Dollar Equivalent is at least \$2,500,000 (determined at the time of borrowing or continuation) and (c) there shall not be more than 25 Tranches at any one time outstanding.

5.4 Optional and Mandatory Prepayments. (a) The U.S. Borrower may at any time and from time to time prepay Revolving Credit Loans and/or Term Loans in whole or in part without premium or penalty upon at least three Business Days' irrevocable notice to the Administrative Agent (in the case of Eurodollar Loans) and at least one Business Day's irrevocable notice to the Administrative Agent (in the case of ABR Loans) specifying the date and amount of prepayment and whether the prepayment of Revolving Credit Loans or Term Loans is of Eurodollar Loans, ABR Loans or a combination thereof, and, if a combination thereof, the amount allocable to each. Upon the receipt of any such notice the Administrative Agent shall promptly notify each Revolving Credit Lender or Term Loan Lender, as the case may be, thereof. If any such notice is given, the amount specified in such notice shall be due and

42

36

payable on the date specified therein. Partial prepayments of the Revolving Credit Loans or Term Loans, as the case may be, shall be in an aggregate principal amount of \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof (or in such lower amount as may be then outstanding).

(b) The U.S. Borrower and Foreign Subsidiary Borrowers may at any time and from time to time prepay, without premium or penalty, the Multicurrency Loans, in whole or in part, upon at least three Business Days' irrevocable notice to the Administrative Agent specifying the date and amount of prepayment. Upon the receipt of any such notice, the Administrative Agent shall promptly notify each Multicurrency Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein. Partial prepayments of Multicurrency Loans shall be in an aggregate principal amount of which the U.S. Dollar Equivalent is at least \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof.

(c) If, at any time during the Revolving Credit Commitment Period, for any reason the Aggregate Revolving Outstandings of all Lenders exceed the Aggregate Revolving Credit Commitments then in effect by more than 5%, or the Aggregate Revolving Outstandings of any Lender exceeds the Revolving Credit Commitment of such Lender then in effect by more than 5%, (i) the U.S. Borrower shall, upon learning thereof or upon the request of the Administrative Agent, immediately prepay the Revolving Credit Loans and/or (ii) the Foreign Subsidiary Borrowers shall, upon learning thereof or upon the request of the Administrative Agent, immediately prepay the Multicurrency Loans in an aggregate principal amount at least sufficient to reduce any such excess to 0%.

(d) Each prepayment of Loans pursuant to this subsection 5.4 shall be accompanied by accrued and unpaid interest on the amount prepaid to the date of prepayment and any amounts payable under subsection 5.11 in connection with such prepayment.

(e) Notwithstanding the foregoing, mandatory prepayments of Revolving Credit Loans or Multicurrency Loans that would otherwise be required pursuant to this subsection 5.4 solely as a result of fluctuations in Exchange Rates from time to time shall only be required to be made pursuant to this subsection 5.4 on the last Business Day of each month on the basis of the

Exchange Rate in effect on such Business Day.

5.5 Commitment Fees; Other Fees. (a) The U.S. Borrower agrees to pay to the Administrative Agent for the account of each Lender, a commitment fee for the period from and including the Closing Date to but excluding the Revolving Credit Termination Date (or such earlier date on which the Revolving Credit Commitments shall terminate as provided herein); each such commitment fee shall be computed at the Commitment Fee Rate on the daily average amount of the Available Revolving Credit Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Credit Termination Date or such earlier date on which the Revolving Credit Commitments shall terminate as provided herein, commencing on the first such date to occur after the date hereof.

43

37

(b) The U.S. Borrower shall pay (without duplication of any other fee payable under this subsection 5.5) to Chase and CSI, for their respective accounts, all fees separately agreed to by the U.S. Borrower and Chase or CSI, as the case may be.

(c) The U.S. Borrower shall (without duplication of any other fee payable under this subsection 5.5) pay to the Administrative Agent all fees separately agreed to by the U.S. Borrower and the Administrative Agent.

5.6 Computation of Interest and Fees. (a) Interest based on the Eurodollar Rate, the Eurocurrency Rate or the Alternate Base Rate when it is based upon the Federal Funds Effective Rate shall be calculated on the basis of a 360-day year for the actual days elapsed; and facility fees and interest (other than interest based upon the Eurodollar Rate, the Eurocurrency Rate or the Alternate Base Rate when it is based upon the Federal Funds Effective Rate) shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the U.S. Borrower and the Lenders of each determination of a Eurodollar Rate or Eurocurrency Rate. Any change in the interest rate on a Loan resulting from a change in the Alternate Base Rate or a change in the Prime Rate shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the U.S. Borrower and the Lenders of the effective date and the amount of each such change in the Alternate Base Rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrowers and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of a Borrower, deliver to such Borrower a statement showing in reasonable detail the calculations used by such Administrative Agent in determining any interest rate pursuant to subsection 5.1(a).

(c) If any U.S. Reference Lender shall for any reason no longer have a Revolving Credit Commitment or any Revolving Credit Loans or Term Loans, such U.S. Reference Lender shall thereupon cease to be a U.S. Reference Lender, and if, as a result, there shall only be one U.S. Reference Lender remaining, the Administrative Agent, with the consent of the U.S. Borrower (after consultation with Lenders) shall, by notice to the U.S. Borrower and the Revolving Credit Lenders, designate another Lender as a U.S. Reference Lender so that there shall at all times be at least two U.S. Reference Lenders.

(d) Each U.S. Reference Lender shall use its best efforts to furnish quotations of rates to the applicable Administrative Agent as contemplated hereby. If any of the U.S. Reference Lenders shall be unable or shall otherwise fail to supply such rates to the applicable Administrative Agent upon its request, the rate of interest shall, subject to the provisions of subsection 5.7, be determined on the basis of the quotations of the remaining U.S. Reference Lenders or Reference Lender.

5.7 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrowers) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate or the Eurocurrency Rate, as the case may be, for such Interest Period, or

(b) the Administrative Agent has received notice from the Majority Revolving Credit Lenders or Majority Term Loan Lenders, as the case may be, that the Eurodollar Rate or Eurocurrency Rate, as the case may be, determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Eurodollar Loans or Multicurrency Loans, as the case may be, during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the U.S. Borrower and the Lenders as soon as practicable thereafter. Until such time as the Eurodollar Rate or the Eurocurrency Rate, as the case may be, can be determined by the Administrative Agent in the manner specified in the definitions of such terms in subsection 1.1, no further Eurodollar Loans or Multicurrency Loans (with respect to the Available Currency for which the Eurocurrency Rate cannot be determined only) shall be continued as such at the end of the then current Interest Periods or (other than any Eurodollar Loans or Multicurrency Loans previously requested and with respect to which the Eurodollar Rate or Eurocurrency Rate, as the case may be, was determined) shall be made, nor shall the U.S. Borrower have the right to convert ABR Loans into Eurodollar Loans.

5.8 Pro Rata Treatment and Payments. (a) (i) Except as provided in subsection 2.5, each borrowing of Revolving Credit Loans by the U.S. Borrower from the Lenders hereunder shall be made pro rata according to the Funding Commitment Percentages of the Lenders in effect on the date of such borrowing. Each payment by the U.S. Borrower on account of any commitment fee hereunder shall be allocated by the Administrative Agent among the Lenders in accordance with the respective amounts which such Lenders are entitled to receive pursuant to subsection 5.5(a). Any reduction of the Revolving Credit Commitments of the Lenders shall be allocated by the Administrative Agent among the Lenders pro rata according to the Revolving Credit Commitment Percentages of the Lenders. Except as provided in subsection 2.5, each payment (other than any optional prepayment) in respect of principal or interest in respect of the Loans shall be allocated among the Revolving Credit Loans, Multicurrency Loans and Term Loans pro rata according to the amounts of principal or interest, as the case may be, then due and owing in respect of such Loans. Except as provided in subsection 2.5 or subsection 5.4(c), each payment (other than any optional prepayment) by the U.S. Borrower on account of principal of or interest on the Revolving Credit Loans shall be allocated by the Administrative Agent pro rata according to the respective principal amounts thereof then due and owing to each Lender. Each optional prepayment by the U.S. Borrower on account of principal of or interest on the Revolving Credit Loans shall be allocated by the Administrative Agent pro rata according to the respective outstanding principal amounts thereof.

(ii) The borrowing of Term Loans by the U.S. Borrower from the Term Loan Lenders hereunder shall be made pro rata according to the respective Term Loan Commitments of the Term Loan Lenders. Each payment (other than any optional prepayment) by the U.S. Borrower on account of principal of or interest on the Term Loans shall be allocated by the Administrative Agent pro rata according to the respective principal amounts of the Term Loans then due and owing to each Lender. Each optional prepayment by the U.S. Borrower on account of principal of or interest on the Term Loans shall be allocated by the Administrative Agent pro rata according to the respective outstanding principal amounts thereof.

(iii) All payments (including prepayments) to be made by the U.S. Borrower hereunder, whether on account of principal, interest, fees or

otherwise, shall be made without set-off or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the U.S. Lenders, at the Administrative Agent's office specified in subsection 13.2, in U.S. Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the U.S. Lenders entitled to receive the same promptly upon receipt in like funds as received.

(iv) Each borrowing of Multicurrency Loans by the U.S. Borrower or any Foreign Subsidiary Borrower shall be made, and any reduction of the Multicurrency Commitments shall be allocated by the Administrative Agent, pro rata according to the Multicurrency Commitment Percentages of the Multicurrency Lenders. Except as provided in subsection 5.4(d), each payment (including each prepayment) by the U.S. Borrower or a Foreign Subsidiary Borrower on account of principal of and interest on Multicurrency Loans shall be allocated by the Administrative Agent pro rata according to the respective principal amounts of the Multicurrency Loans then due and owing by such Foreign Subsidiary Borrower to each Multicurrency Lender. All payments (including prepayments) to be made by a Borrower hereunder in respect of Multicurrency Loans, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made at or before the payment time for the currency of such Multicurrency Loan set forth in the Administrative Schedule, on the due date thereof to the Administrative Agent, for the account of the Multicurrency Lenders, at the payment office for the currency of such Multicurrency Loan set forth in the Administrative Schedule, in the currency of such Multicurrency Loan and in immediately available funds. The Administrative Agent shall distribute such payments to the Multicurrency Lenders entitled to receive the same promptly upon receipt in like funds as received.

(v) If any payment hereunder (other than payments on the Eurodollar Loans and the Multicurrency Loans) becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a Eurodollar Loan or a Multicurrency Loan becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day (and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension) unless the

46

40

result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day.

(b) A payment in euro shall be deemed to have been made by the Administrative Agent on the date on which it is required to be made under this Agreement if the Administrative Agent has, on or before that date, taken all relevant steps to make that payment. With respect to the payment of any amount denominated in euro, the Administrative Agent shall not be liable to any Borrower or any of the Lenders in any way whatsoever for any delay, or the consequences of any delay, in the crediting to any account of any amount required by this Agreement to be paid by the Administrative Agent if the Administrative Agent shall have taken all relevant steps to achieve, on the date required by this Agreement, the payment of such amount in immediately available, freely transferable, cleared funds in the euro unit to the account with the bank in the principal financial center in the Participating Member State which the relevant Borrower or, as the case may be, any Lender shall have specified for such purpose. In this paragraph (b), "all relevant steps" means all such steps as may be prescribed from time to time by the regulations or operating procedures of such clearing or settlement system as the Administrative Agent may from time to time determine for the purpose of clearing or settling payments of euro.

(c) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a Borrowing Date that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the



Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate per annum equal to (i) the daily average Federal Funds Effective Rate (in the case of a borrowing of Revolving Credit Loans or Term Loans), and (ii) the Administrative Agent's reasonable estimate of its average daily cost of funds (in the case of a borrowing of Multicurrency Loans), in each case for the period until such Lender makes such amount immediately available to such Administrative Agent. A certificate of such Administrative Agent submitted to any Lender with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to such Administrative Agent by such Lender within three Business Days of such Borrowing Date, the applicable Borrower shall repay such Lender's share of such borrowing (together with interest thereon from the date such amount was made available to such Borrower (i) at the rate per annum applicable to ABR Loans hereunder (in the case of a borrowing of Revolving Credit Loans or Term Loans and (ii) the Administrative Agent's reasonable estimate of its average daily cost of funds plus the Applicable Margin applicable to Multicurrency Loans (in the case of a borrowing of Multicurrency Loans)) to such Administrative Agent not later than three Business Days after receipt of written notice from such Administrative Agent specifying such Lender's share of such borrowing that was not made available to such Administrative Agent. Nothing contained in this subsection 5.8(b) shall prejudice any claims otherwise available to any Borrower against any Lender as a result of such Lender's failure to make its share of any borrowing available to an Administrative Agent for the account of a Borrower.

47

41

(d) Any amount payable by the Administrative Agent to the Lenders under this Agreement in the currency of a Participating Member State shall be paid in the euro unit.

(e) If, in relation to the currency of any Subsequent Participant, the basis of accrual of interest or fees expressed in this Agreement with respect to such currency shall be inconsistent with any convention or practice in the London Interbank Market or, as the case may be, the Paris Interbank Market for the basis of accrual of interest or fees in respect of the euro, such convention or practice shall replace such expressed basis effective as of and from the date on which such Subsequent Participant becomes a Participating Member State; provided, that if any Multicurrency Loan in the currency of such Subsequent Participant is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Multicurrency Loan, at the end of the then current Interest Period.

(f) Without prejudice and in addition to any method of conversion or rounding prescribed by the EMU legislation, each reference in this Agreement to a minimum amount (or an integral multiple thereof) in a national currency unit to be paid to or by the Administrative Agent shall be replaced by a reference to such reasonably comparable and convenient amount (or an integral multiple thereof) in the euro unit as the Administrative Agent may from time to time specify.

5.9 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans or Multicurrency Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans or Multicurrency Loans, continue Eurodollar Loans or Multicurrency Loans as such and convert ABR Loans to Eurodollar Loans shall forthwith be cancelled until such time as it shall no longer be unlawful for such Lender to make or maintain the affected Loans, (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Eurodollar Loans or within such earlier period as may be required by law and (c) such Lender's Multicurrency Loans shall be prepaid on the last day of the then current Interest Period with respect thereto. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the U.S. Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to subsection 5.11.

5.10 Requirements of Law. (a) In the event that any Requirement of Law (or any change therein or in the interpretation or application thereof) or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority:

(i) does or shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Note or any Loans made by it, or change the basis of taxation of payments to such Lender of principal, fees, interest or any other amount payable hereunder (except for taxes covered by subsection 5.12 and changes in the rate of tax on the overall net income of such Lender);

48

42

(ii) does or shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender which are not otherwise included in the determination of the Eurodollar Rate or Eurocurrency Rate, including, without limitation, the imposition of any reserves with respect to Eurocurrency Liabilities under Regulation D of the Board; or

(iii) does or shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by any amount which such Lender deems to be material, of making, renewing or maintaining advances or extensions of credit or to reduce any amount receivable hereunder, in each case in respect of its Loans, then, in any such case, the applicable Borrower shall promptly pay such Lender, upon receipt of its demand setting forth in reasonable detail, any additional amounts necessary to compensate such Lender for such additional cost or reduced amount receivable, such additional amounts together with interest on each such amount from the date two Business Days after the date demanded until payment in full thereof at the ABR. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by such Lender, through the Administrative Agent, to the applicable Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and payment of all amounts outstanding hereunder.

(b) In the event that any Lender shall have determined that the adoption of any law, rule, regulation or guideline regarding capital adequacy (or any change therein or in the interpretation or application thereof) or compliance by any Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any central bank or Governmental Authority, including, without limitation, the issuance of any final rule, regulation or guideline, does or shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the U.S. Borrower (with a copy to the Administrative Agent) of a written request therefor, the U.S. Borrower shall promptly pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

(c) If the obligation of any Lender to make Eurodollar Loans or Multicurrency Loans has been suspended pursuant to subsection 5.7 or 5.9 for more than three consecutive months or any Lender has demanded compensation under subsection 5.10(a) or 5.10(b), the U.S. Borrower shall have the right to substitute a financial institution or financial institutions (which may be one or more of the Lenders) reasonably satisfactory to the Administrative Agent by causing such financial institution or financial institutions to purchase the rights (by paying to such Lender the principal amount of its outstanding Loans together with accrued interest thereon and all other amounts accrued for its account or owed to it hereunder and executing an

Assignment and Acceptance) and to assume the obligations of such Lender under the Loan Documents. Upon such purchase and assumption by such substituted financial institution or financial institutions, the obligations of such Lender hereunder shall be discharged; provided such Lender shall retain its rights hereunder with respect to periods prior to such substitution including, without limitation, its rights to compensation under this subsection 5.10.

5.11 Indemnity. Each Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of (a) default by such Borrower in payment when due of the principal amount of or interest on any Loans of such Lender, (b) default by such Borrower in making a borrowing or conversion after the Borrower has given a notice of borrowing or a notice of conversion in accordance with this Agreement, (c) default by such Borrower in making any prepayment after such Borrower has given a notice in accordance with this Agreement or (d) the making of a prepayment of a Eurodollar Loan or Multicurrency Loan on a day which is not the last day of an Interest Period with respect thereto, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it or from fees payable to terminate the deposits from which such funds were obtained, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it to maintain its Eurodollar Loans or Multicurrency Loans hereunder or from fees payable to terminate the deposits from which such funds were obtained. A certificate as to any such loss or expense submitted by such Lender shall be conclusive, absent manifest error. This covenant shall survive termination of this Agreement and payment of all amounts outstanding hereunder.

5.12 Taxes. (a) All payments made by any Borrower under this Agreement shall be made free and clear of, and without reduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority excluding, in the case of the Administrative Agent and each Lender, income or franchise taxes imposed on the Administrative Agent or such Lender by the jurisdiction under the laws of which the Administrative Agent or such Lender is organized or any political subdivision or taxing authority thereof or therein or by any jurisdiction in which such Lender's lending office is located or any political subdivision or taxing authority thereof or therein or as a result of a connection between such Lender and any jurisdiction other than a connection resulting solely from entering into this Agreement (all such non-excluded taxes, levies, imposts, deductions, charges or withholdings being hereinafter called "Taxes"). Subject to the provisions of subsection 5.12(d), if any Taxes are required to be withheld from any amounts payable by such Borrower to the Administrative Agent or any Lender hereunder or under the Notes, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes. Whenever any Taxes are paid by any Borrower with respect to payments made in connection with this Agreement, as promptly as possible thereafter, such Borrower shall send to the applicable Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by such Borrower showing payment thereof. Subject to the provisions of

subsection 5.12(d), if any Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, such Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lenders as a result of any such failure.

(b) Each Lender that is not incorporated or organized under the laws of the United States of America or a state thereof agrees that, prior

to the first date any payment is due to be made to it hereunder or under any Note, it will deliver to the U.S. Borrower and the Administrative Agent (i) two valid, duly completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, certifying in each case that such Lender is entitled to receive payments by the U.S. Borrower under this Agreement and the Notes payable to it, without deduction or withholding of any United States federal income taxes, and (ii) a valid, duly completed Internal Revenue Service Form W-8 or W-9 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax. Each Lender which delivers to the U.S. Borrower and the Administrative Agent a Form 1001 or 4224 and Form W-8 or W-9 pursuant to the next preceding sentence further undertakes to deliver to the U.S. Borrower and the Administrative Agent two further copies of the said Form 1001 or 4224 and Form W-8 or W-9, or successor applicable forms, or other manner or certification, as the case may be, on or before the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding tax, or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the U.S. Borrower, and such extensions or renewals thereof as may reasonably be requested by the U.S. Borrower, certifying in the case of a Form 1001 or 4224 or successor applicable form that such Lender is entitled to receive payments by the U.S. Borrower under this Agreement without deduction or withholding of any United States federal income taxes, unless any change in treaty, law or regulation or official interpretation thereof has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such letter or form with respect to it and such Lender advises the U.S. Borrower that it is not capable of receiving payments without any deduction or withholding of United States federal income tax, and in the case of a Form W-8 or W-9 or successor applicable form, establishing an exemption from United States backup withholding tax (it being agreed that final and temporary Treasury Regulations promulgated in T.O. 8734 shall not constitute a change in law, regardless of their effective date).

(c) Each Multicurrency Lender shall, upon request by a Foreign Subsidiary Borrower (or the U.S. Borrower on its behalf), within a reasonable period of time after such request, deliver to such Foreign Subsidiary Borrower or the applicable governmental or taxing authority, as the case may be, any form or certificate required in order that any payment by such Foreign Subsidiary Borrower under this Agreement or any Notes to such Lender may be made free and clear of, and without deduction or withholding for or on account of any Taxes (or to allow any such deduction or withholding to be at a reduced rate) imposed on such payment under the laws of the jurisdiction under which such Foreign Subsidiary Borrower is incorporated or organized, provided that such Lender is legally entitled to complete, execute and deliver such

51

45

form or certificate and in such Lender's reasonable judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(d) Neither the U.S. Borrower nor any other Borrower shall be required to pay any additional amounts to the Administrative Agent or any Lender (or Transferee except to the extent such Transferee's transferor was entitled, at the time of transfer, to receive additional amounts from the U.S. Borrower) in respect of Taxes pursuant to subsection 5.12(a) if the obligation to pay such additional amounts would not have arisen but for a failure by the Administrative Agent or such Lender (or Transferee) to comply with the requirements of subsection 5.12(b) or (c) (or in the case of a Transferee, the requirements of subsection 13.6(h)).

(e) Each Lender agrees to use reasonable efforts (including reasonable efforts to change its lending office) to avoid or to minimize any amounts which might otherwise be payable pursuant to this subsection 5.12; provided, however, that such efforts shall not impose on such Lender any additional costs or legal or regulatory burdens deemed by such Lender in its reasonable judgment to be material.

(f) The agreements in subsection 5.12(a) shall survive the

termination of this Agreement and the payment of the Notes and all other amounts payable hereunder until the expiration of the applicable statute of limitations for such taxes.

5.13 Assignment of Commitments Under Certain Circumstances.

(a) In the event that any Lender shall have delivered a notice or certificate pursuant to subsection 5.10 or any Borrower has been required to pay any Taxes in respect of any Lender pursuant to subsection 5.12, the U.S. Borrower shall have the right, at its own expense, upon notice to such Lender and the Administrative Agent, to require such Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in subsection 13.6) all its interests, rights and obligations under this Agreement to another bank or financial institution identified by the U.S. Borrower and reasonably acceptable to the Administrative Agent (subject to the restrictions contained in subsection 13.6) which shall assume such obligations; provided that (i) no such assignment shall conflict with any law, rule or regulation or order of any Governmental Authority and (ii) the Borrower or the assignee, as the case may be, shall pay to the transferor Lender in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder, including, without limitation, amounts payable pursuant to subsection 5.10 and any amounts that would be payable under subsection 5.11 if such amount were a prepayment made in the amount and on the date of such assignment.

(b) In the event that any Multicurrency Lender (including a Transferee) does not, for any reason, deliver all forms and certificates required to permit all payments by all Foreign Subsidiary Borrowers hereunder to be made free and clear of, and without deduction or withholding for or on account of, any Taxes, the U.S. Borrower may, so long as no Event of Default has occurred and is continuing, require such Multicurrency Lender, upon five Business Days' prior written notice from the U.S. Borrower, to assign the entire then outstanding principal amount of the Multicurrency Loans owing to such Multicurrency Lender and the entire

52

46

Multicurrency Commitment of such Multicurrency Lender to one or more Lenders selected by the U.S. Borrower which, after giving effect to such assignment, will have a Revolving Credit Commitment in excess of its Multicurrency Commitment. In the case of any such assignment to another Lender, such assignee Lender shall assign to such assignor Multicurrency Lender a principal amount of outstanding Revolving Credit Loans owing to such assignee Lender equal to the lesser of (i) the U.S. Dollar Equivalent of the amount of Multicurrency Loans assigned to such assignee Lender and (ii) the aggregate outstanding principal amount of Revolving Credit Loans owing to such assignee Lender. Any such assignments pursuant to the two precedent sentences shall be effected in accordance with subsection 13.6(c) and, as a condition to such assignment, simultaneously with such assignment, the U.S. Borrower shall pay or cause to be paid all amounts due to the assignor Multicurrency Lender and the assignee Lender hereunder on the effective date of such assignments.

5.14 Use of Proceeds. The proceeds of the Loans shall be used for general corporate purposes of the U.S. Borrower and its Subsidiaries, including the UT Automotive Acquisition and other acquisitions permitted hereunder.

SECTION 6. REPRESENTATIONS AND WARRANTIES

To induce the Lenders to enter into this Agreement and to make the Loans, each Borrower hereby represents and warrants to the Administrative Agent and to each Lender that:

6.1 Financial Statements. The audited consolidated balance sheets of the U.S. Borrower as of December 31, 1998 and the related statements of income and cash flow for the fiscal year ending on such date, heretofore furnished to the Administrative Agent and the Lenders and certified by a Responsible Officer of the U.S. Borrower are complete and correct in all material respects and fairly present the financial condition of the U.S. Borrower on such date in conformity with GAAP applied on a consistent basis (subject to normal year-end adjustments). All liabilities, direct and

contingent, of the U.S. Borrower on such date required to be disclosed pursuant to GAAP are disclosed in such financial statements.

6.2 No Change. There has been no material adverse change in the business, operations, assets or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole from that reflected on the financial statements dated December 31, 1998 referred to in subsection 6.1.

6.3 Corporate Existence; Compliance with Law. The U.S. Borrower and each of its Material Subsidiaries (a) is duly organized, validly existing and in good standing (or the functional equivalent thereof in the case of Foreign Subsidiaries) under the laws of the jurisdiction of its organization, (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing (or the functional equivalent thereof in the case of Foreign Subsidiaries) under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its

53

47

business requires such qualification except where the failure to be so qualified and in good standing would not, individually or in the aggregate, have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole and would not adversely affect the ability of any Loan Party to perform its respective obligations under the Loan Documents to which it is a party and (d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, assets or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole and would not reasonably be expected to adversely affect the ability of any Loan Party to perform its obligations under the Loan Documents to which it is a party.

6.4 Corporate Power; Authorization; Enforceable Obligations.

(a) Each Loan Party has the corporate power and authority, and the legal right, to execute, deliver and perform each of the Loan Documents to which it is a party or to which this Agreement requires it to become a party. The U.S. Borrower has the corporate power and authority to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions of this Agreement and the Revolving Credit Notes and the Term Notes. Each Loan Party has taken all necessary corporate action to authorize the execution, delivery and performance of each of the Loan Documents to which it is a party or to which this Agreement requires it to become a party.

(b) No consent or authorization of, filing with or other act by or in respect of any Person (including, without limitation, any Governmental Authority) is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents or the consummation of any of the transactions contemplated hereby or thereby, except for consents, authorizations, or filings which have been obtained and are in full force and effect.

(c) This Agreement and each other Loan Document to which any Loan Party is a party has been, and each other Loan Document to be executed by a Loan Party hereunder will be, duly executed and delivered on behalf of such Loan Party. This Agreement and each other Loan Document to which any Loan Party is a party constitutes, and each other Loan Document to be executed by a Loan Party hereunder will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

6.5 No Legal Bar; Senior Debt. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party, the borrowings hereunder and the use of the proceeds thereof, (a) will not violate any Requirement of Law or any Contractual Obligation of the U.S. Borrower or any

other Loan Party (including, without limitation, the 9 1/2% Subordinated Note Indenture and the Subordinated Note Indenture) except for violations of Requirements of Law and Contractual Obligations (other than such Indentures) which,

54

48

individually or in the aggregate will not have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole and will not adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party and (b) will not result in, or require, the creation or imposition of any Lien (other than the Liens created by the Security Documents) on any of its or their respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation. The Obligations of the U.S. Borrower constitute "Senior Indebtedness" benefitting from the subordination provisions contained in the Subordinated Debt, except to the extent that such Obligations are owed to an Affiliate of the U.S. Borrower.

6.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the U.S. Borrower, overtly threatened by or against the U.S. Borrower or any of its Subsidiaries or against any of its or their respective properties or revenues (a) with respect to any Loan Document or any of the transactions contemplated hereby or thereby, (b) which would reasonably be expected to have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole or (c) which would be reasonably expected to adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party.

6.7 No Default. Neither the U.S. Borrower nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation or any order, award or decree of any Governmental Authority or arbitrator binding upon it or any of its properties in any respect which would have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole or which would adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party. No Default or Event of Default has occurred and is continuing.

6.8 Ownership of Property; Liens. The U.S. Borrower and each of its Material Subsidiaries has good record and marketable title in fee simple to, or a valid and subsisting leasehold interest in all its material real property, and good title to all its other property, and none of such property is subject to any Lien, except as permitted in subsection 9.3 and except, in each case, where any failure to have good title or a valid and subsisting leasehold interest or the existence of any Lien would not reasonably be expected to have a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole.

6.9 Taxes. (a) The U.S. Borrower and each of its Material Subsidiaries has filed or caused to be filed all tax returns which to the knowledge of the U.S. Borrower are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than those which, in the aggregate, are not substantial in amount or those the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the U.S. Borrower or its Subsidiaries, as the case may

55

49

be and except insofar as the failure to make such filings or payments would not

reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole); and (b) no tax lien (other than a Lien permitted in subsection 9.3) has been filed and, to the knowledge of the U.S. Borrower, no claim is being asserted with respect to any such tax, fee or other charge.

6.10 Securities Law, etc. Compliance. All transactions contemplated by this Agreement and the other Loan Documents comply in all material respects with all applicable laws and any rules and regulations thereunder, including takeover, disclosure and other federal, state and foreign securities law and Regulations T, U and X of the Federal Reserve Board.

6.11 ERISA. As to each Plan other than a Multiemployer Plan, neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred and no Lien under the Code or ERISA in favor of PBGC or a Single Employer Plan has arisen during the five-year period prior to the date as of which this representation is deemed made. The present value of all accrued benefits under each Single Employer Plan maintained by the U.S. Borrower or any Commonly Controlled Entity (based on those assumptions used to fund the Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits, either individually or in the aggregate with all other Single Employer Plans under which such accrued benefits exceed such assets, by more than \$125,000,000. Neither the U.S. Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan during the five year period prior to the date as of which this representation is made or deemed made, and neither the U.S. Borrower nor any Commonly Controlled Entity would become subject to liability under ERISA in the aggregate which exceeds \$145,000,000 if the U.S. Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date hereof, and no such withdrawal is likely to occur. No such Multiemployer Plan is in Reorganization or Insolvent. The present value (determined using actuarial and other assumptions which are reasonable in respect of the benefits provided and the employees participating) of the liability of the U.S. Borrower and each Commonly Controlled Entity for post retirement benefits to be provided to their current and former employees under Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits by an amount in excess of \$145,000,000.

6.12 Investment Company Act; Other Regulations. The U.S. Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The U.S. Borrower is not subject to regulation under any federal or state statute or regulation which limits its ability to incur Indebtedness.

56

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6.13 Subsidiaries, etc. The Subsidiaries of the U.S. Borrower as of the Closing Date are those listed on Schedule VI. The U.S. Borrower owns, as of the Closing Date, the percentage of the issued and outstanding capital stock or other evidences of the ownership of each Subsidiary listed on Schedule VI as set forth on such Schedule. Except as disclosed on Schedule VI, no such Subsidiary has issued any securities convertible into shares of its capital stock (or other evidence of ownership) or any options, warrants or other rights, to acquire such shares or securities convertible into such shares (or other evidence of ownership), and the outstanding stock and securities (or other evidence of ownership) of such Subsidiaries are owned by the U.S. Borrower and its Subsidiaries free and clear of all Liens, warrants, options or rights of others of any kind whatsoever except for Liens permitted by subsection 9.3.

6.14 Accuracy and Completeness of Information. All information, reports and other papers and data with respect to the U.S. Borrower or this Agreement or any transaction contemplated hereby furnished to the Lenders by the U.S. Borrower or on behalf of the U.S. Borrower, were, at the time the same were so furnished, complete and correct in all material respects, or have been subsequently supplemented by other information, reports or other



papers or data, to the extent necessary to give the Lenders a true and accurate knowledge of the subject matter in all material respects. All projections with respect to the U.S. Borrower and its Subsidiaries, so furnished by the U.S. Borrower, as supplemented, were prepared and presented in good faith by the U.S. Borrower, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ materially from the projected results. No document furnished or statement made in writing to the Lenders by the U.S. Borrower in connection with the negotiation, preparation or execution of this Agreement contains any untrue statement of a material fact, or, to the knowledge of the U.S. Borrower after due inquiry, omits to state any such material fact necessary in order to make the statements contained therein not misleading, in either case which has not been corrected, supplemented or remedied by subsequent documents furnished or statements made in writing to the Lenders.

6.15 Security Documents. Each Pledge Agreement is effective to create in favor of the Administrative Agent, for the ratable benefit of the Lenders, a legal, valid and enforceable security interest in the pledged assets described therein. Each Pledge Agreement constitutes a fully perfected first Lien on, and security interest in, all right, title and interest of the Loan Party thereto in the pledged assets described therein.

6.16 Patents, Copyrights, Permits and Trademarks. Each of the U.S. Borrower and its Subsidiaries owns, or has a valid license or sub-license in, all domestic and foreign letters patent, patents, patent applications, patent and know-how licenses, inventions, technology, permits, trademark registrations and applications, trademarks, trade names, trade secrets, service marks, copyrights, product designs, applications, formulae, processes and the industrial property rights ("Proprietary Rights") used in the operation of its businesses in the manner in which they are currently being conducted and which are material to the business, operations, assets or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole. Neither the U.S. Borrower nor any of its Subsidiaries is aware of any existing or threatened infringement or misappropriation of any Proprietary Rights of others by the U.S. Borrower or any of its

57

51

Subsidiaries or of any Proprietary Rights of the U.S. Borrower or any of its Subsidiaries by others which is material to the business operations, assets or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole.

6.17 Environmental Matters. Except as disclosed in Schedule VII, and other than such exceptions to any of the following that would not reasonably be expected to give rise to a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole:

(a) To the best knowledge of the U.S. Borrower and its Subsidiaries, after reasonable investigation, the Properties do not contain, and have not previously contained, any Hazardous Materials in amounts or concentrations or under such conditions which (A) constitute a violation of, or (B) could reasonably give rise to any liability under any applicable Environmental Laws.

(b) To the best knowledge of the U.S. Borrower and its Subsidiaries, after reasonable investigation, the Properties and all operations at the Properties are in compliance, and have been in compliance for the time period that each of the Properties has been owned by the U.S. Borrower or its Subsidiaries, with all Environmental Laws, and there is no contamination at, on or under the Properties, or violation of any Environmental Laws with respect to the Properties which could interfere with the continued operation of the Properties or impair the fair saleable value thereof. Neither the U.S. Borrower nor any Subsidiary has knowingly assumed any liability, by contract or otherwise, of any person under any Environmental Laws.

(c) Neither the U.S. Borrower nor any of its

Subsidiaries has received any Environmental Complaint with regard to any of the Properties or the operations of the U.S. Borrower or any of its Subsidiaries, nor does the U.S. Borrower or any of its Subsidiaries have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) To the best knowledge of the U.S. Borrower and its Subsidiaries, based on the U.S. Borrower's and the Subsidiaries' customary practice of contracting only with licensed haulers for removal of Hazardous Materials from the Properties only to facilities authorized to receive such Hazardous Materials, Hazardous Materials have not been transported or disposed of from the Properties in violation of, or in a manner or to a location which could reasonably give rise to liability under, Environmental Laws, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could reasonably give rise to liability under any Environmental Laws.

(e) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of the U.S. Borrower and its Subsidiaries, threatened, under any Environmental Law to which the U.S. Borrower and its Subsidiaries are or will be named as a party with respect to the Properties, nor are there any consent decrees

58

52

or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties.

(f) To the best knowledge of the U.S. Borrower and its Subsidiaries after reasonable investigation, there has been no release or threat of release of Hazardous Materials at or from the Properties, or arising from or related to the operations of the U.S. Borrower or its Subsidiaries in connection with the Properties in violation of or in amounts or in a manner that could reasonably give rise to liability under any Environmental Laws.

6.18 Year 2000 Matters. Any reprogramming required to permit the proper functioning, in and following the year 2000, of (i) the U.S. Borrower's computer systems and (ii) equipment containing embedded microchips (including systems and equipment supplied by others or with which the U.S. Borrower's systems interface) and the testing of all such systems and equipment, as so reprogrammed, are expected to be completed within such period of time as is required to avoid a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole as a result of the failure to complete such reprogramming. The cost to the U.S. Borrower of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to the U.S. Borrower (including, without limitation, reprogramming errors and the failure of others' systems or equipment) would not reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole.

#### SECTION 7. CONDITIONS PRECEDENT

7.1 Conditions to Closing Date. The Closing Date shall occur on the date of satisfaction of the following conditions precedent:

(a) Agreement. The Administrative Agent shall have received counterparts of this Agreement, duly executed by a Responsible Officer of each Borrower, the Administrative Agent and each Lender party hereto.

(b) Subsidiary Guarantee. The Administrative Agent shall have received the Subsidiary Guarantee duly executed by each guarantor party thereto.

(c) Domestic Pledge Agreement. The Administrative Agent shall have received the Domestic Pledge Agreement listed on Schedule IV, duly executed by each pledgor party thereto.

(d) Pledged Stock; Stock Powers. The Administrative Agent shall have received the certificates representing the shares pledged pursuant to the Domestic Pledge

59

53

Agreement listed on Schedule IV, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(e) Perfection Actions. The Administrative Agent shall have received evidence in form and substance satisfactory to it that all filings, recordings, registrations and other actions necessary or, in the opinion of the Administrative Agent, desirable to perfect the Liens created by the Domestic Pledge Agreement shall have been completed.

(f) UT Automotive Acquisition. The UT Automotive Acquisition shall have been consummated in accordance with the UT Automotive Acquisition Agreement, and the Administrative Agent shall have received a certificate of a Responsible Officer to such effect.

(g) UT Automotive Financial Statements. The Lenders shall have received the audited financial statements of Lear Corporation Automotive Holdings (formerly known as UT Automotive, Inc.) for the fiscal year ended December 31, 1998.

(h) Consents. The Administrative Agent shall have received, and made available to each Lender, true and correct copies (in each case certified as to authenticity on such date by a duly authorized officer of the U.S. Borrower) of all documents and instruments, including all consents, authorizations and filings, required under any Requirement of Law or by Contractual Obligation of the U.S. Borrower or any of its Subsidiaries, in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the other Loan Documents, and such consents, authorizations and filings shall be satisfactory in form and substance to the Lenders and be in full force and effect.

(i) Incumbency Certificates. The Administrative Agent shall have received, with a copy for each Lender, a certificate of the Secretary or Assistant Secretary of each Domestic Loan Party, dated the Closing Date, as to the incumbency and signature of their respective officers executing each Loan Document to be entered into on the Closing Date to which it is a party, together with satisfactory evidence of the incumbency of such Secretary or Assistant Secretary.

(j) Corporate Proceedings. The Administrative Agent shall have received, with a copy for each Lender, a copy of the resolutions in form and substance satisfactory to the Administrative Agent, of the Board of Directors (or the executive committee thereof) of each Domestic Loan Party authorizing (i) the execution, delivery and performance of each Loan Document to be entered into on the Closing Date to which it is a party, and (ii) the granting by it of the pledge and security interests, if any, granted by it pursuant to such Loan Document, certified by their respective Secretary or an Assistant Secretary as of the Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate.

60

54

(k) Fees. The Administrative Agent shall have received all fees required to be paid to the Administrative Agent and/or the Lenders pursuant to Section 5.5 and/or any other written agreement on or prior to the Closing Date.

(l) Legal Opinion of Counsel to U.S. Borrower. The Administrative Agent shall have received, with a copy for each Lender, an opinion, dated the Closing Date, of Winston & Strawn, special counsel to the U.S. Borrower and its Subsidiaries and in substantially the form of Exhibit L and covering such other matters incident to the transactions contemplated hereby as the Lenders may reasonably require.

(m) Subordinated Debt Indentures. The Administrative Agent shall have received, with a copy for each Lender, a certified true copy of the outstanding Subordinated Debt Indentures.

(n) Closing Date under Other Credit Agreements. The Closing Date under (and as defined in) the Other Credit Agreements shall have occurred or shall occur simultaneously with the Closing Date hereunder.

7.2 Conditions to Each Loan. The agreement of each Lender to make any Loan requested to be made by it on any date (including, without limitation, the Closing Date), is subject to the satisfaction of the following conditions precedent as of the date such Loan is requested to be made:

(a) Representations and Warranties. The representations and warranties made by each of the Loan Parties in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date (except that any representation or warranty which by its terms is made as of a specified date shall be true and correct in all material respects as of such specified date).

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Loan requested to be made on such date.

(c) Foreign Subsidiary Opinion. If such requested Loan is the initial Multicurrency Loan to be made to any Foreign Subsidiary Borrower, the Administrative Agent shall have received (with a copy for each Lender) a Foreign Subsidiary Opinion in respect of such Foreign Subsidiary Borrower.

Each Loan made to a Borrower hereunder shall constitute a representation and warranty by such Borrower as of the date of such Loan that the conditions contained in this subsection 7.2 have been satisfied.

## SECTION 8. AFFIRMATIVE COVENANTS

The U.S. Borrower hereby agrees that, so long as the Commitments (or any of them) remain in effect, any Loan remains outstanding and unpaid or any other amount is owing to any Lender or the Administrative Agent hereunder or under any other Loan Document, the U.S. Borrower shall and shall cause each of its Subsidiaries to:

8.1 Financial Statements. Furnish to each Lender (or to the Administrative Agent on behalf of such Lender):

(a) as soon as available, but in any event within 95 days after the end of each fiscal year of the U.S. Borrower, a copy of the audited consolidated balance sheet of the U.S. Borrower and its consolidated Subsidiaries as at the end of such year and the related consolidated statements of income and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing;

(b) as soon as available, but in any event not later than 50 days after the end of each of the first three quarterly periods of each fiscal year of the U.S. Borrower, the unaudited consolidated balance sheet of the U.S. Borrower and its consolidated Subsidiaries as at the end of each such quarter and the related unaudited consolidated statements of income and cash flows of the U.S. Borrower and its consolidated Subsidiaries for such quarter and the portion of the fiscal year through such date, setting forth in each case in comparative form the figures for the corresponding quarterly period of the previous year, certified by a Responsible Officer (subject to normal year-end audit adjustments).

The U.S. Borrower covenants and agrees that all such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP (subject, in the case of interim statements, to normal year-end adjustments and to the fact that such financial statements may be abbreviated and may omit footnotes or contain incomplete footnotes) applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein).

8.2 Certificates; Other Information. Furnish to each Lender (or to the Administrative Agent on behalf of such Lender):

(a) concurrently with the delivery of the financial statements referred to in subsection 8.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

62

56

(b) concurrently with the delivery of the financial statements referred to in subsection 8.1(a) and (b), a certificate of a Responsible Officer of the U.S. Borrower (i) stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) stating, to the best of such Responsible Officer's knowledge, that all such financial statements are complete and correct in all material respects (subject, in the case of interim statements, to normal year-end audit adjustments) and have been prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as disclosed therein) and (iii) showing in detail the calculations supporting such statements in respect of subsection 9.1;

(c) promptly upon receipt thereof, copies of all final reports submitted to the U.S. Borrower by independent certified public accountants in connection with each annual, interim or special audit of the books of the U.S. Borrower made by such accountants, including, without limitation, any management letter commenting on the U.S. Borrower's internal controls submitted by such accountants to management in connection with their annual audit;

(d) promptly after the same are sent, copies of all financial statements and reports which the U.S. Borrower sends to its public equity holders, and within five days after the same are filed, copies of all financial statements and reports which the U.S. Borrower may make to, or file with, the Securities and Exchange Commission or any successor or analogous Governmental Authority; and

(e) promptly, subject to reasonable confidentiality requirements and confidentiality agreements to which the Borrower or any of its Subsidiaries is a party, such additional financial and other information as any Lender may from time to time reasonably request.

8.3 Performance of Obligations. Perform in all material respects all of its obligations under the terms of each material mortgage, indenture, security agreement and other debt instrument by which it is bound or to which it is a party and pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material

obligations of whatever nature, except when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided for on the books of the U.S. Borrower or its Subsidiaries, as the case may be.

8.4 Conduct of Business, Maintenance of Existence and Compliance with Obligations and Laws. Continue to engage in business of the same general type as now conducted by it and preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business except as otherwise permitted pursuant to subsection 9.5 and except, with respect to the corporate existence of Subsidiaries that are not Loan Parties and any rights, privileges and franchises, to the extent that the Board of Directors of the U.S.

63

57

Borrower shall determine in good faith that the preservation or maintenance thereof is no longer desirable in the conduct of the business of the U.S. Borrower and its Subsidiaries; comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole and would not reasonably be expected to adversely affect the ability of the U.S. Borrower or any of its Subsidiaries to perform their respective obligations under any of the Loan Documents to which they are a party.

8.5 Maintenance of Property; Insurance. Keep all property useful and necessary in its business in good working order and condition where the failure to maintain such property in good working order and condition would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole; maintain with financially sound and reputable insurance companies such insurance coverage as is reasonable for the business activities of the U.S. Borrower and its Subsidiaries; and furnish to the Administrative Agent, upon written request, full information as to the insurance carried.

8.6 Inspection of Property; Books and Records; Discussions. Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of any Lender (subject to reasonable confidentiality requirements) to visit and inspect any of its properties and examine and make abstracts from any of its books and records upon reasonable notice and at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the U.S. Borrower and its Subsidiaries with officers and employees of the U.S. Borrower and its Subsidiaries and, provided the U.S. Borrower is given an opportunity to participate, with its independent certified public accountants.

8.7 Notices. Promptly give notice to the Administrative Agent and each Lender:

(a) of the occurrence of any Default or Event of Default;

(b) of any (i) default or event of default under any Contractual Obligation of the U.S. Borrower or any of its Subsidiaries or (ii) litigation, investigation or proceeding which may exist at any time between the U.S. Borrower or any of its Subsidiaries and any Governmental Authority, which in the case of either clause (i) or (ii) above, would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole or would reasonably be expected to adversely affect the ability of the U.S. Borrower or any of its Subsidiaries to perform their respective obligations under any of the Loan Documents to which they are a party;

(c) of any litigation or proceeding affecting the U.S.

Borrower or any of its Subsidiaries in which the then reasonably anticipated exposure of the U.S. Borrower and

64

its Subsidiaries is \$20,000,000 or more and not covered by insurance, or in which injunctive or similar relief is sought which is then reasonably anticipated to have an adverse economic effect on the U.S. Borrower and its Subsidiaries of \$20,000,000 or more;

(d) of the following events, as soon as possible and in any event within 30 days after the U.S. Borrower knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to any Single Employer Plan, unless such failure is cured within such 30 days, any Lien under the Code or ERISA in favor of the PBGC or a Single Employer Plan, or any withdrawal from, or the termination, Reorganization or Insolvency of any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the U.S. Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Single Employer or Multiemployer Plan, where, in connection with any of the events described in clauses (i) or (ii), the resulting liability would reasonably be expected to cause a material adverse change in the business, assets, operations or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole;

(e) of any Environmental Complaint which would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries, taken as a whole, and any notice from any Person of (i) the occurrence of any release, spill or discharge of any Hazardous Material that is reportable under any Environmental Law, (ii) the commencement of any clean up pursuant to or in accordance with any Environmental Law of any Hazardous Material at, on, under or within the Property or any part thereof or (iii) any other condition, circumstance, occurrence or event, any of which would reasonably be expected to have a material adverse effect on the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries, taken as a whole, under any Environmental Law;

(f) of (i) the incurrence of any Lien (other than Liens permitted pursuant to subsection 9.3) on, or claim asserted against any of the collateral security in the Security Documents or (ii) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the collateral under any Security Document; and

(g) of a material adverse change in the business, operations, property or financial condition of the U.S. Borrower and its Subsidiaries taken as a whole.

Each notice pursuant to this subsection 8.7 shall be accompanied by a statement of a Responsible Officer of the U.S. Borrower setting forth details of the occurrence referred to therein and stating what action the U.S. Borrower proposes to take with respect thereto.

65

58

59

8.8 Maintenance of Liens of the Security Documents. Promptly, upon the reasonable request of any Lender, at the U.S. Borrower's expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Administrative Agent necessary or desirable for the

continued validity, perfection and priority of the Liens on the collateral covered thereby.

8.9 Environmental Matters. (a) Comply in all material respects with, and use all reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all Environmental Laws and all requirements existing thereunder and obtain and comply in all material respects with and maintain, and use all reasonable efforts to ensure that all tenants and subtenants obtain, comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by Environmental Laws.

(b) Promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives as to which an appeal has been taken in good faith and the pendency of any and all such appeals does not materially and adversely affect the U.S. Borrower or any Subsidiary or the operations of the U.S. Borrower or any Subsidiary.

(c) Defend, indemnify and hold harmless the Administrative Agent and the Lenders and their Affiliates, and their respective employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the violation of, noncompliance with or liability under any Environmental Laws applicable to the U.S. Borrower or its Subsidiaries or the Properties, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing arise solely out of the gross negligence or willful misconduct of the party seeking indemnification therefor. This indemnity shall continue in full force and effect regardless of the termination of this Agreement.

8.10 Security Documents; Guarantee Supplement. Subject to subsection 13.19, (a) within 60 days after the Closing Date, at its own expense, (i) cause 65% of the capital stock of Lear Germany to be pledged to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, pursuant to a pledge agreement in form and substance satisfactory to the Administrative Agent, and (ii) cause the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, a legal opinion of German counsel acceptable to the Administrative Agent covering such matters in respect of such pledge agreement as the Administrative Agent shall reasonably request.

(b) As soon as possible and in no event later than 45 days after the delivery of any financial statements under subsection 8.1(a) or (b), for any fiscal period ending on or after December 31, 1999, cause (i) all of the capital stock owned directly or indirectly by the U.S.

Borrower of each of the U.S. Borrower's direct or indirect Domestic Subsidiaries which on the date of such financial statements constituted at least 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to be pledged to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, pursuant to a pledge agreement in form and substance satisfactory to the Administrative Agent, (ii) 65% of the capital stock (or such lesser amount as may be owned by the U.S. Borrower) of each of the U.S. Borrower's direct Foreign Subsidiaries which on the date of such financial statements constituted at least 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to be pledged to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, pursuant to a pledge agreement in form and substance satisfactory to the Administrative Agent, and (iii) the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, legal opinions of counsel to the U.S. Borrower acceptable to the Administrative Agent covering such matters in respect of such pledges as the Administrative Agent



shall reasonably request.

(c) As soon as possible and in no event later than 45 days after the delivery of any financial statements under subsection 8.1(a) or (b) for any fiscal period ending on or after December 31, 1999, cause (i) each of the U.S. Borrower's direct and indirect Domestic Subsidiaries which on the date of such financial statements constituted 10% of Consolidated Assets or for the twelve month period ended on the date of such financial statements represented at least 10% of Consolidated Revenues to execute and deliver a Guarantee Supplement to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, and (ii) the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, to receive, with a counterpart for each Lender, opinions of counsel to the U.S. Borrower, in form and substance satisfactory to the Administrative Agent, covering such matters in respect of the Subsidiary Guarantee as the Administrative Agent shall reasonably request; provided, that, notwithstanding the foregoing, a Domestic Subsidiary shall not be required to execute and deliver a Guarantee Supplement or otherwise become a party to the Subsidiary Guarantee if (x) it is a holding company whose only material asset consists of capital stock of one or more Foreign Subsidiaries and (y) the capital stock of such Domestic Subsidiary is pledged to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement.

(d) (i) Cause to be pledged to the Administrative Agent, in its capacity as Agent pursuant to the Intercreditor Agreement, on the Closing Date 100% of the Capital Stock of each Domestic Subsidiary which would have constituted more than 10% of Consolidated Assets on December 31, 1998 or represented at least 10% of Consolidated Revenues for the twelve-month period ended on December 31, 1998, and (ii) cause each Domestic Subsidiary described in the foregoing clause (i) to be Subsidiary Guarantors on the Closing Date; provided, that (A) Lear Corporation (Germany) Ltd. shall not be required to be a Subsidiary Guarantor and the U.S. Borrower shall not be required to pledge its Capital Stock and (B) Lear Corporation EEDS and Interiors shall not be required to be a Subsidiary Guarantor and the U.S. Borrower shall not be required to cause its Capital Stock to be pledged unless Lear Corporation EEDS and Interiors

67

61

meets the tests set forth in paragraph (c) above in respect of any fiscal period ending on or after December 31, 1999.

(e) For purposes of calculating Consolidated Assets and Consolidated Revenues pursuant to the foregoing paragraphs (b), (c) and (d) for any date on or prior to March 31, 2000, or for twelve-month periods ended on or prior to March 31, 2000, the assets and revenues of Lear Corporation Automotive Holdings shall be included on a pro forma basis as if the UT Automotive Acquisition had occurred on the first day of the relevant period.

#### SECTION 9. NEGATIVE COVENANTS

The U.S. Borrower hereby agrees that, so long as the Commitments (or any of them) remain in effect, any Loan remains outstanding and unpaid or any other amount is owing to any Lender or either Administrative Agent hereunder or under any other Loan Document, the U.S. Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

##### 9.1 Financial Covenants.

(a) Interest Coverage. Permit the ratio of (i) Consolidated Operating Profit for any four consecutive fiscal quarters ending during any period set forth below to (ii) Consolidated Interest Expense for such four consecutive fiscal quarters, to be less than the ratio set forth opposite such period below:

Period	Ratio
-----	-----
Closing - December 31, 1999	2.75x
January 1, 2000 - December 31, 2000	3.00x

January 1, 2001 - December 31, 2001  
Thereafter

3.25x  
3.50x

;provided, that in calculating the foregoing ratio for the periods of four consecutive fiscal quarters ending on or about 6/30/99, 9/30/99, 12/31/99 and 3/31/00, Consolidated Interest Expense shall be determined giving pro forma effect to the aggregate principal amount of Indebtedness incurred in connection with the UT Automotive Acquisition (less the aggregate net cash proceeds received by the U.S. Borrower in respect of the sale of any part of the business acquired in connection with the UT Automotive Acquisition) as if such Indebtedness had been incurred on the first day of the relevant period, and in making such calculation, the interest rate assumed to be applicable to such Indebtedness shall be (i) with respect to \$1,400,000,000 of such Indebtedness, the weighted average interest rate applicable during the last fiscal quarter in such period to loans outstanding under the Term Loan Agreement and/or the debt securities that refinance the loans under the Term Loan Agreement and (ii) with respect to the remainder of such Indebtedness, the weighted average interest rate applicable during the last fiscal quarter in such period to Loans in Dollars under this Agreement.

68

62

(b) Leverage Ratio. Permit the ratio of (i) Consolidated Indebtedness at the end of any fiscal quarter ending during any period set forth below to (ii) Consolidated Operating Profit for the four consecutive fiscal quarters then ended to be greater than the ratio set forth opposite such period below:

Period	Ratio
-----	-----
Closing - June 30, 2000	4.50x
July 1, 2000 through December 31, 2001	4.00x
Thereafter	3.75x

9.2 Limitation on Indebtedness. Permit any Subsidiary to create, incur, assume or suffer to exist any Indebtedness, except:

(a) (i) Indebtedness in respect of the Loans and other obligations arising under this Agreement and (ii) Indebtedness under the Other Credit Agreements and, without duplication, Indebtedness of any Subsidiary backed by letters of credit issued under either of the Other Credit Agreements;

(b) Indebtedness under the Subsidiary Guarantee and any Bond Guarantee;

(c) Indebtedness in respect of Interest Rate Agreement Obligations and Currency Agreement Obligations entered into to protect against fluctuations in interest rates or exchange rates and not for speculative reasons;

(d) Indebtedness incurred by a Special Purpose Subsidiary in connection with a Receivable Financing Transaction;

(e) intercompany Indebtedness permitted by subsection 9.9; and

(f) other Indebtedness, subject to the provisions of subsection 9.8.

9.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except (subject, in the case of Liens described in paragraphs (o) through (t) below, to the provisions of subsection 9.8):

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the U.S. Borrower or its Subsidiaries, as the case may be, in conformity with GAAP (or, in the case of Foreign Subsidiaries, generally accepted accounting principles in effect from time to time in their respective

jurisdictions of organization);

69

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, suppliers or other like Liens arising in the ordinary course of business relating to obligations not overdue for a period of more than 60 days or which are bonded or being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith and deposits securing liabilities to insurance carriers under insurance and self-insurance programs;

(d) Liens (other than any Lien imposed by ERISA) incurred on deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds, utility payments and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred which, in the aggregate, do not materially interfere with the ordinary conduct of the business of the U.S. Borrower and its Subsidiaries taken as a whole;

(f) Liens created pursuant to the Security Documents;

(g) attachment, judgment or other similar Liens arising in connection with court or arbitration proceedings fully covered by insurance or involving individually or in the aggregate, no more than \$40,000,000 at any one time, provided that the same are discharged, or that execution or enforcement thereof is stayed pending appeal, within 60 days or, in the case of any stay of execution or enforcement pending appeal, within such lesser time during which such appeal may be taken;

(h) Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business;

(i) statutory Liens and rights of offset arising in the ordinary course of business of the U.S. Borrower and its Subsidiaries;

(j) Liens in connection with leases or subleases granted to others and the interest or title of a lessor or sublessor (other than the U.S. Borrower or any Subsidiary of the U.S. Borrower) under any lease;

(k) Liens arising in connection with Industrial Development Bonds or other industrial development, pollution control or other tax-favored or government-sponsored financing transactions, provided that such liens do not at any time encumber any property, other than the property financed by such transaction and other property, assets or revenues related to the property so financed on which Liens are customarily granted in

70

connection with such transactions (in each case, together with improvements and attachments thereto);

(l) Liens on receivables subject to a Receivable Financing Transaction;

(m) Liens securing Indebtedness permitted by subsection 9.2(c)

63

64

and any other Indebtedness in respect of Interest Rate Agreement Obligations or Currency Agreement Obligations entered into to protect against fluctuations in interest rates or exchange rates and not for speculative reasons, provided that such Liens run in favor of a Lender hereunder or a lender under one of the Other Credit Agreements;

(n) Extensions, renewals and replacements of any Lien described in subsections 9.3(a) through (m) above;

(o) Liens (including, without limitation, Liens incurred in connection with Financing Leases, operating leases and sale-leaseback transactions) securing Indebtedness of the U.S. Borrower and its Subsidiaries permitted by subsection 9.2 incurred to finance the acquisition of property; provided that (i) such Liens shall be created substantially simultaneously with the purchase of such property, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased and (iv) the principal amount of Indebtedness secured by any such Lien shall at no time exceed 100% of the purchase price of such property;

(p) Liens securing the Indebtedness of Foreign Subsidiaries permitted by subsection 9.2, provided that such Liens permitted by this paragraph do not at any time encumber any property located in the United States;

(q) Liens securing reimbursement obligations with respect to documentary letters of credit permitted hereunder which encumber documents and other property relating to such letters of credit;

(r) Liens securing Acquired Indebtedness permitted by subsection 9.2, provided, that (i) such Liens existed at the time such corporation became a Subsidiary or such assets were acquired and were not created in anticipation thereof, (ii) any such Lien does not by its terms cover any property or assets after the time such corporation became or becomes a Subsidiary or such assets were acquired which were not covered immediately prior thereto (and improvements and attachments thereto) and (iii) any such Lien does not by its terms secure any Indebtedness other than Indebtedness existing immediately prior to the time such corporation became or becomes a Subsidiary or such assets were acquired;

(s) except as otherwise expressly provided for in subsections 9.3(a) through (n), Liens securing Indebtedness of Domestic Subsidiaries permitted under subsection 9.2;

71

65

(t) other Liens; and

(u) extensions, renewals and replacements of any Lien described in subsections 9.3(o) through (t) above.

9.4 Limitation on Guarantee Obligations. Create, incur, assume or suffer to exist any Guarantee Obligation except:

(a) Guarantee Obligations of the U.S. Borrower under this Agreement and the Amended and Restated Credit Agreement and of the Domestic Subsidiaries under the Subsidiary Guarantee, and any Bond Guarantee;

(b) Guarantee Obligations of any Subsidiary Guarantor in respect of obligations of the Borrower or any other Subsidiary Guarantor;

(c) Guarantee Obligations of any Subsidiary that is not a Subsidiary Guarantor in respect of obligations of any other Subsidiary that is not a Subsidiary Guarantor;

(d) Guarantee Obligations in respect of operating leases;

(e) Guarantee Obligations of the U.S. Borrower in respect of

obligations of any Subsidiary that are permitted to be incurred under this Agreement; and

(f) other Guarantee Obligations, subject to the provisions of subsection 9.8;

9.5 Limitations on Fundamental Changes. Unless expressly permitted under this Agreement, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets, or make any material change in its present method of conducting business, except:

(a) any Subsidiary of the U.S. Borrower may be merged or consolidated with or into the U.S. Borrower (provided that the U.S. Borrower shall be the continuing or surviving corporation) or with or into any one or more other Subsidiaries of the U.S. Borrower;

(b) any Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the U.S. Borrower or any other Subsidiary of the U.S. Borrower;

(c) the U.S. Borrower may merge or consolidate with any Person, provided that (A) the U.S. Borrower is the surviving corporation of such merger or consolidation, (B) after giving effect thereto, no Default or Event of Default is in existence and (C) if such merger or consolidation had occurred on the first day of the period of four full fiscal quarters most recently ended prior to the date of such event, the U.S. Borrower would

72

66

have been in compliance with subsection 9.1 during such period of four full fiscal quarters; and

(d) any Subsidiary may be merged, consolidated or amalgamated with or into any Person, or may sell, lease, transfer or otherwise dispose of its assets (upon voluntary liquidation, dissolution or otherwise) to any Person or may liquidate, wind up or dissolve itself if (A) after giving effect thereto, no Default or Event of Default is in existence and (B) if such merger, consolidation, amalgamation, sale, lease, transfer or other disposition had occurred on the first day of the period of four fiscal quarters most recently ended prior to the date of such event, the U.S. Borrower would have been in compliance with subsection 9.1 during such period of four full fiscal quarters.

9.6 Limitation on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of, any of its property, business or assets (including, without limitation, receivables and leasehold interests) whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's capital stock to any Person other than the U.S. Borrower or any Wholly Owned Subsidiary (or to qualify directors if required by applicable law or similar de minimis issuances of capital stock to comply with Requirements of Law), except:

(a) the sale or other disposition of obsolete or worn out property or other property not necessary for operations disposed of in the ordinary course of business; provided that (i) the Net Proceeds of each such transaction are applied to obtain a replacement item or items of property within 120 days of the disposition thereof or (ii) the fair market value of any property not replaced pursuant to clause (i) above shall not exceed \$20,000,000 in the aggregate in any one fiscal year of the U.S. Borrower;

(b) the sale of inventory or Cash Equivalents in the ordinary course of business;

(c) the sale of any property in connection with any sale and

leaseback transaction;

(d) the sale by any Foreign Subsidiary of its accounts receivable; provided that the terms of each such sale are satisfactory in form and substance to the Administrative Agent;

(e) the sale by any Domestic Subsidiary of its accounts receivable; provided that the terms of each such sale are satisfactory in form and substance to the Administrative Agent;

(f) any sale or other disposition permitted under subsections 9.5 or 9.9;

(g) any operating lease entered into in the ordinary course of business;

(h) any assignments or licenses of intellectual property in the ordinary course of business;

73

67

(i) any sale, contribution or transfer to or by a Special Purpose Subsidiary in connection with a Receivable Financing Transaction; and

(j) any sale or other disposition of assets if (A) after giving effect thereto and the application of the proceeds therefrom, no Default or Event of Default is in existence and (B) if such sale or other disposition had occurred on the first day of the period of four full final quarters most recently ended prior to the date of such sale or other disposition, the U.S. Borrower would have been in compliance with subsection 9.1 during such period of four full fiscal quarters.

9.7 Limitation on Dividends. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of capital stock of the U.S. Borrower or any warrants or options to purchase any such stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the U.S. Borrower or any Subsidiary, except for (a) (i) payment by the U.S. Borrower of amounts then owing to management personnel of the U.S. Borrower pursuant to the terms of their respective employment contracts or under any employee benefit plan, (ii) mandatory purchases by the U.S. Borrower of its common stock from management personnel pursuant to the terms of their respective employment agreements or any employee benefit plan, (iii) additional repurchases by the U.S. Borrower of its common stock from management personnel, and other officers or employees of the U.S. Borrower or any Subsidiary in an amount not to exceed \$35,000,000 in the aggregate and (iv) the purchase, redemption or retirement of any shares of any capital stock of the U.S. Borrower or options to purchase capital stock of the U.S. Borrower in connection with the exercise of outstanding stock options, (b) if no Default or Event of Default has occurred and is continuing (or would occur and be continuing after giving effect thereto) when any such dividend is declared by the Board of Directors of the U.S. Borrower or such payment is made on the account of the purchase of capital stock of the U.S. Borrower, cash dividends on the U.S. Borrower's capital stock or such payments made on the account of the purchase of capital stock of the U.S. Borrower not to exceed, in the aggregate, in any fiscal quarter (the "Payment Quarter") an amount equal to the greater of (i) \$25,000,000 and (ii) (A) 50% (100% if the U.S. Borrower shall have attained Investment Grade Status) of Consolidated Net Income of the U.S. Borrower and its consolidated Subsidiaries for the period of four consecutive fiscal quarters ended immediately prior to the Payment Quarter (such period of four quarters being the "Calculation Period" in respect of such Payment Quarter), less (B) the cash amount of all (I) dividends paid and redemptions made by the U.S. Borrower during such Calculation Period in respect of capital stock and (II) payments made on the account of the purchase of capital stock of the U.S. Borrower during such Calculation Period, but only to the extent permitted by the terms of the outstanding Subordinated Debt, and (c) dividends or distributions in the form of additional shares of such capital stock or in options, warrants or other rights to purchase capital stock.

9.8 Limitation on Subsidiary and Secured Indebtedness. Create, incur, assume or suffer to exist Subsidiary and Secured Indebtedness in an aggregate principal amount at any time outstanding exceeding 10% of Consolidated Assets at such time; or create, incur, assume or

74

suffer to exist any Indebtedness that constitutes Subsidiary and Secured Indebtedness and that is secured by any Lien on any property, assets or receivables of the U.S. Borrower or any of its Subsidiaries (other than Liens permitted by paragraphs (a) through (n) of subsection 9.3) in an aggregate principal amount at any time exceeding 5% of Consolidated Assets at such time.

9.9 Limitation on Investments, Loans and Advances. Make or suffer to exist any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets constituting a business unit of, or make any other investment in, any Person, or acquire or invest in any interest in any Person, except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) investments by Foreign Subsidiaries in high quality investments of a type similar to Cash Equivalents made outside of the United States of America;

(d) capital contributions and equity investments made prior to the date hereof in any Subsidiary or Special Entity and any recapitalization thereof not increasing the amounts thereof;

(e) (i) loans, advances, and extensions of credit by any Subsidiary to the U.S. Borrower and (ii) loans, advances, extensions of credit, capital contributions and other investments by the U.S. Borrower or any Subsidiary to or in any Subsidiary;

(f) the purchase by the U.S. Borrower or any Subsidiary of participating interests in loans to Foreign Subsidiaries; provided that the amount of each such participating interest does not exceed the amount which the U.S. Borrower or such Subsidiary would otherwise be permitted to lend or contribute to such Foreign Subsidiaries pursuant to this subsection 9.9;

(g) the U.S. Borrower and its Subsidiaries may acquire or invest in any Special Entities or the assets constituting a business unit of any Person that would be a Special Entity, provided that the aggregate purchase price of such acquisitions after the date hereof does not exceed \$400,000,000 (less, in the case of Special Entities that become Subsidiaries of the U.S. Borrower, the aggregate amount of Indebtedness of such Special Entities at the time such Special Entities are acquired) per fiscal year; and provided, further, that up to \$100,000,000 of such permitted amount which is not expended in any fiscal year may be carried over for such acquisitions in any subsequent fiscal year; and provided, still further, that no more than \$150,000,000 per fiscal year of any such permitted amount may be expended to acquire stock or other evidence of beneficial ownership of Special Entities that do not become Subsidiaries of the U.S. Borrower;

(h) advances to employees in the ordinary course of business for travel, relocation and related expenses;

75

(i) investments received in connection with the bankruptcy or reorganization of suppliers, customers and other Persons having obligations in favor of the U.S. Borrower or any Subsidiary in settlement of delinquent obligations of, and other disputes with,

68

69

customers, suppliers and such other Persons arising in the ordinary course of business;

(j) advances, loans, extensions of credit or other investments held by a Person at the time it becomes a Subsidiary of the U.S. Borrower in connection with an acquisition permitted hereunder; provided, that such advances, loans, extensions of credit or other investments have not been made in anticipation of such acquisition;

(k) other investments, advances, loans, extensions of credit and capital contributions by the U.S. Borrower and its Subsidiaries not exceeding \$125,000,000 in the aggregate at any one time outstanding;

(l) the UT Automotive Acquisition; and

(m) investments in or acquisitions of companies or business units, in each case, engaged primarily in the manufacturing of automotive parts business and businesses related thereto so long as (i) no Default or Event of Default shall have occurred and be continuing before and after giving effect to such transaction, (ii) the U.S. Borrower would be in pro forma compliance with subsection 9.1 after giving effect to such transaction, (iii) after giving pro forma effect to such transaction as if it had occurred on the first day of the period of four consecutive fiscal quarters most recently ended prior to the date of such transaction, the ratio of (a) Consolidated Indebtedness on the date of, and after giving effect to, such transaction to (b) Consolidated Operating Profit for such period of four consecutive fiscal quarters would be less than 4.00 and (iv) such transaction is not the result of a hostile bid made by the U.S. Borrower or its Subsidiaries.

9.10 Limitation on Optional Payments and Modification of Debt Instruments; Certain Derivative Transactions. (a) Prepay, purchase, redeem, retire, defease or otherwise acquire, or make any payment on account of any principal of, interest on, or premium payable in connection with the prepayment, redemption or retirement of any outstanding Subordinated Debt, except that the U.S. Borrower may prepay, purchase or redeem Subordinated Debt with the proceeds of the issuance of other subordinated Indebtedness of the U.S. Borrower or capital stock of the U.S. Borrower; provided that, in the case of the issuance of subordinated Indebtedness, either (i) the principal terms of such other subordinated Indebtedness are no more restrictive, taken as a whole, to the U.S. Borrower and its Subsidiaries than the principal terms of the Subordinated Debt being repaid, purchased or redeemed or (ii) the terms and conditions of the other subordinated Indebtedness are reasonably satisfactory to the Administrative Agent; provided, further, that, notwithstanding any provision contained in this subsection 9.10, if no Default or Event of Default has occurred and is continuing or would occur and be continuing as a result of the following, the Subordinated Debt may be prepaid at any time without restriction; (b) enter into any derivative transaction or similar transaction obligating the U.S. Borrower or any of its Subsidiaries to make any payment to any other Person as a result of any change in value or

market price of Subordinated Debt or Capital Stock of the U.S. Borrower; or (c) without the consent of the Administrative Agent, amend, modify or change, or consent or agree to any amendment, modification or change to any of the terms of any Subordinated Debt (except that without the consent of the Administrative Agent or any Lender, the terms of the Subordinated Debt may be amended, modified or changed if such amendment, modification or change would extend the maturity or reduce the amount of any payment of principal thereof, would reduce the rate or extend the date for payment of interest thereon, would eliminate covenants (other than covenants with respect to subordination to Indebtedness under this Agreement and, if applicable, the Subsidiary Guarantee) or defaults in such Subordinated Debt or would make such covenants or defaults less restrictive or make any other change that would not require the consent of the holders of such Subordinated Debt).

9.11 Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property



or the rendering of any service, with any Affiliate unless such transactions are otherwise permitted under this Agreement, or such transactions are in the ordinary course of the U.S. Borrower's or such Subsidiary's business and are upon fair and reasonable terms no less favorable to the U.S. Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person not an Affiliate; provided, however, that the U.S. Borrower may engage, The Cypress Group, LLC or any Affiliate of The Cypress Group, LLC as financial advisor, underwriter, broker, dealer-manager or finder in connection with any transaction at the then customary market rates for similar services.

9.12 Corporate Documents. Amend its Certificate of Incorporation or By-Laws, each as in effect on the Closing Date, if such amendment would reasonably be expected to impair the ability of the Loan Parties to perform their respective obligations under the Loan Documents to which they are a party.

9.13 Fiscal Year. Permit the fiscal year of the U.S. Borrower to end on a day other than December 31.

9.14 Limitation on Restrictions Affecting Subsidiaries. Enter into any agreement with any Person other than the Lenders pursuant hereto which prohibits or limits the ability of any Subsidiary to (a) pay dividends or make other distributions or pay any Indebtedness owed to the U.S. Borrower or any Subsidiary, (b) make loans or advances to the U.S. Borrower or any Subsidiary or (c) transfer any of its properties or assets to the U.S. Borrower or any Subsidiary, except (i) prohibitions or restrictions under applicable law, (ii) agreements and instruments governing or evidencing secured Indebtedness otherwise permitted to be incurred under this Agreement that limits the right of the borrower to (A) dispose of the assets securing such Indebtedness or (B) in the case of any Foreign Subsidiary, to make dividends or distributions, (iii) prohibitions or restrictions under agreements relating to Acquired Indebtedness and any refinancings thereof, (iv) prohibitions or restrictions with respect to the distribution or dispositions of assets or property in joint venture and similar agreements entered into in the ordinary course of business, (v) customary non-assignment provisions in leases and other agreements entered into in the ordinary course of business, (vi) customary net worth provisions

77

71

contained in leases and other agreements entered into by a Subsidiary in the ordinary course of business, (vii) customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of the assets or stock of such Subsidiary, (viii) (x) any such restrictions existing by reasons of Contractual Obligations listed on Schedule VIII or (y) Contractual Obligations in effect on the Closing Date affecting Subsidiaries acquired in the UT Automotive Acquisition, (ix) any restrictions on a Special Purpose Subsidiary, (x) restrictions on cash or other deposits or net worth provisions under customer and supply agreements entered into in the ordinary course of business, and (xi) any restrictions contained in any instrument or agreement that refinances any Indebtedness or other obligations which contains similar restrictions.

9.15 Special Purpose Subsidiary. Permit (a) any Special Purpose Subsidiary to engage in any business other than Receivable Financing Transactions and activities directly related thereto or (b) at any time the U.S. Borrower or any of its Subsidiaries (other than a Special Purpose Subsidiary) or any of their respective assets to incur any liability, direct or indirect, contingent or otherwise, in respect of any obligation of a Special Purpose Subsidiary whether arising under or in connection with any Receivable Financing Transaction or otherwise.

9.16 Interest Rate Agreements. Enter into, or become a party to, any Interest Rate Agreement that is speculative in nature.

#### SECTION 10. GUARANTEE

10.1 Guarantee. (a) The U.S. Borrower hereby unconditionally and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Administrative Agent and the Lenders and their respective successors, indorseees, transferees and assigns, the prompt and complete payment and performance by each of the other Borrowers when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) The U.S. Borrower further agrees to pay any and all expenses (including, without limitation, all reasonable fees and disbursements of counsel, provided that the U.S. Borrower shall only be required to pay the fees and disbursements of (i) one counsel for the Administrative Agent, (ii) one counsel for the Lenders and (iii) one counsel for the Administrative Agent and the Multicurrency Lenders in the jurisdiction of each Foreign Subsidiary Borrower) which may be paid or incurred by the Administrative Agent, or any Lender in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the U.S. Borrower under this Section. This Section shall remain in full force and effect until the Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto any Borrower may be free from any Obligations.

(c) No payment or payments made by any Borrower or any other Person or received or collected by the Administrative Agent or any Lender from any Borrower or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Obligations shall be deemed to

78

72

modify, reduce, release or otherwise affect the liability of the U.S. Borrower hereunder which shall, notwithstanding any such payment or payments, remain liable hereunder for the Obligations until the Obligations are paid in full and the Commitments are terminated.

(d) The U.S. Borrower agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability hereunder, it will notify the Administrative Agent and such Lender in writing that such payment is made under this Section for such purpose.

10.2 No Subrogation. Notwithstanding any payment or payments made by the U.S. Borrower hereunder, or any set-off or application of funds of the U.S. Borrower by the Administrative Agent or any Lender, the U.S. Borrower shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the other Borrowers or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall the U.S. Borrower seek or be entitled to seek any contribution or reimbursement from the other Borrowers in respect of payments made by the U.S. Borrower hereunder, until all amounts owing to the Administrative Agent and the Lenders by the other Borrowers on account of the Obligations are paid in full and the Commitments are terminated. If any amount shall be paid to the U.S. Borrower on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by the U.S. Borrower in trust for the Administrative Agent and the Lenders, segregated from other funds of the U.S. Borrower, and shall, forthwith upon receipt by the U.S. Borrower, be turned over to the Administrative Agent in the exact form received by the U.S. Borrower (duly indorsed by the U.S. Borrower to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

10.3 Amendments, etc. with respect to the Obligations; Waiver of Rights. The U.S. Borrower shall remain obligated hereunder notwithstanding that, without any reservation of rights against the U.S. Borrower, and without notice to or further assent by the U.S. Borrower, any demand for payment of any of the Obligations made by the Administrative Agent or any Lender may be rescinded by such Administrative Agent or such Lender, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and any Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in

accordance with the provisions thereof as the Administrative Agent or the Lenders (or the Majority Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. None of the Administrative Agent or any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against the

U.S. Borrower, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on any other Borrowers or any other guarantor, and any failure by the Administrative Agent or any Lender to make any such demand or to collect any payments from any such Borrower or any such other guarantor or any release of such Borrower or such other guarantor shall not relieve the U.S. Borrower of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any Lender against the U.S. Borrower. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

10.4 Guarantee Absolute and Unconditional. The U.S. Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Agreement or acceptance of this Agreement; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Agreement; and all dealings between the Borrowers and the U.S. Borrower and the other Borrowers, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Agreement. The U.S. Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the other Borrowers and the U.S. Borrower with respect to the Obligations. This Section 10 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrowers (other than the U.S. Borrower) against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrowers or the U.S. Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrowers for the Obligations, or of the U.S. Borrower under this Section 10, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Borrower, the Administrative Agent and any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against the other Borrowers or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from such other Borrowers or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the other Borrowers or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve the U.S. Borrower of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against the U.S. Borrower. This Section 10 shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the U.S. Borrower and its successors and assigns, and shall inure to the benefit of the Administrative Agent and the Lenders, and their respective successors, indorsees, transferees and assigns, until all the Obligations and the obligations of the U.S. Borrower under this Agreement shall have been satisfied by payment in full and the

Commitments shall be terminated, notwithstanding that from time to time during the term of this Agreement the Borrowers may be free from any Obligations.

10.5 Reinstatement. This Section 10 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

10.6 Payments. The U.S. Borrower hereby agrees that all payments required to be made by it hereunder will be made to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, as the case may be, without set-off or counterclaim in accordance with the terms of the Obligations, including, without limitation, in the currency in which payment is due.

#### SECTION 11. EVENTS OF DEFAULT

Upon the occurrence of any of the following events:

(a) Any Borrower shall fail to pay (i) any principal of any Loans when due (whether at the stated maturity, by acceleration or otherwise) in accordance with the terms thereof or hereof or (ii) any interest on any Loans, or any fee or other amount payable hereunder, within five days after any such interest, fee or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made or deemed made by the U.S. Borrower or any other Loan Party herein or in any other Loan Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) The U.S. Borrower or any other Loan Party shall default in the observance or performance of any negative covenant contained in Section 9; or

(d) The U.S. Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document other than as provided in (a) through (c) above, and such default shall continue unremedied for a period of 30 days; or

(e) Any Loan Document shall cease, for any reason, to be in full force and effect, or the U.S. Borrower or any other Loan Party shall so assert; or any security interest created by any of the Security Documents shall cease to be enforceable and of the same

effect and priority purported to be created thereby, except, in each case, as provided in subsection 13.19; or

(f) The Subsidiary Guarantee shall cease, for any reason, to be in full force and effect, or any guarantor thereunder shall so assert, except as provided in subsection 13.19; or

(g) The subordination provisions contained in any instrument pursuant to which the Subordinated Debt was created or in any instrument evidencing such Subordinated Debt shall cease, for any reason, to be in full force and effect or enforceable in accordance with their terms; or

(h) The U.S. Borrower or any of its Subsidiaries shall (i) default in any payment of principal of or interest on any Indebtedness (other than Indebtedness under this Agreement), in the payment of any Guarantee Obligation or in the payment of any Interest Rate Agreement Obligation, in any case where the principal amount thereof then outstanding exceeds \$40,000,000 beyond the period of grace (not to exceed 60 days), if any, provided in the instrument or agreement under which such Indebtedness, Guarantee Obligation or Interest Rate Agreement Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness, Guarantee Obligation or Interest Rate Agreement Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or, beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable; or

(i) (i) The U.S. Borrower or any Material Subsidiary shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the U.S. Borrower or any Material Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the U.S. Borrower or any Material Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the U.S. Borrower or any Material Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its

assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the U.S. Borrower or any Material Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the U.S. Borrower or any Material Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(j) (i) Any Person shall engage in any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to

terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Majority Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the U.S. Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Majority Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist, with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to subject the U.S. Borrower or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the U.S. Borrower and its Subsidiaries taken as a whole; or

(k) One or more judgments or decrees shall be entered against the U.S. Borrower or any of its Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance) of \$40,000,000 or more and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(l) (i) Any Person or "group" (within the meaning of Section 13(d) or 15(d) of the Exchange Act) (A) shall have acquired beneficial ownership of 35% or more of any outstanding class of capital stock of the U.S. Borrower having ordinary voting power in the election of directors or (B) shall obtain the legal right (whether or not exercised) to elect a majority of the U.S. Borrower's directors or (ii) the Board of Directors of the U.S. Borrower shall not consist of a majority of Continuing Directors;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (i) above with respect to the U.S. Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable, and (B) if such

event is any other Event of Default, any of the following actions may be taken: (i) with the consent of the Majority Lenders, the Administrative Agent may, or upon therequest of the Majority Lenders, the Administrative Agent shall, by notice to the U.S. Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; (ii) with the consent of the Majority Lenders, the Administrative Agent may, or upon the direction of the Majority Lenders, the Administrative Agent shall, by notice of default to the U.S. Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable and (iii) the Administrative Agent may, and upon the direction of the Majority Lenders shall, exercise any and all remedies and other rights provided pursuant to this Agreement and/or the other Loan Documents.

Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

SECTION 12. THE ADMINISTRATIVE AGENT; DOCUMENTATION  
AGENT; CO-SYNDICATION AGENTS; MANAGING  
AGENTS; LEAD MANAGERS AND CO-AGENTS

12.1 Appointment. Each Lender hereby irrevocably designates and appoints Chase as the Administrative Agent of such Lender under this Agreement and the other Loan Documents, and each Lender irrevocably authorizes Chase to act as the Administrative Agent of such Lender, and to take such action

on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent, by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

12.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

12.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Person's gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Borrower or other Person or any

84

78

officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of a Borrower or any other Person to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document or to inspect the properties, books or records of the Borrowers.

12.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrowers or any of them), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified as between itself and the Lenders in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Majority Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

12.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender or a Borrower referring to this Agreement, describing such Default or

Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action reasonably promptly with respect to such Default or Event of Default as shall be reasonably directed by the Majority Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

12.6 Non-Reliance on Administrative Agent and Other Lender. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs

85

79

of any Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrowers and made its own decision to make its Extensions of Credit hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrowers. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrowers which may come into the possession of the Administrative Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates.

12.7 Indemnification. Each Lender agrees to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to its Aggregate Total Outstandings on the date on which indemnification is sought from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent. The agreements in this subsection shall survive the payment of the Loans and all other amounts payable hereunder.

12.8 Administrative Agent in its Individual Capacity. The Administrative Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrowers as though the Administrative Agent were not the Administrative Agent hereunder and under the other Loan Documents. With respect to the Loans made or renewed by the Administrative Agent, and any Note issued to it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the



Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

86

80

12.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Majority Lenders shall appoint from among the Lenders a successor administrative agent for the Lenders, which successor administrative agent shall be approved by the U.S. Borrower (such approval not to be unreasonably withheld), whereupon such successor administrative agent shall succeed to the rights, powers and duties of the resigning Administrative Agent, and the term "Administrative Agent" shall mean such successor administrative agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. After any resigning Administrative Agent's resignation as Administrative Agent, the provisions of this subsection shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

12.10 The Managing Agents, Co-Agents and Lead Managers, Documentation Agent and Co-Syndication Agents. Each Lender, the Documentation Agent and each Managing Agent, Co-Agent, Lead Manager and Co-Syndication Agent acknowledge that the Documentation Agent and each Managing Agent, Co-Agent, Lead Manager and Co-Syndication Agent, in such capacity, shall have no duties or responsibilities, and shall incur no liabilities, under this Agreement or the other Loan Documents in its respective capacity as such.

12.11 Actions Under Security Documents. With respect to any action under or in respect of the Security Documents that the provisions of this Agreement permit or require the Administrative Agent to take only with the consent, or upon the direction, of all of the Lenders or the Majority Lenders, as the case may be, the Lenders acknowledge that the Administrative Agent shall be required to take such action only if such action is approved by, in addition to all the Lenders or the Majority Lenders, as the case may be, such instructing group of lenders under each of the Other Credit Agreements as the Other Credit Agreements require for such action.

12.12 Intercreditor Agreement. In the event that a Refinancing Agreement is entered into, the Administrative Agent is authorized and directed to enter into an intercreditor agreement reasonably satisfactory to the Administrative Agent as contemplated by the definition of Refinancing Agreement set forth in subsection 1.1, and to enter into such amendments, if any, to the Subsidiary Guarantee and the Security Documents as it shall reasonably deem required in order to give effect to such intercreditor agreement, provided, that, in any case, the Indebtedness of the U.S. Borrower hereunder and under the Other Credit Agreements (including any Refinancing Agreement in respect of either of the Other Credit Agreements) shall be pari passu and equally and ratably secured.

87

81

#### SECTION 13. MISCELLANEOUS

13.1 Amendments and Waivers. (a) Neither this Agreement or any other Loan Document, nor any terms hereof or thereof may be amended,

supplemented, waived or modified except in accordance with the provisions of this subsection 13.1. The Majority Lenders may, or, with the written consent of the Majority Lenders, the Administrative Agent may, from time to time, (i) enter into with the U.S. Borrower written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Lenders or of the U.S. Borrower hereunder or thereunder or (ii) waive at the U.S. Borrower's request, on such terms and conditions as the Majority Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall:

(A) reduce the amount or extend the scheduled date of maturity of any Loan or of any scheduled installment thereof, or reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Multicurrency Commitment or Revolving Credit Commitment, in each case without the consent of each Lender affected thereby;

(B) amend, supplement, modify or waive any provision of this subsection 13.1 or reduce the percentages specified in the definition of "Majority Lenders" or consent to the assignment or transfer by the U.S. Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, in each case without the consent of all the Lenders or reduce the percentages specified in the definitions of "Majority Revolving Credit Lenders, Majority Term Loan Lenders or Majority Multicurrency Lenders without the consent of all of the Revolving Credit Lenders, Term Loan Lenders or Multicurrency Lenders, as the case may be;

(C) amend, supplement, modify or waive any provision of Section 2 or any other provision of this Agreement governing the rights or obligations of the Administrative Agent without the consent of the then Administrative Agent;

(D) amend, modify or waive any provision of subsection 5.8 without the consent of each Lender affected thereby; or

(E) release all or substantially all of the guarantees contained in Section 10 and under the Subsidiary Guarantee or all or substantially all of the Collateral under, and as defined in, the Security Documents without the consent of each Lender other than as permitted under subsection 13.18.

Any waiver and any amendment, supplement or modification pursuant to this subsection 13.1 shall apply to each of the Lenders and shall be binding upon the Borrowers, the Lenders, the

Administrative Agent, and all future holders of the Loans. In the case of any waiver, the Borrowers, the Lenders, the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

(b) In addition to amendments effected pursuant to the foregoing paragraph (a), Schedules II and III may be amended as follows:

(i) Schedule II will be amended to add Subsidiaries of the U.S. Borrower as additional Foreign Subsidiary Borrowers upon (A) execution and delivery by the U.S. Borrower, any such Foreign Subsidiary Borrower and the Administrative Agent, of a Joinder Agreement providing for any such Subsidiary to become a Foreign Subsidiary Borrower, and (B) delivery to the Administrative Agent of (I) a Foreign Subsidiary Opinion in respect of such additional Foreign

Subsidiary Borrower and (II) such other documents with respect thereto as the Administrative Agent shall reasonably request.

(ii) Schedule II will be amended to remove any Subsidiary as a Foreign Subsidiary Borrower upon (A) execution and delivery by the U.S. Borrower of a written amendment providing for such amendment and (B) repayment in full of all outstanding Loans of such Foreign Subsidiary Borrower.

(iii) Schedule III will be amended (A) to change administrative information contained therein (other than any interest rate definition, funding time, payment time or notice time contained therein) or (B) to add Available Foreign Currencies (and related interest rate definitions and administrative information) with the approval of the Majority Multicurrency Lenders, in each case, upon execution and delivery by the U.S. Borrower and the Administrative Agent of a written amendment providing for such amendment.

(iv) Schedule III will be amended to conform any funding time, payment time or notice time contained therein to then-prevailing market practices, upon execution and delivery by the U.S. Borrower and the Administrative Agent of a written amendment providing for such amendment.

(v) Schedule III will be amended to change any interest rate definition contained therein, upon execution and delivery by the U.S. Borrower, all the Multicurrency Lenders and the Administrative Agent of a written amendment providing for such amendment.

(c) In addition to the amendments effected pursuant to the foregoing paragraphs (a) and (b), this Agreement may be amended, or amended and restated, contemporaneously with the occurrence of the Revolving Credit Termination Date under (and as defined in) the Amended and Restated Credit Agreement, at the request of the U.S. Borrower and with the consent of the Administrative Agent but without the consent of any Lender or other party hereto, solely to

provide for the inclusion in this Agreement of provisions permitting the Revolving Credit Commitments to be used for the issuance of letters of credit and the making of swing line loans and money market swing line loans. The provisions included in this Agreement pursuant to any such amendment or amendment and restatement shall in each case be substantially equivalent to the provisions in the Amended and Restated Credit Agreement relating to Letters of Credit, Swing Line Loans and Money Market Rate Swing Line Loans (as such terms are defined in the Amended and Restated Credit Agreement) mutatis mutandis. Without limiting the foregoing, under this Agreement (i) the letter of credit fee shall be equal to the Applicable Margin with respect to Revolving Credit Loans which are Eurodollar Loans (less the fronting fee payable to the issuing lender at the rate of 0.125% per annum), (ii) the swing line loans (other than money market rate swing line loans) shall bear interest at the Alternate Base Rate, and money market rate swing line loans shall bear interest at the money market rate determined in accordance with the procedures equivalent to those set forth in the Amended and Restated Credit Agreement with respect to Money Market Rate Swing Line Loans, (iii) the maximum aggregate face amount of letters of credit at any time outstanding shall not exceed \$250,000,000, (iv) the amount of the swing line commitment shall not exceed \$150,000,000, (v) Letters of Credit outstanding under the Amended and Restated Credit Agreement on the date on which the amendment described in this paragraph becomes effective shall become letters of credit under this Agreement and (vi) no letters of credit outstanding under this Agreement shall have an expiry date later than the Revolving Credit Termination Date. The Issuing Lender and Swing Line Lender under the Amended and Restated Credit Agreement shall be the issuing lender and swing line lender under this Agreement, and the Revolving Credit Lenders shall acquire participating interests in, and shall receive fees with respect to, letters of credit and swing line loans under this Agreement under provisions substantially equivalent to the applicable provisions set forth in the Amended and Restated Credit Agreement.

(d) The Administrative Agent shall give prompt notice to each Lender of any amendment effected pursuant to subsection 13.1(b) or (c).

13.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or five days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, or, in the case of delivery by a nationally recognized overnight courier, when received, addressed as follows in the case of the Borrowers and the Administrative Agent, and as set forth in Schedule I in the case of the other parties hereto, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The U.S. Borrower:      Lear Corporation  
21557 Telegraph Road  
Southfield, Michigan 48034  
Attention: Raymond F. Lowry  
Telecopy: (248) 447-1730

90

84

The Foreign  
Subsidiary Borrowers:      Lear Corporation  
21557 Telegraph Road  
Southfield, Michigan 48034  
Attention: Raymond F. Lowry  
Telecopy: (248) 447-1730

The Administrative Agent:      The Chase Manhattan Bank  
270 Park Avenue  
New York, New York 10017  
Attention: Richard Smith  
Telecopy: (212) 270-5100

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders pursuant to subsection 2.3, 3.3, 4.3, 5.2, 5.4 or 5.7 shall not be effective until received.

13.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Borrower, the Administrative Agent, or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

13.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in the other Loan Documents (or in any amendment, modification or supplement hereto or thereto) and in any certificate delivered pursuant hereto or such other Loan Documents shall survive the execution and delivery of this Agreement and the Notes and the making of the Loans hereunder.

13.5 Payment of Expenses and Taxes. The U.S. Borrower agrees (a) to pay or reimburse the Administrative Agent for all its reasonable out-of-pocket costs and reasonable expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the Notes and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent, (b) to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes and any such other documents, including, without limitation, fees and disbursements of counsel to

the Administrative Agent and the reasonable fees and disbursements of counsel to the several Lenders, and (c) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective directors, officers, employees and agents harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable

in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Notes and the other Loan Documents, the use or proposed use by the Borrowers of the proceeds of the Loans (all the foregoing, collectively, the "indemnified liabilities"); provided that the U.S. Borrower shall have no obligation hereunder to (i) the Administrative Agent with respect to indemnified liabilities arising from the gross negligence or willful misconduct of the Administrative Agent or (ii) any Lender with respect to indemnified liabilities arising from the gross negligence or willful misconduct of such Lender, in each case as finally determined by a court of competent jurisdiction. The agreements in this subsection shall survive repayment of the Loans and all other amounts payable hereunder.

#### 13.6 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrowers, the Lenders, the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that no Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrowers and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. Any agreement pursuant to which any Lender shall sell any such participating interest shall provide that such Lender shall retain the sole right and responsibility to exercise such Lender's rights and enforce the Borrowers' obligations hereunder, including the right to consent to any amendment, supplement, modification or waiver of any provision of this Agreement or any of the other Loan Documents, provided that such participation agreement may provide that such Lender will not agree to any amendment, supplement, modification or waiver described in clause (A) or (B) of the proviso to the second sentence of subsection 13.1(a) without the consent of the Participant. Each Borrower agrees that if amounts outstanding under this Agreement are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided that, in purchasing such

participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in subsection 13.7(a) as fully as if it were a Lender hereunder. Each Borrower agrees that each Participant shall be entitled to the benefits of subsections 5.10, 5.11, 5.12 and 13.6 with respect to its participation in the Commitments and the Loans outstanding from time to time hereunder as if it was a Lender; provided, that no Participant shall be entitled to receive any greater amount pursuant to such subsections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transfer or Lender to such Participant had no such transfer occurred.

(c) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time and from time to time assign to any Lender or any Affiliate thereof or, with the prior written consent of the U.S. Borrower (such consent not to be unreasonably withheld) and the Administrative Agent (such consent not to be unreasonably withheld), to an additional bank or financial institution (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Loan Documents including, without limitation, its Commitments and Loans, pursuant to an Assignment and Acceptance, substantially in the form of Exhibit K, executed by such Assignee, such assigning Lender (and, in the case of an Assignee that is not then a Lender or an Affiliate thereof, by the U.S. Borrower and the Administrative Agent) and delivered to the Administrative Agent for their acceptance and recording in the Register; provided that (i) if any Lender assigns a part of its rights and obligations under this Agreement in respect of its Revolving Credit Loans and/or Revolving Credit Commitment to an Assignee, such Lender shall assign proportionate interests in Multicurrency Loans and Multicurrency Commitments (provided, that, with the consent of the U.S. Borrower and the Administrative Agent, a Lender may assign portions of its Revolving Credit Commitment without assigning a proportionate share of its Multicurrency Commitment if either (A) such proportionate share of such Multicurrency Commitment shall be assumed by another Lender or (B) if the U.S. Borrower so agrees, such proportionate share of such Multicurrency Commitment shall be terminated), (ii) in the case of any such assignment to an additional bank or financial institution, the aggregate amount of any Revolving Credit Commitment (or, if the Revolving Credit Commitments have terminated or expired, the aggregate principal amount of any Revolving Credit Loans) and Term Loans being assigned shall not be less than \$10,000,000 (or (i) if less, the then outstanding amount of such Lender's Revolving Credit Commitment and Term Loans or (ii) such lesser amount as may be agreed by the U.S. Borrower and the Administrative Agent), and after giving effect to such assignment such assignor Lender, if it retains any Revolving Credit Commitment or Term Loans, shall retain a Revolving Credit Commitment and Term Loans aggregating at least \$10,000,000. Upon such execution, delivery, acceptance and recording, from and after the closing date determined pursuant to such Assignment and Acceptance, (I) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with Commitments, rights in respect of Loans as set forth therein, and (II) the assigning Lender thereunder shall be released from its obligations under this Agreement to the extent that such obligations shall have been expressly assumed by the Assignee pursuant to such Assignment and Acceptance (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto). Notwithstanding the foregoing, no

consent of the Borrower shall be required for any assignment effected while an Event of Default under Section 11(i) is in existence.

(d) The Administrative Agent, on behalf of the Borrowers, shall maintain at their respective addresses referred to in subsection 13.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitments of, and principal amounts of the Loans and Acceptances owing to, each Lender from time to time. The entries in the Register shall constitute prima facie evidence of the information recorded therein, and the Borrowers, the

Administrative Agent and the Lenders may (and, in the case of any Loan or other obligation hereunder not evidenced by a Note, shall) treat each Person whose name is recorded in the Register as the owner of a Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Loan Documents, notwithstanding any notice to the contrary. Any assignment of any Loan or other obligation hereunder not evidenced by a Note shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the U.S. Borrowers or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Assignee (and, in the case of an Assignee that is not then a Lender or an Affiliate thereof, executed by the Borrowers and the Administrative Agent), together with payment to the Administrative Agent of a registration and processing fee of \$3,500, the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register and give prompt notice of such acceptance and recordation to the Lenders and the Borrowers.

(f) Each Borrower authorizes each Lender to disclose to any Participant or Assignee (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning such Borrower and its Affiliates which has been delivered to such Lender by or on behalf of such Borrower pursuant to this Agreement or which has been delivered to such Lender by or on behalf of such Borrower in connection with such Lender's credit evaluation of such Borrower and its Affiliates prior to becoming a party to this Agreement; provided, that any such Transferee is advised of the confidential nature of such information, if applicable, such Lender takes reasonable steps, in accordance with customary practices, to ensure that any such information is not used in violation of federal or state securities laws and such Lender otherwise complies with subsection 13.21.

(g) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this subsection concerning assignments of Loans and Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by a Lender of any Loan or Note to any Federal Reserve Bank in accordance with applicable law.

(h) If, pursuant to this subsection, any interest in this Agreement or any Loan is transferred from a Lender to any Transferee which is organized under the laws of any jurisdiction

94

88

other than the United States or any state thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to agree (for the benefit of the transferor Lender, the Administrative Agent and the U.S. Borrower) to provide the transferor Lender (and, in the case of any Transferee registered in the Register, the Administrative Agent and the U.S. Borrower) the tax forms and other documents required to be delivered pursuant to subsection 5.12(b) or (c) and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

(i) If, pursuant to this subsection, any interest in this Agreement or any Loan is transferred from a Lender (other than a Lender) to any Transferee, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to agree (for the benefit of the transferor Lender, the Administrative Agent and the Foreign Subsidiary Borrowers) to provide the transferor Lender, the Administrative Agent and the Foreign Subsidiary Borrowers the tax forms and other documents required to be delivered pursuant to subsection 5.12(c) and (e) and to comply from time to time with all applicable laws and regulations with regard to such withholding tax exemption.

13.7 Adjustments; Set-Off. (a) If any Lender (a "Benefitted Lender") shall at any time receive any payment of all or part of its Loans then due and owing to it from any Borrower, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11(i), or

otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans then due and owing to it from such Borrower, or interest thereon, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loans owing to it from such Borrower, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to any Borrower, any such notice being expressly waived by the Borrowers to the extent permitted by applicable law, upon any amount becoming due and payable hereunder (whether at the stated maturity thereof, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch, agency or Affiliate thereof to or for the credit or the account of such Borrower. Each Lender agrees promptly to notify the Borrowers and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

95

89

13.8 Loan Conversion/Participations. (a) (i) On any Conversion Date, to the extent not otherwise prohibited by a Requirement of Law or otherwise, all Loans outstanding in any currency other than U.S. Dollars ("Loans to be Converted") shall be converted into U.S. Dollars (calculated on the basis of the relevant Exchange Rates as of the Business Day immediately preceding the Conversion Date) ("Converted Loans"), and (ii) on the Conversion Date (with respect to Loans described in the foregoing clause (i)) (A) each Lender severally, unconditionally and irrevocably agrees that it shall purchase in U.S. Dollars a participating interest in such Converted Loans in an amount equal to its Conversion Sharing Percentage of the outstanding principal amount of the Converted Loans, and (B) to the extent necessary to cause the Revolving Outstandings Percentage of each Lender, after giving effect to the purchase and sale of participating interests under the foregoing clause (ii), to equal its Revolving Credit Commitment Percentage (calculated immediately prior to the termination or expiration of the Revolving Credit Commitments), each Lender severally, unconditionally and irrevocably agrees that it shall purchase or sell a participating interest in Revolving Credit Loans then outstanding. Each Lender will immediately transfer to the Administrative Agent, in immediately available funds, the amounts of its participation(s), and the proceeds of such participation(s) shall be distributed by the Administrative Agent to each Lender from which a participating interest is being purchased in the amount(s) provided for in the preceding sentence. All Converted Loans shall bear interest at the rate which would otherwise be applicable to ABR Loans.

(b) If, for any reason, the Loans to be Converted may not be converted into U.S. Dollars in the manner contemplated by paragraph (a) of this subsection 13.8, (i) the Administrative Agent shall determine the U.S. Dollar Equivalent of the Loans to be Converted (calculated on the basis of the Exchange Rate as of the Business Day immediately preceding the date on which such conversion would otherwise occur pursuant to paragraph (a) of this subsection 13.8), (ii) effective on such Conversion Date, each Lender severally, unconditionally and irrevocably agrees that it shall purchase in U.S. Dollars a participating interest in such Loans to be Converted in an amount equal to its Conversion Sharing Percentage of such Loans to be Converted and (iii) each Lender shall purchase or sell participating interests as provided in paragraph (a)(ii) of this subsection 13.8. Each Lender will immediately transfer to the Administrative Agent, in immediately available funds, the amount(s) of its participation(s), and the proceeds of such participation(s) shall be distributed



by the Administrative Agent to each relevant Lender in the amount(s) provided for in the preceding sentence.

(c) To the extent any Taxes are required to be withheld from any amounts payable by a Lender (the "First Lender") to another Lender (the "Other Lender") in connection with its participating interest in any Converted Loan, each Borrower, with respect to the relevant Loans made to it, shall be required to pay increased amounts to the Other Lender receiving such payments from the First Lender to the same extent they would be required under subsection 5.12 if such Borrower were making payments with respect to the participating interest directly to the Other Lender.

(d) To the extent not prohibited by any Requirement of Law or otherwise, at any time after the actions contemplated by paragraphs (a) or (b) of this subsection 13.8 have been taken, upon the notice of any Lender to the Borrowers the following shall occur: (i) the U.S.

96

90

Borrower (through the guarantee contained in Section 10) shall automatically be deemed to have assumed the Converted Loans in which such Lender holds a participation, (ii) any Loans outstanding in any currency other than U.S. Dollars shall be converted into U.S. Dollars on the dates of such assumption (calculated on the basis of the Exchange Rate on the Business Day immediately preceding such date of assumption) and such Loans shall bear interest at the rate which would otherwise be applicable to ABR Loans and (iii) such Loans shall be assigned by the relevant Lender holding such Loans or obligations to the Lender who gave the notice requesting such assumption by the U.S. Borrower.

13.9 Intercreditor Agreement. The Administrative Agent is hereby authorized to enter into an intercreditor agreement, in form and substance reasonably satisfactory to it, to allow up to \$75,000,000 in loans outstanding on the Closing Date and owing to Deutsche Bank AG New York Branch and/or Cayman Islands Branch and Toronto Dominion (Texas), Inc., or their respective affiliates, to be equally and ratably secured by the Collateral and to benefit from guarantees from the Subsidiary Guarantors on a basis which is *pari passu* with the Subsidiary Guarantee.

13.10 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be delivered to the Borrowers and the Administrative Agent.

13.11 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.12 Integration. This Agreement and the other Loan Documents represent the agreement of the Borrowers, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrowers, the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

13.13 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

13.14 Submission to Jurisdiction; Waivers. (a) Each Borrower hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement or any other Loan Document to which it is a party, or for recognition

and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Borrower at its address set forth in subsection 13.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) Each Foreign Subsidiary Borrower hereby irrevocably appoints the U.S. Borrower as its agent for service of process in any proceeding referred to in subsection 13.13(a) and agrees that service of process in any such proceeding may be made by mailing or delivering a copy thereof to its care of U.S. Borrower at its address for notice set forth in subsection 13.2.

13.15 Acknowledgement. Each Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) none of the Administrative Agent or any Lender has any fiduciary relationship with or duty to such Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and the Lenders, on the one hand, and the U.S. Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrowers and the Lenders.

13.16 WAIVERS OF JURY TRIAL. EACH OF THE BORROWERS, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.17 Power of Attorney. Each Foreign Subsidiary Borrower hereby grants to U.S. Borrower an irrevocable power of attorney to act as its attorney-in-fact with regard to matters relating to this Agreement and each other Loan Document, including, without limitation, execution and delivery of any amendments, supplements, waivers or other modifications hereto or thereto, receipt of any notices hereunder or thereunder and receipt of service of process in connection herewith or therewith. Each Foreign Subsidiary Borrower hereby explicitly acknowledges that the Administrative Agent and each Lender have executed and delivered this Agreement and each other Loan Document to

which it is a party, and has performed its obligations under this Agreement and each other Loan Document to which it is a party, in reliance upon the irrevocable grant of such power of attorney pursuant to this subsection. The power of attorney granted by each Foreign Subsidiary Borrower hereunder is coupled with an interest.

13.18 [Reserved].

13.19 Release of Collateral and Guarantees. (a) The Lenders hereby agree with the U.S. Borrower, and hereby instruct the Administrative Agent, that if (i) the U.S. Borrower attains Release Status, (ii) the Administrative Agent has no actual knowledge of the existence of a Default, (iii) the U.S. Borrower shall have delivered a certificate of a Responsible Officer stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default, and (iv) all Bond Guarantees shall have been released or shall be released concurrently with the requested release of the Subsidiary Guarantee, the Administrative Agent shall, at the request and expense of the U.S. Borrower, take such actions as shall be reasonably requested by the U.S. Borrower to release its security interest in all collateral held by it pursuant to the Security Documents and to release all Subsidiary Guarantors from their obligations under the Subsidiary Guarantee. In such event, the provisions of subsection 8.10 shall be deemed terminated and of no further force or effect.

(b) The Lenders hereby agree with the U.S. Borrower, and hereby instruct the Administrative Agent, that if (i) on any date the ratio of Consolidated Indebtedness on such date to Consolidated Operating Profit for the four consecutive fiscal quarters most recently ended, is less than 2.50 to 1.00, (ii) the Administrative Agent has no actual knowledge of the existence of a Default, (iii) the U.S. Borrower shall have delivered a certificate of a Responsible Officer stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default, and (iv) all Bond Guarantees shall have been released or shall be released simultaneously with the requested release of the Subsidiary Guarantee, the Administrative Agent shall, at the request and expense of the U.S. Borrower, take such actions as shall be reasonably requested by the U.S. Borrower to release its security interest in all collateral held by it pursuant to the Security Documents and to release all Subsidiary Guarantors from their obligations under the Security Guarantee. In such event, the provisions of subsection 8.10 shall be deemed terminated and of no further force or effect.

(c) The Lenders hereby agree with the U.S. Borrower, and hereby instruct the Administrative Agent, that if the U.S. Borrower shall have delivered to the Administrative Agent written notice that it proposes to sell or otherwise dispose of any Subsidiary whose stock is

pledged pursuant to a Pledge Agreement or which is a Subsidiary Guarantor, and such disposition is permitted by this Agreement, the Administrative Agent shall, at the request and expense of the U.S. Borrower, take such actions as shall be reasonably requested by the U.S. Borrower to release its security interest in the stock of such Subsidiary and to release such Subsidiary Guarantor from its obligations under the Subsidiary Guarantee; provided, that such Subsidiary shall have been, or shall simultaneously be, released from all Bond Guarantees.

13.20 Judgment. (a) If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in one currency into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency in the city in which it normally conducts its foreign exchange operation for the first currency on the Business Day preceding the day on which final judgment is given.

(b) The obligation of each Borrower in respect of any sum due from it to any Lender hereunder shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by such Lender of any sum adjudged to be so due in the

Judgment Currency such Lender may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency; if the amount of Agreement Currency so purchased is less than the sum originally due to such Lender in the Agreement Currency, such Borrower agrees notwithstanding any such judgment to indemnify such Lender against such loss, and if the amount of the Agreement Currency so purchased exceeds the sum originally due to any Lender, such Lender agrees to remit to such Borrower such excess.

13.21 Confidentiality. Each Lender agrees to take normal and reasonable precautions to maintain the confidentiality of information designated in writing as confidential and provided to it by the U.S. Borrower or any Subsidiary in connection with this Agreement; provided, however, that any Lender may disclose such information (a) at the request of any bank regulatory authority or in connection with an examination of such Lender by any such authority, (b) pursuant to subpoena or other court process, (c) when required to do so in accordance with the provisions of any applicable law, (d) at the discretion of any other Governmental Authority, (e) to such Lender's Affiliates, independent auditors and other professional advisors or (f) to any Transferee or potential Transferee; provided that such Transferee agrees to comply with the provisions of this subsection 13.21.

13.22 Conflicts. In the event that there exists a conflict between provisions in this Agreement and provisions in any other Loan Document, the provisions of this Agreement shall control.

100

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

LEAR CORPORATION

By: /s/

-----  
Title:

101

LEAR CORPORATION SWEDEN AB

By: /s/

-----  
Title:

102

LEAR CORPORATION FRANCE SARL

By: /s/

-----  
Title:

103

LEAR CORPORATION ITALIA S.P.A.

By: /s/

-----  
Title:

104

BANCA DI ROMA - CHICAGO BRANCH

By:/s/

-----  
Title:

105

LEAR CORPORATION BETEILIGUNGS GMBH

By:/s/

-----  
Title:

106

THE CHASE MANHATTAN BANK, as  
Administrative Agent and as a Lender

By: /s/ \_\_\_\_\_  
Title:

107

BANCA DI ROMA - CHICAGO BRANCH

By: /s/ \_\_\_\_\_  
Title:

108

THE BANK OF NOVA SCOTIA

By: /s/ \_\_\_\_\_  
Title:

109

BANCA NAZIONALE DEL LAVORO S.P.A. NEW  
YORK BRANCH

By: /s/ \_\_\_\_\_  
Title:

By: /s/ \_\_\_\_\_  
Title:

110

BANCO ESPIRITO SANTO E COMERCIAL DE  
LISBOA, NASSAU BRANCH

By: /s/ \_\_\_\_\_  
Title:

By: /s/ \_\_\_\_\_  
Title:

111

NBD BANK

By: /s/

-----  
Title:

112

BANK OF AMERICA NT & SA

By: /s/

-----  
Title:

113

THE BANK OF NEW YORK

By: /s/

-----  
Title:

114

THE BANK OF TOKYO-MITSUBISHI TRUST  
COMPANY

By: /s/

-----  
Title:

115

BANKERS TRUST COMPANY

By: /s/

-----  
Title:

116

BANQUE NATIONALE DE PARIS

By: /s/ \_\_\_\_\_  
Title:

117

CHANG HWA COMMERCIAL BANK, LTD., NEW  
YORK BRANCH

By: /s/ \_\_\_\_\_  
Title:

118

CITICORP USA, INC., as Co-Syndication  
Agent and as a Lender

By: /s/ \_\_\_\_\_  
Title:

119

COMERICA BANK

By: /s/ \_\_\_\_\_  
Title:

120

CREDIT AGRICOLE INDOSUEZ

By: /s/ \_\_\_\_\_  
Title:

By: /s/ \_\_\_\_\_  
Title:

121

CREDIT SUISSE FIRST BOSTON

By: /s/



-----  
Title:

By: /s/

-----  
Title:

122

ERSTE BANK DER OESTERREICHISCHEN  
SPARKASSEN

By: /s/

-----  
Title:

123

FLEET NATIONAL BANK

By: /s/

-----  
Title:

124

THE FUJI BANK, LIMITED

By: /s/

-----  
Title:

125

THE INDUSTRIAL BANK OF JAPAN, LIMITED

By: /s/

-----  
Title:

126

MERITA BANK PLC, NEW YORK BRANCH

By: /s/

-----

Title:

By: /s/

-----  
Title:

127

MICHIGAN NATIONAL BANK

By: /s/

-----  
Title:

128

MORGAN STANLEY SENIOR FUNDING, INC., as  
Co-Syndication Agent and as a Lender

By: /s/

-----  
Title:

129

PARIBAS

By: /s/

-----  
Title:

130

ROYAL BANK OF CANADA

By: /s/

-----  
Title:

131

THE ROYAL BANK OF SCOTLAND plc

By: /s/

-----  
Title:

132

SKANDINAVISKA ENSKILDA BANKEN

By: /s/ \_\_\_\_\_  
Title:

133

SOCIETE GENERALE

By: /s/ \_\_\_\_\_  
Title:

134

SUNTRUST BANK, ATLANTA

By: /s/ \_\_\_\_\_  
Title:

135

TORONTO DOMINION (TEXAS), INC., as  
Documentation Agent and as a Lender

By: /s/ \_\_\_\_\_  
Title:

TORONTO-DOMINION BANK EUROPE LTD., as a  
Multicurrency Lender

By: /s/ \_\_\_\_\_  
Title:

136

WACHOVIA BANK

By: /s/ \_\_\_\_\_

Title:

137

SCHEDULE I

COMMITMENTS; ADDRESSES

A. Revolving Credit Commitment, Multicurrency Commitments (U.S. Dollars)  
and Term Loan Commitments

Lender -----	Revolving Credit Commitment -----	Multicurrency Commitment -----	Term Loan Commitment -----
The Chase Manhattan Bank	23,500,000	23,500,000	23,500,000
Banca Di Roma - Chicago Branch	7,500,000		7,500,000
The Bank of Nova Scotia	23,500,000	10,000,000	23,500,000
Banca Nazionale Del Lavoro S.P.A. New York Branch	12,500,000		12,500,000
Banco Espirito Santo E Comercial De Liboa, Nassau Branch	5,000,000		5,000,000
NBD Bank	23,500,000	15,000,000	23,500,000
Bank of America NT & SA	23,500,000	19,000,000	23,500,000
The Bank of New York	20,000,000		20,000,000
The Bank of Tokyo-Mitsubishi Trust Company	23,500,000		23,500,000
Bankers Trust Company	23,500,000	10,000,000	23,500,000
Banque Nationale De Paris	15,000,000		15,000,000
Chang Hwa Commerical Bank, LTD., New York Branch	7,500,000		7,500,000
Citicorp USA, Inc.	23,500,000	15,000,000	23,500,000

138

2

Lender -----	Revolving Credit Commitment -----	Multicurrency Commitment -----	Term Loan Commitment -----
Comerica Bank	20,000,000		20,000,000
Credit Agricole Indosuez	7,500,000	7,500,000	7,500,000
Credit Suisse First Boston	23,500,000		23,500,000
Erste Bank Der Oesterreichischen Sparkassen	7,500,000		7,500,000
Fleet National Bank	12,500,000		12,500,000
The Fuji Bank, Limited	20,000,000		20,000,000
The Industrial Bank of Japan, Limited	20,000,000		20,000,000
Merita Bank plc, New York Branch	7,500,000		7,500,000
Michigan National Bank	7,500,000	3,500,000	7,500,000
Morgan Stanley Senior Funding, Inc.	23,500,000		23,500,000
Paribas	7,500,000	5,000,000	7,500,000
Royal Bank of Canada	12,500,000		12,500,000
The Royal Bank of Scotland plc	20,000,000	16,500,000	20,000,000
Skandinaviska Enskilda Banken	12,500,000		12,500,000
Societe Generale	15,000,000	5,000,000	15,000,000
Suntrust Bank, Atlanta	15,000,000	10,000,000	15,000,000
Toronto Dominion (Texas), Inc.	23,500,000	15,000,000	23,500,000
Wachovia Bank	12,500,000	10,000,000	12,500,000
TOTAL	500,000,000	165,000,000	500,000,000

139

B. [RESERVED]

C. Addresses for Notices

BANCA DI ROMA - CHICAGO BRANCH  
225 West Washington, Suite 1200  
Chicago, IL 60606  
Attn: Jim Semonchik  
Tel: (312) 704-2629  
Fax: (312) 726-3058

BANK OF NOVA SCOTIA  
181 West Madison Street, Suite 3700  
Chicago, IL 60602  
Attn: Brian Hewett  
Tel: (312) 201-4145  
Fax: (312) 201-4108

BANCA NAZIONALE DEL LAVORO S.P.A., NEW YORK BRANCH  
25 West 51st Street  
New York, NY 10019  
Attn: Giulio Giovine  
Tel: (212) 581-0710  
Fax: (212) 765-2978

[BANCO ESPIRITO SANTO E COMERCIAL DE LISBOA, NASSAU BRANCH]

NBD BANK  
611 Woodward Avenue  
Detroit, MI 48226  
Attn: Thomas Lakocy  
Tel: (313) 225-2884  
Fax: (313) 225-2290

BANK OF AMERICA NT & SA  
231 South LaSalle Street  
Chicago, IL 60693  
Attn: Steve Ahrenholz  
Tel: (312) 828-1291  
Fax: (312) 987-7384

140

THE BANK OF NEW YORK  
One Wall Street, 22nd Floor  
New York, NY 10286  
Attn: William M. Barnum  
Tel: (212) 635-1066  
Fax: (212) 635-6434

THE BANK OF TOKYO-MITSUBUSHI LTD., NEW YORK BRANCH  
1251 Avenue of the Americas, 12th Floor  
New York, NY 10020-1104  
Attn: Friedrich N. Wilms  
Tel: (212) 782-4341  
Fax: (212) 782-6445

BANKERS TRUST COMPANY  
233 South Wacker Drive, Suite 8400  
Chicago, IL 60606  
Attn: Tom Cole  
Tel: (312) 993-8051  
Fax: (312) 993-8162

BANQUE NATIONALE DE PARIS  
209 South LaSalle Street, 5th Floor  
Chicago, IL 60604  
Attn: Christine L. Howatt  
Tel: (312) 977-1383  
Fax: (312) 977-1380

[CHANG HWA COMMERCIAL BANK, LTD., NEW YORK BRANCH]

CITICORP USA, INC.  
399 Park Avenue  
New York, NY 10043  
Attn: Elizabeth Palermo  
Tel: (212) 559-3533  
Fax: (212) 826-3375

COMERICA BANK  
Comerica Tower at Detroit Center  
500 Woodward Avenue, MC 3265  
Detroit, MI 48226  
Attn: Michael Shea  
Tel: (313) 222-2977  
Fax: (313) 222-3776

141

CREDIT AGRICOLE INDOSUEZ  
55 East Monroe Street, Suite 4700  
Chicago, IL 60603-5702  
Attn: Richard Drennan  
Tel: (312) 917-7441  
Fax: (312) 372-3724

CREDIT SUISSE FIRST BOSTON  
11 Madison Avenue  
New York, New York 10010-3829  
Attn: Kristin Lepri  
Tel: (212) 325-9058  
Fax: (212) 325-8309

[ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN]

FLEET NATIONAL BANK  
One Federal Street  
Boston, MA 02211  
Attn: Juan Jeffries  
Tel: (617) 346-4953  
Fax: (617) 346-0585

[THE FUJI BANK, LIMITED]

THE INDUSTRIAL BANK OF JAPAN, LIMITED  
227 West Monroe Street, Suite 2600  
Chicago, IL 60606  
Attn: David Geddy  
Tel: (312) 855-8482  
Fax: (312) 855-8200

MERITA BANK PLC, NEW YORK BRANCH  
437 Madison Avenue, 21st Floor  
New York, NY 10022  
Attn: William Keller  
Tel: (212) 318-9317

MICHIGAN NATIONAL BANK  
27777 Inkster Road  
Farmington Hills, MI 48333  
Attn: Christopher Mayone  
Tel: (248) 473-4357  
Fax: (248) 615-5910

142

[MORGAN STANLEY SENIOR FUNDING, INC.]

PARIBAS  
227 West Monroe, Suite 3300  
Chicago, IL 60606  
Attn: Nicholas C. Mast  
Tel: (312) 853-6038  
Fax: (312) 853-6020

ROYAL BANK OF CANADA  
One North Franklin Street, Suite 700  
Chicago, IL 60606  
Attn: Patrick K. Shields  
Tel: (312) 551-1629  
Fax: (312) 551-0805

[THE ROYAL BANK OF SCOTLAND PLC]

[SKANDINAVISKA ENSKILDA BANKEN]  
Magnus Lejdftrom  
Tel: (212) 907-4801

SOCIETE GENERALE  
181 West Madison Street, Suite 3400  
Chicago, IL 60602  
Attn: Eric Bellaiche  
Tel: (312) 578-5056  
Fax: (312) 578-5099

SUNTRUST BANK, ATLANTA  
25 Park Place  
Mailcode 118  
Atlanta, GA 30303  
Attn: Shelly Browne  
Tel: 404-230-5224  
Fax: 404-588-8505/658-4905

SUNTRUST BANK ATLANTA  
25 Park Place  
Mailcode 118  
Atlanta, GA 30303  
Attn: Jennifer Harrelson  
Tel: (404) 588-7461  
Fax: (404) 588-8505/658-4905

143

TD SECURITIES (USA) INC.  
70 W. Madison, Suite 5430  
Chicago, IL 60602  
Attn: Mario da Ponte  
Tel: (312) 977-2127  
Fax: (312) 782-6332

WACHOVIA CORPORATE SERVICES, INC.  
191 Peachtree Street, N.E.  
Atlanta, GA 30303  
Attn: Katie Trocron  
Tel: (404)  
Fax: (404) 332-6898

144

SCHEDULE II

FOREIGN SUBSIDIARY BORROWER

Name and Address - - - - -	Jurisdiction of Incorporation - - - - -
Lear Corporation Sweden AB c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	Sweden
Lear France SARL c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	France
Lear Corporation GmbH & Co. KG c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	Germany
Lear Corporation Beteiligungs GmbH c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	Germany
Lear Corporation Italia S.p.A. c/o Lear Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Raymond F. Lowry Telecopy: (248) 447-1730	Italy

145

1

#### SCHEDULE III

#### ADMINISTRATIVE SCHEDULE

#### I. MULTICURRENCY LOANS

##### A. Interest Rates for Each Currency

##### Sterling:

for any Interest Period in respect of any Tranche, the rate per annum equal to the average (rounded upward to the nearest 1/16th of 1%) of the rates at which Chase is offered deposits in Sterling in the Paris interbank market at or about 11:00 A.M., Paris time, on the Quotation Day for such Interest Period for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to Chase's Multicurrency Commitment Percentage of the applicable Multicurrency Loan.

##### Swedish Kroner:



for any Interest Period in respect of any Tranche, the rate per annum equal to the average (rounded upward to the nearest 1/16th of 1%) of the rates at which Chase is offered deposits in Swedish Kroner in the London interbank market at or about 11:00 A.M., London time, on the Quotation Day for such Interest Period for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to Chase's Multicurrency Commitment Percentage of the applicable Multicurrency Loan.

euro unit:

for any Interest Period in respect of any Tranche, the rate per annum for deposits in euro for a period beginning on the first day of such Interest Period and ending on the last day of such Interest Period which appears on Telerate Page 3750 (or, if no such quotation appears on such Telerate Page, on the appropriate Reuters Screen) as of 11:00 a.m., London time, on the Quotation Day of such Interest Period.

- B. Funding Office, Funding Time, Payment Office, Payment Time for Each Currency.

146

2

Sterling:

1. Funding Office:  
Account of: Chase Manhattan International Limited  
Account No: CHAPS 40 52 06  
Chase Manhattan Bank  
125 London Wall  
London EC2Y 5AJ
2. Funding Time: 11:00 A.M., local time.
3. Payment Office:  
Account of: Chase Manhattan International Limited  
Account No: CHAPS 40 52 06  
Chase Manhattan Bank  
125 London Wall  
London EC2Y 5AJ
4. Payment Time: 11:00 A.M., local time.

Swedish Kroner:

1. Funding Office:  
Account of: Chase Manhattan International Limited  
Account No: 52018519395
2. Funding Time: 11:00 A.M., local time.
3. Payment Office:  
Account of: Skandinaviska Enskilda Banken, Stockholm  
Account No: 52018519395
4. Payment Time: 11:00 A.M., local time.

euro unit:

1. Funding Office:  
Account of: Chase Manhattan International Limited

Account No: 6001600037  
The Chase Manhattan Bank AG, Frankfurt

2. Funding Time: 11:00 A.M., local time.

147

3

3. Payment Office:  
Account of: Chase Manhattan International Limited  
Account No: 6001600037  
The Chase Manhattan Bank AG, Frankfurt
4. Payment Time: 11:00 A.M., local time.

C. Notice of Multicurrency Loan Borrowing:

1. Deliver to: Chase Manhattan International Limited  
Trinity Tower  
9 Thomas More Street  
London E1 9YT  
Attention: Steve Clark  
Telephone No: 44-171-777-2353  
Fax No: 44-171-777-2360/2085
2. Time:  
Not later than 11:00 A.M., London time, on the last  
Business Day preceding the Quotation Day in respect of  
such Borrowing Date.
3. Information Required:  
Name of Foreign Subsidiary Borrower, amount to be  
borrowed, and Interest Periods.

D. Notice of Multicurrency Loan Continuation; Notice of  
Prepayment:

1. Deliver to: Chase Manhattan International Limited  
Trinity Tower  
9 Thomas More Street  
London E1 9YT  
Attention: Steve Clark  
Telephone No: 44-171-777-2353  
Fax No: 44-171-777-2360/2085
2. Time:  
Not later than 11:00 A.M., London time, on the last  
Business Day preceding the Quotation Day for the next  
Interest Period.
3. Information Required:  
Name of Foreign Subsidiary Borrower, amount to be  
continued or prepaid, as the case may be, and Interest  
Periods.

148

1

SCHEDULE IV

SECURITY DOCUMENTS

I. Pledge Agreements

1. Pledge Agreement, dated as of the date hereof, made by the U.S. Borrower and Lear Operations Corporation pledging 100% of the stock of Lear Operations Corporation and Lear Corporation Automotive Holdings in favor of the General Administrative Agent, substantially in the form of Exhibit Q to the Agreement.

2. Pledge Agreement to be entered into within 60 days after the Closing Date in respect of 65% of the capital stock of Lear Germany.

149

1

## SCHEDULE V

[RESERVED]

150

2

## SCHEDULE VI

### SUBSIDIARIES(1)

#### DOMESTIC SUBSIDIARIES:

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Amtex, Inc.	Pennsylvania	50%	Lear Corporation
Bryan Manufacturing Company	Ohio	100%	Lear Corporation Automotive Holdings
Corporate Eagle Two LLC		50%	LCT, Inc.
Detroit Automotive Interiors L.L.C.	Michigan	49%	Lear Corporation
Essex International de Chihuahua, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
General Seating of America, Inc.	Delaware	50%	Lear Corporation
Industrial Electrical Specialties, Inc.	Delaware	55%	Lear Corporation Automotive Holdings
IPCO Inc.	Delaware	100%	Lear Corporation Automotive Holdings
LCT, Inc.	Michigan	100%	Lear Corporation
Lear Corporation (Germany) Ltd.	Delaware	100%	Lear Corporation
Lear Corporation Global Development, Inc.	Delaware	100%	Lear Corporation
Lear Corporation Mendon	Delaware	100%	Lear Corporation
Lear Donnelly Overhead Systems, L.L.C.	Michigan	50%	Lear Corporation
Lear East L.P.	Pennsylvania	100%	Lear East, Inc. (99%); Lear Corporation Global Development, Inc. (1%)
Lear East, Inc.	Delaware	100%	Lear Operations Corporation
Lear Investments Company, L.L.C.	Delaware	100%	Lear Corporation
Lear Mexican Holding, L.L.C.	Delaware	100%	Lear Seating Holdings Corp. #50
Lear Midwest Automotive, Limited Partnership	Delaware	100%	Lear Midwest, Inc. (99.9%); Lear Corporation Mendon (0.1%)
Lear Midwest, Inc.	Kentucky	100%	Lear Operations Corporation
Lear Operations Corporation	Delaware	100%	Lear Corporation
Lear Seating Holdings Corp. #50	Delaware	100%	Lear Corporation

Lear Seating Holdings Corp. #100	Delaware	100%	Lear Corporation
Lear Technologies, L.L.C.	Delaware	100%	Lear Corporation

- - - - -

1. After giving effect to the UT Atomotive acquisition.

151

3

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Lear Trim L.L.C.	Delaware	100%	NAB Corporation (99.9%); Lear Corporation (.1%)
Masland Transportation, Inc.	Delaware	100%	Lear Corporation
Motors Acquisition Corporation	Delaware	100%	Lear Corporation
NAB Corporation	Delaware	100%	Lear Corporation
Precision Fabrics Group	North Carolina	29%	Lear Corporation
Superior Coach Corporation	Ohio	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Japan), Inc.	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (U.K.) Limited	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Automotive Systems, Inc.	Ohio	100%	Lear Corporation Automotive Holdings
United Technologies Automotive, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
United Technologies Furukawa Corporation	Delaware	51%	Lear Corporation Automotive Holdings
UT Automitive Advanced Technology, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
UT Automotive Dearborn, Inc.	Delaware	100%	Lear Corporation Automotive Holdings
Lear Corporation Automotive Holdings	Delaware	100%	Lear Operations Corporation
Wagner Industries, Inc.	Indiana	100%	Lear Corporation Automotive Holdings

152

4

# FOREIGN SUBSIDIARIES:

Name of Entity -----	Jurisdiction of Organization -----	Stock Ownership -----	Record Holder -----
AB Extruding	Sweden	100%	Lear Corporation Sweden AB
AB Trelleborgsplast	Sweden	100%	Lear Corporation Sweden AB
All Automotive Industries Canada Inc.	Canada	100%	Lear Corporation
Alfombras San Luis S.A.	Argentina	100%	Industria Textil Dragui S.A.
Arbitrario B.V.	Netherlands	100%	Lear Corporation
Asia Pacific Components Co., Ltd.	Thailand	98%	Lear Seating (Thailand) Corp., Ltd.
Auto Interiors India Private Ltd.	India	25%	
Autoform Kunsrstoffteile GmbH	Germany	69%	Gruppo Pianfej S.r.L (44%); Pianfei Glass SA (25%)
Autoform Kunststoffteile GmbH & Co KG KG	Germany	70.89%	Gruppo Pianfej S.r.L (45.2%); Pianfei Glass SA (29.69%)
Autotrim, S.A. de C.V.	Mexico	40%	Interiores Automotrics Summa S.A. de C.V.
AVB Anlagen und Vorrichtungsbau	Germany	55%	Lear Corporation Bereiligungs GmbH
Aviken Plast AB	Sweden	100%	Lear Corporation Gnosjoplast AB
Chongqing Lear Chang'an Automotive Interior Trim Co., Ltd.	China	35.75%	Lear Corporation China Ltd.

Consorcio Industrial Mexicanos de Autopartes S.A. de C.V.	Mexico	100%	Lear Corporation 99.4%; Empresas Industriales Mexicanos de Autopartes, S.A. de C.V. .6%
Davart Group Ltd.	UK	100%	Lear Corporation UK Interior Systems Limited
Donnelly Eurotrim Ltd.	Ireland	50%	Lear Donnelly Overhead Systems, L.L.C.
El Trim (Pty.) Ltd.	Italy	51%	Lear Corporation Beteiligungs GmbH
Empetek autodily s.r.o.	Czech Republic	50%	Lear Donnelly Overhead Systems, L.L.C.
Empresas Industriales Mexicanos de Autopartes, S.A. de C.V.	Mexico	74.98%	Lear Corporation
Favesa S.r.l. de C.V.	Mexico	100%	Lear Holdings S.r.l. de C.V.
Gate Deutschland GmbH	Germany	100%	Lear Corporation Automotive Holdings
Gate France S.A.	France	99.760%	Lear Corporation Automotive Holdings
Gate S.p.A.	Italy	100%	Lear Corporation Automotive Holdings
Gate UK Limited	U.K.	100%	Lear Corporation Automotive Holdings
General Seating of Canada Ltd.	Canada	50%	Lear Corporation Canada, Ltd.
General Seating of Thailand Corp. Ltd.		50%	Lear Corporation

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Gruppo Pianfei S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
Guilford Kast Plastifol Dynamics Ltd.	UK	33.3%	Lear Corporation Drahtfedem GmbH
Hanil Lear Automotive Parts Private Ltd.	India	50%	Lear Corporation
Hubei UTA-Xianfeng Auto Electric Company, Ltd.	China	100%	Lear Corporation Automotive Holdings
Industria Textil Dragui S.A.	Argentina	100%	Industrias Lear de Argentina, S.A.
Industrias Cousin Freres, S.L.	Spain	49.99%	Lear Corporation Italia S.p.A..
Industrias Lear de Argentina, S.A.	Argentina	100%	Lear Corporation
Industrias Lear Trim S. de R.L. de C.V.	Mexico	100%	Lear Holdings S.r.l. de C.V.
Inteco S.p.A.	Italy	100%	Strapazzini Auto S.p.A. (99%), Lear Corporation Italia Holding S.r.L. (1%)
Interiores Automotrices Summa S.A. de C.V.	Mexico	40%	Lear Operations Corporation
Interiores Para Autos, S.A. de C.V.	Mexico	40%	Interiores Auto Matricies Summa S.A. de C.V.
Interni S.A.	Brazil	25%	
Jiangxi Jiangling Lear Interior Systems Co. Ltd.	China	32%	Lear Corporation China Ltd.
John Cotton Plastics Ltd.	UK	100%	Lear Corporation UK Interior Systems Limited
L.S. Servicos Ltda.	Brazil	100%	Lear Corporation
Lear Automotive Corporation Singapore Pte. Ltd.	Singapore	100%	Lear Corporation
Lear Bahia Ltd.	Brazil	100%	Lear do Brazil Ltda.
Lear Belgium Newco	Belgium	100%	Lear Corporation
Lear Brits (SA) (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Car Seating do Brasil Ltda.	Brazil	100%	L.S. Servicos Ltda.
Lear Corporation (Nottingham) Limited	UK	100%	Lear Corporation (UK) Limited)
Lear Corporation (S.A.) (Pty.) Ltd.	South Africa	100%	
Lear Corporation (SSD) Ltd.	UK	100%	Lear UK ISM Limited
Lear Corporation (SSD) NV	Belgium	100%	Lear Corporation

Lear Corporation (UK) Ltd.	UK	100%	Lear UK Acquisition Limited
Lear Corporation Asientos, S.A.	Spain	100%	Lear Corporation Spain S.L.
Lear Corporation Australia Pty. Ltd.	Australia	100%	Lear Corporation
Lear Corporation Austria GmbH	Austria	100%	Lear Corporation Beteiligungs GmbH

154

6

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Lear Corporation Austria GmbH & Co. KG	Austria	100%	Lear Corporation Beteiligungs GmbH (99%); Lear Corporation Austria GmbH (1%)
Lear Corporation Automotive Components (Pty.) Ltd.	South Africa	100%	
Lear Corporation Beteiligungs GmbH	Germany	100%	Lear Corporation (Germany) Ltd.
Lear Corporation Drabtfedern GmbH	Germany	100%	Lear Corporation Beteiligungs GmbH
Lear Corporation Canada Ltd.	Ontario	100%	Lear Corporation
Lear Canada Investments Ltd.	Ontario	100%	Lear Corporation
Lear Corporation China Ltd.	Mauritius	65%	
Lear Corporation France S.A.R.L.	France	100%	Lear Corporation
Lear Corporation GmbH & Co. KG	Germany	100%	Lear Corporation Drahtfedern GmbH
Lear Corporation Holdings Spain S.L.		100%	Lear Corporation
Lear Corporation Hungary KFT		100%	Lear Corporation Drahtfedern GmbH
Lear Corporation Interior Compenents (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Corporation Italia Holding S.r.L.	Italy	100%	Lear Corporation
Lear Corporation Italia S.p.A.	Italy	100%	Lear Corporation Italia Holdings S.r.L.
Lear Corporation Italia Speciality Car Group S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
Lear Corporation Italia Sud S.p.A.	Italy	100%	Lear Corporation Italia S.p.A.
Lear Corporation Mexico S.A. de C.V.	Mexico	99.6%	Lear Holdings S.r.l. de C.V.
Lear Corporation Poland Gliwice S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Poland II S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Poland S.p.zo.o.	Poland	100%	Lear Corporation
Lear Corporation Portugal-Components Para Automovers, Lda.	Portugal	100%	Lear Corporation
Lear Corporation Spain S.L.		100%	Lear Corporation Holdings Spain S.L.
Lear Corporation Sweden AB	Sweden	100%	Lear Corporation
Lear Corporation Sweden Gnosjoplast AB	Sweden	100%	Lear Corporation Sweden AB
Lear Corporation UK Holdings Ltd.	UK	100%	Lear Corporation
Lear Corporation UK Interior Systems Ltd.	UK	100%	Lear Corporation UK Holdings Ltd.
Lear Corporation Verwaltungs GmbH	Germany	100%	Lear Corporation Drahtfedern GmbH

155

7

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
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Lear de Venezuela, C.A.	Venezuela	100%	Lear Corporation
Lear de Brazil Ltda.	Brazil	100%	Lear Corporation
Lear Donnelly Mexico, S. de R.L. de C.V.		(50%)	Lear Donnelly Overhead Systems, L.L.C.
Lear Foreign Sales Group	US Virgin Islands	100%	Lear Corporation
Lear Holdings S.r.L. de C.V.		(50%)	Lear Mexican Holdings, L.L.C.
Lear Inespo Comercial Industrial Ltda.	Brazil	50.01%	Lear Corporation
Lear JIT (Pty.) Ltd.	South Africa	51%	Lear Corporation Drahtfedern GmbH
Lear North West (Pty.) Ltd.	South Africa	100%	Lear Corporation
Lear Seating (Thailand) Corp., Ltd.	Thailand	98%	Lear Corporation
Lear Seating Private Limited	India	[49%]	Ramco Investments Limited
Lear Sewing (Pty) Ltd.	South Africa	51%	Lear Corporation Drahtfedern GmbH
Lear Teknik Oto Yan Sanayi Limited Sirket	Turkey	66.67%	Lear Corporation
Lear UK Acquisition Limited	UK	100%	Lear Corporation UK Holdings Limited
Lear UK ISM Limited	UK	100%	Lear Corporation (UK) Limited
Lear Vijayjyot Seating Private Limited	India	50%	Ramco Investments Limited
LECA S.p. zo.o	Poland	100%	Lear Corporation
Markol Otomotiv Yan Sanayi VE Ticaret A.S.	Turkey	35%	Lear Corporation
Masland (UK) Limited	UK	100%	Lear Corporation
Masland Industries of Canada Limited	Canada	100%	Lear Corporation
Mecanismos Auxiliarios Industriales, S.A.	Spain	99.9%	Lear Corporation Automotive Holdings
No-Sag Drahtfedern Spitzer & Co. KG	Austria	62.5%	Lear Corporation Drahtfedern GmbH
OOO Lear	Russia	100%	Lear Corporation Global Development, Inc.
Pianfei Engineering S.r.L.	Italy	100%	Gruppo Pianfei S.r.L.
Pianfei Glass SA	Spain	35%	Gruppo Pianfei S.r.L.
Pianfei Ipa S.p.A.	Italy	100%	Gruppo Pianfei S.r.L. (98%); Lear Corporation Italia Holding S.r.L. (2%)
Pianfei Melti S.r.L.	Italy	73%	Lear Corporation Italia Holding S.r.L.
Pianfei Sicilia S.r.L.	Italy	100%	Gruppo Pianfei S.r.L.
Pianfei Sud S.r.L.	Italy	100%	Gruppo Pianfei S.r.L. (70%); Pianfei Melfi S.r.L. (30%)

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
Polovat Auto Sp.zo.o.	Poland	100%	Polovar Sp.z.o.o.
Polovat Sp.zo.o.	Poland	100%	Arbirario B.V.
Protos S.r.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
PRPI S.p.A. (in liquidation)	Italy	85%	Gruppo Pianfei S.r.L. (18%); Pianfei Engineering S.r.L. (67%)
Rael Handels GmbH	Austria	100%	Lear Corporation Bereiligungs GmbH
Ramco Investments Limited	Mauritius	100%	Lear Corporation
Rolloplast Formsprutning AB	Sweden	100%	Lear Corporation Gnosjoplast AB
S.A.L.B.I. AB	Sweden	50%	Lear Corporation Sweden AB
Shanghai Lear Automobile Interior Trim Co., Ltd.	China	35.75%	Lear Corporation China Ltd.
Shanghai Songjiang Lear Automotive Carpet & Accoustics Co. Ltd.	China	35.75	Lear Corporation China Ltd.
Siam UT Automotive Co., Ltd.	Thailand	99.9976%	Lear Corporation Automotive Holdings

Societe No Sag Francaise	France	56%	Lear Corporation France S.A.R.L.
Societe Offran-Villaise de Technologie, S.A.	France	100%	Lear Corporation France S.A.R.L.
Sommer Masland (UK) Limited	UK	50%	Masland (UK) Limited
Spitzer GmbH	Austria	62.5%	Lear Corporation Drahtfedern GmbH
Stapur SA	Argentina	5%	Lear Corporation Automotive Holdings
Strapazzini Auto S.p.A.		100%	Strapazini Resine S.r.L. (1%) Strapazzini Resine S.r.L. (99%)
Strapazzini Resine S.R.L.	Italy	100%	Lear Corporation Italia Holding S.r.L.
SWECA Sp. z.o.o.	Poland	100%	Lear Corporation
United Technologies Automotive (Argentina) S.A.	Argentina	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Europe) S.A.	France	99.75%	Lear Corporation Automotive Holdings
United Technologies Automotive (France) S.A.R.L.	France	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Honduras) S.A.	Honduras	98%	Lear Corporation Automotive Holdings
United Technologies Automotive (Hungary) Kft	Hungary	100%	Lear Corporation Automotive Holdings
United Technologies Automotive (Philippines), Inc.	Philippines	99.9%	Lear Corporation Automotive Holdings

157

9

Name of Entity -----	Jurisdiction of Incorporation -----	Stock Ownership -----	Record Holder -----
United Technologies Automotive (Poland) Sp.zo.o.	Poland	75%	Lear Corporation Automotive Holdings
United Technologies Automotive Electrical Systems de Mexico, S.A. de C.V.	Mexico	99.9%	Lear Corporation Automotive Holdings
United Technologies Gate Espana, S.A.	Spain	99.992%	Lear Corporation Automotive Holdings
UPM S.r.L.	Italy	39%	Gruppo Pianfei S.r.L.
UT Automotive (Netherlands) B.V.	Netherlands	100%	Lear Corporation Automotive Holdings
UT Automotive (Poland) Sp.zo.o.	Poland	100%	Lear Corporation Automotive Holdings
UT Automotive (Portugal) Components De Automovies S.A.	Portugal	100%	Lear Corporation Automotive Holdings
UT Automotive Almussafes Services, S.A.	Spain	99%	Lear Corporation Automotive Holdings
UT Automotive Services Netherlands B.V.	Netherlands	100%	Lear Corporation Automotive Holdings
UT Automotive Tunisia S.A.	Tunisia	99.98%	Lear Corporation Automotive Holdings
UT Loewe Automotive Electronics GmbH	Germany	100%	Lear Corporation Automotive Holdings
UT Automotive Saerouns Service, GmbH	Germany	100%	Lear Corporation Automotive Holdings
Wuhan UTA-DCAC Auto Electric Company, Limited	China	75%	Lear Corporation Automotive Holdings
P.T. Lear Corporation	Indonesia	51%	Lear Corporation
F.G. Microdesign	Italy	70%	Lear Corporation Automotive Holdings

158

1

SCHEDULE VII



## HAZARDOUS MATERIAL

The Borrower has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("Superfund") at the Organic Chemical site in Grandville, MI, A-1 Disposal Site in Plainwell, MI, the Thermo-Chem site in Muskegon, MI, the Sunrise landfill in Wayland Township, MI, and the Ostego landfill in Michigan. In addition, the Borrower has received settlement offers to resolve its responsibility at the PCB, Inc. site in Kansas City, KS and MO (\$2500.00) and the ABC Barrel and Drum site in Detroit, MI (\$8500.00). Although liability at the sites has not been finalized, the Borrower believes that expected liability is not material.

159

1

## SCHEDULE VIII

### CONTRACTUAL OBLIGATION RESTRICTIONS

1. Indenture, dated February 1, 1994, between Lear Corporation, as Issuer and the State Street Bank & Trust Company (as successor to the First National Bank of Boston), as Trustee, relating to the Borrower's 8 1/4% Subordinated Notes.
2. Indenture, dated July 1, 1996 between Lear Corporation, as Issuer, and the Bank of New York, as Trustee, relating to the U.S. Borrower's 9 1/2% Subordinated Notes.
3. Loan Agreement between NS Beteiligungs GmbH and Industriekreditbank AG-Deutsch Industrielk.
4. Agreements and security instruments with respect to indebtedness assumed in connection with the Acquisition and the Fiat Seat Business, GSA, GSC, Delphi, Borealis, Masland Industries, Automotive Industries, Keiper, Pianfei, Strapazzini, Dragui, Polovat and Ovatex acquisitions and agreements governing indebtedness which refinance such indebtedness.
5. Loan Agreement between Lear Corporation Canada Ltd. and the Province of Ontario, Canada relating to indebtedness of up to \$2,000,000 (Canadian).
6. Loan Agreement, dated January 27, 1993, between Lear Corporation Canada Ltd. and the Province of Ontario, Canada.
7. Industrial Facilities Agreement governing indebtedness of ASAA Technologies, Inc. to Cumberland Plateau Planning District Commission and Cumberland Plateau Company.
8. Mortgage loan agreements governing indebtedness and ASAA Technologies, Inc. to Associated Lender Lakeshore N.A.
9. Agreement governing working capital Indebtedness of Lear Seating (Indonesia) Pty Ltd. and Lear Australia Pty Ltd.
10. Term Loan Agreement between Lear Corporation and Toronto Dominion (Texas), Inc. (as amended).
11. Term Loan Agreement between Lear Corporation and Deutsche Bank AG New York Branch and/or Cayman Islands Branch (as amended).

160

1

# AGENTS

Invitation -----	Agency -----
The Chase Manhattan Bank	Administrative Agent
Chase Securities Inc.	Sole Book Manager and Sole Lead Arranger
The Bank of Nova Scotia	Managing Agent
NBD Bank	Managing Agent
Bank of America NT & SA	Managing Agent
The Bank of New York	Co-Agent
The Bank of Tokyo-Mitsubishi Trust Company	Managing Agent
Bankers Trust Company	Managing Agent
Banque Nationale De Paris	Lead Manager
Citicorp USA, Inc.	Co-Syndication Agent
Comerica Bank	Co-Agent
Credit Suisse First Boston	Managing Agent
The Fuji Bank, Limited	Co-Agent
The Industrial Bank of Japan, Limited	Co-Agent
Morgan Stanley Senior Funding, Inc.	Co-Syndication Agent
The Royal Bank of Scotland plc	Co-Agent

Invitation -----	Agency -----
Societe Generale	Lead Manager
Suntrust Bank, Atlanta	Lead Manager
Toronto Dominion (Texas), Inc.	Documentation Agent

## CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-43085 and 33-16341) and in the Registration Statements on Form S-8 (No. 333-62647, 333-59467, 333-28419, 333-16413, 333-16415, 333-03383, 33-61739, 33-06209, 33-57237 and 33-55783) of Lear Corporation of our report dated March 31, 1999 relating to the combined financial statements of UT Automotive, Inc., which appears in the Current Report on Form 8-K of Lear Corporation dated May 4, 1999.

PricewaterhouseCoopers LLP

Bloomfield Hills, Michigan

May 3, 1999