SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
AND

SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934

AUTOMOTIVE INDUSTRIES HOLDING, INC.
(NAME OF SUBJECT COMPANY)

AIHI ACQUISITION CORP.
LEAR SEATING CORPORATION
(BIDDERS)

CLASS A COMMON STOCK, PAR VALUE $.01 PER SHARE
(TITLE OF CLASS OF SECURITIES)

05329E 10 2
(CUSIP NUMBER OF CLASS OF SECURITIES)

JAMES H. VANDENBERGHE
21557 TELEGRAPH ROAD
SOUTHFIELD, MICHIGAN 48034
(810) 746-1500
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSONS AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

Copy to:

JOHN L. MACCARTHY, ESQ.
WINSTON & STRAWN
35 WEST WACKER DRIVE
SUITE 4200
CHICAGO, ILLINOIS 60601
(312) 558-5600

JULY 16, 1995
(DATE OF EVENT WHICH REQUIRES FILING STATEMENT ON SCHEDULE 13D)

CALCULATION OF FILING FEE

TRANSACTION VALUATION*	AMOUNT OF FILING FEE
$640,581,204	$128,116.24

* Estimated solely for purposes of calculating the amount of filing fee. The amount assumes the purchase of 19,121,827 shares of Class A Common Stock, par value $.01 per share of the Subject Company (the "Shares"), at a price per Share of $33.50 in cash. Such number of Shares represents all of the Shares outstanding as of June 30, 1995 on a fully-diluted basis, assuming the exercise of all existing options and warrants to acquire Shares and the exchange of all outstanding promissory notes or shares of capital stock exchangeable into Shares and including Shares issuable under the Subject Company's Employee Stock Discount Purchase Plan.

/ / Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

AMOUNT PREVIOUSLY PAID: NONE FILING PARTY: N/A
FORM OR REGISTRATION NO.: N/A DATE FILED: N/A

CUSIP No. 05329E 10 2

1	NAME OF REPORTING PERSONS: S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON AIHI Acquisition Corp.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)/ / (b)/ /
3	SEC USE ONLY
4	SOURCE OF FUNDS BK, AF
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f) / /
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
7	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,008,518*
8	CHECK IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES / /
9	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (7) APPROXIMATELY 22.8%*
10	TYPE OF REPORTING PERSON CO

* See footnote on following page.

CUSIP No. 05329E 10 2

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS LEAR SEATING CORPORATION (13-3386776)
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)/ / (b)/ /
3	SEC USE ONLY
4	SOURCE OF FUNDS BK
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) OR 2(f). / /
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
7	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,008,518*
8	CHECK IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES / /
9	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (7) APPROXIMATELY 22.8%*
10	TYPE OF REPORTING PERSON CO

*On July 16, 1995, Lear Seating Corporation ("Parent") and AIHI Acquisition Corp., a wholly-owned subsidiary of Parent (the "Purchaser"), entered into certain agreements (collectively, the "Stockholders Agreement") with ONEX DHC LLC, J2R Corporation, S.A. Johnson and Scott D. Rued (collectively, the "Stockholders") pursuant to which the Stockholders have agreed, among other things, to validly tender (and not withdraw) pursuant to the Purchaser's offer to purchase all of the Shares beneficially owned by them (representing an aggregate of 4,008,518 Shares, or approximately 22.8% of the Shares outstanding as of June 30, 1995). Pursuant to the Stockholders Agreement, each of the Stockholders has also agreed to vote, or grant a consent or approval in respect of the Shares subject to the Stockholders Agreement (i) in favor of the Merger and the Merger Agreement (each as defined in the Offer to Purchase (as hereinafter defined)) and (ii) against certain transactions involving Automotive Industries Holding, Inc. other than the transactions contemplated by the Merger Agreement. The Stockholders Agreement is described more fully in Section 12 of the Offer to Purchase dated July 20, 1995 of Parent and the Purchaser (the "Offer to Purchase").

This Tender Offer Statement on Schedule 14D-1 relates to the offer by AIHI Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Seating Corporation, a Delaware corporation ("Parent"), to purchase all of the outstanding shares of Class A Common Stock, par value $.01 per share (the "Shares"), of Automotive Industries Holding, Inc. (the "Company"), at a price of $33.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated July 20, 1995 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, together with any amendments or supplements hereto or thereto, collectively constitute the "Offer"), which are attached hereto as Exhibits (a)(1) and (a)(2), respectively. This Tender Offer Statement on Schedule 14D-1 also constitutes a Statement on Schedule 13D with respect to the acquisition by the Purchaser and Parent of beneficial ownership of the Shares subject to the Stockholders Agreement. The item numbers and responses thereto below are in accordance with the requirements of Schedule 14D-1.

ITEM 1. SECURITY AND SUBJECT COMPANY.

(a) The name of the subject company is Automotive Industries Holding, Inc., a Delaware corporation, which has its principal executive offices at 4508 IDS Center, Minneapolis, Minnesota 55402.

(b) The exact title of the class of equity securities being sought in the Offer is the Class A Common Stock, par value $.01 per share, of the Company. The information set forth under "Introduction" in the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 6 ("Price Range of the Shares; Dividends") of the Offer to Purchase is incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(d) and (g) This Statement is being filed by the Purchaser and Parent. The information set forth in "Introduction" and Section 9 ("Certain Information Concerning the Purchaser and Parent") of, and Schedule I ("Information Concerning Directors and Executive Officers of Parent and the Purchaser") to, the Offer to Purchase is incorporated herein by reference.

(e)-(f) Neither the Purchaser nor Parent nor, to their knowledge, any of the persons listed in Schedule I ("Information Concerning Directors and Executive Officers of Parent and the Purchaser") to the Offer to Purchase, has during the last five years (i) been convicted in a criminal proceedings (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

(a) None.

(b) The information set forth in "Introduction," Section 9 ("Certain Information Concerning the Purchaser and Parent"), Section 11 ("Background of the Offer") and Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement, the Stockholders Agreement and the Noncompete Agreement") of the Offer to Purchase is incorporated herein by reference.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a)-(b) The information set forth in Section 10 ("Source and Amount of Funds") of the Offer to Purchase is incorporated herein by reference.

(c) Not applicable.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

(a)-(e) The information set forth in "Introduction," Section 6 ("Price Range of the Shares; Dividends"), Section 11 ("Background of the Offer"), Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement, the Stockholders Agreement and the Noncompete Agreement") and Section 13 ("Dividends and Distributions") of the Offer to Purchase is incorporated herein by reference.

(f)-(g) The information set forth in Section 7 ("Effect of the Offer on the Market for the Shares, NASDAQ/NMS Quotation, Exchange Act Registration and Margin Regulations") of the Offer to Purchase is incorporated herein by reference.

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a)-(b) The information set forth in "Introduction," Section 9 ("Certain Information Concerning the Purchaser and Parent") and Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement, the Stockholders Agreement and the Noncompete Agreement") of the Offer to Purchase is incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

The information set forth in "Introduction," Section 9 ("Certain Information Concerning the Purchaser and Parent"), Section 11 ("Background of the Offer") and Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement, the Stockholders Agreement and the Noncompete Agreement") of the Offer to Purchase is incorporated herein by reference.

ITEM 8. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

The information set forth in "Introduction," Section 10 ("Source and Amount of Funds") and Section 16 ("Fees and Expenses") of the Offer to Purchase is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

The information set forth in Section 9 ("Certain Information Concerning the Purchaser and Parent") of the Offer to Purchase is incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION.

(a) The information set forth in Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement, the Stockholders Agreement and the Noncompete Agreement") of the Offer to Purchase is incorporated herein by reference.

(b)-(c) The information set forth in Section 15 ("Certain Legal Matters") of the Offer to Purchase is incorporated herein by reference.

(d) The information set forth in Section 7 ("Effect of the Offer on the Market for the Shares, NASDAQ/NMS Quotation, Exchange Act Registration and Margin Regulations"), Section 10 ("Source and Amount of Funds") and Section 15 ("Certain Legal Matters") of the Offer to Purchase is incorporated herein by reference.

(e) Not applicable

(f) The information set forth in the Offer to Purchase and the Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1) and (a)(2), respectively, is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(1) Offer to Purchase.

(a)(2) Letter of Transmittal.

(a)(3) Notice of Guaranteed Delivery.

(a)(4) Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees.

(a)(5) Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and Other Nominees.

(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

(a)(7) Form of Summary Advertisement dated July 20, 1995.

(a)(8) Text of Press Release, dated July 17, 1995, issued by the Company and Parent.

(a)(9) Text of Press Release, dated July 20, 1995, issued by Parent.

(b)(1) Commitment Letter, dated July 7, 1995, from Chemical Bank and Chemical Securities Inc.

(c)(1) Agreement and Plan of Merger, dated as of July 16, 1995, among the Purchaser, Parent and the Company.

(c)(2) Stockholders Agreement, dated as of July 16, 1995, among the Purchaser, Parent and J2R Corporation, S.A. Johnson and Scott D. Rued.

(c)(3) Stockholders Agreement, dated as of July 16, 1995, among the Purchaser, Parent and ONEX DHC LLC.

(c)(4) Noncompete Agreement, dated as of July 16, 1995, among the Purchaser, Parent and J2R Corporation, Hidden Creek Industries, S.A. Johnson and Scott D. Rued.

(c)(5) Confidentiality Agreement, dated April 18, 1995, between Parent and the Company.

(d) None.

(e) Not applicable.

(f) None.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: July 20, 1995

AIHI ACQUISITION CORP.

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title: Executive Vice President and Chief Financial Officer

LEAR SEATING CORPORATION

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT NAME	EXHIBIT PAGE
(a)(1) --	Offer to Purchase.	
(a)(2) --	Letter of Transmittal.	
(a)(3) --	Notice of Guaranteed Delivery.	
(a)(4) --	Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees.	
(a)(5) --	Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and Other Nominees.	
(a)(6) --	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.	
(a)(7) --	Form of Summary Advertisement dated July 20, 1995.	
(a)(8) --	Text of Press Release, dated July 17, 1995, issued by the Company and the Parent.	
(a)(9) --	Text of Press Release, dated July 20, 1995, issued by Parent.	
(b)(1) --	Commitment Letter, dated July 7, 1995, from Chemical Bank and Chemical Securities Inc.	
(c)(1) --	Agreement and Plan of Merger, dated as of July 16, 1995, among the Purchaser, Parent and the Company.	
(c)(2) --	Stockholders Agreement, dated as of July 16, 1995, among the Purchaser, Parent and J2R Corporation, S.A. Johnson and Scott D. Rued.	
(c)(3) --	Stockholders Agreement, dated as of July 16, 1995, among the Purchaser, Parent and ONEX DHC LLC.	
(c)(4) --	Noncompete Agreement dated as of July 16, 1995, among the Purchaser, Parent and J2R Corporation, Hidden Creek Industries, S.A. Johnson and Scott D. Rued.	
(c)(5) --	Confidentiality Agreement, dated April 18, 1995, between Parent and the Company.	
(d) --	None.	
(e) --	Not applicable.	
(f) --	None.	

Offer to Purchase for Cash
All Outstanding Shares of Class A Common Stock
of
AUTOMOTIVE INDUSTRIES HOLDING, INC.
at
$33.50 Net Per Share
by
AIHI ACQUISITION CORP.
a wholly-owned subsidiary of
LEAR SEATING CORPORATION

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THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995, UNLESS THE OFFER IS EXTENDED.

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THE BOARD OF DIRECTORS OF AUTOMOTIVE INDUSTRIES HOLDING, INC. HAS UNANIMOUSLY APPROVED THE OFFER AND THE MERGER REFERRED TO HEREIN AND DETERMINED THAT THE TERMS OF THE OFFER AND THE MERGER ARE FAIR TO, AND IN THE BEST INTERESTS OF, THE STOCKHOLDERS OF THE COMPANY AND RECOMMENDS THAT STOCKHOLDERS OF THE COMPANY ACCEPT THE OFFER AND TENDER ALL OF THEIR SHARES PURSUANT THERETO.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED PRIOR TO THE EXPIRATION OF THE OFFER AND NOT WITHDRAWN THAT NUMBER OF SHARES WHICH, TOGETHER WITH THE SHARES THEN OWNED BY THE PURCHASER OR PARENT, REPRESENTS AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS AND (2) PARENT HAVING RECEIVED THE FINANCING NECESSARY TO CONSUMMATE THE OFFER AND THE MERGER CONTEMPLATED BY THE COMMITMENT LETTER DATED JULY 7, 1995 FROM CHEMICAL BANK AND CHEMICAL SECURITIES INC. SEE SECTIONS 12 AND 14.

PARENT AND THE PURCHASER HAVE ENTERED INTO STOCKHOLDERS AGREEMENTS WITH CERTAIN STOCKHOLDERS OF THE COMPANY PURSUANT TO WHICH, AMONG OTHER THINGS, SUCH STOCKHOLDERS HAVE AGREED TO TENDER IN THE OFFER APPROXIMATELY 21% OF THE OUTSTANDING SHARES ON A FULLY DILUTED BASIS.

IMPORTANT

Any stockholder desiring to tender all or any portion of such stockholder's Shares should either (1) complete and sign the Letter of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letter of Transmittal and mail or deliver the certificate(s) representing tendered Shares, and any other required documents, to the Depositary or tender such Shares pursuant to the procedure for book-entry transfer set forth in Section 3 or (2) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. A stockholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such stockholder desires to tender such Shares.

A stockholder who desires to tender Shares and whose certificates representing such Shares are not immediately available or who cannot comply with the procedures for book-entry transfer on a timely basis, may tender such Shares by following the procedure for guaranteed delivery set forth in Section 3.

Questions and requests for assistance may be directed to the Information Agent or to the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and other related materials may be obtained from the Information Agent or from brokers, dealers, commercial banks and trust companies.

The Dealer Manager for the Offer is:

LEHMAN BROTHERS

July 20, 1995

TABLE OF CONTENTS

TO HOLDERS OF CLASS A COMMON STOCK OF
AUTOMOTIVE INDUSTRIES HOLDING, INC.:

INTRODUCTION

AIHI Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Seating Corporation, a Delaware corporation ("Parent"), hereby offers to purchase all outstanding shares of Class A Common Stock, par value $.01 per share (the "Shares"), of Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), at a purchase price of $33.50 per Share, net to the seller in cash (the "Offer Price"), upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with any amendments or supplements hereto or thereto, collectively constitute the "Offer").

Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares pursuant to the Offer. The Purchaser will pay all fees and expenses of Lehman Brothers Inc. ("Lehman Brothers"), which is acting as Dealer Manager (the "Dealer Manager"), Bankers Trust Company, which is acting as the Depositary (the "Depositary"), and D.F. King & Co., Inc., which is acting as Information Agent (the "Information Agent"), incurred in connection with the Offer. See Section 16.

The Board of Directors of the Company has unanimously approved the Offer and the Merger (as hereinafter defined) and determined that the terms of the Offer and the Merger are fair to, and in the best interests of, the stockholders of the Company and recommends that the Company's stockholders accept the Offer and tender all of their Shares pursuant thereto.

Each of Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ") and Robert W. Baird & Co. Incorporated ("Baird"), the Company's financial advisors, has delivered to the Board of Directors of the Company its written opinion to the effect that, as of the date of such opinion, the consideration to be offered to the holders of the Shares in each of the Offer and the Merger is fair to such holders, from a financial point of view. Each such opinion is set forth in full as an exhibit to the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9"), which is being mailed to stockholders of the Company concurrently herewith.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED BY THE EXPIRATION DATE (AS HEREINAFTER DEFINED) AND NOT WITHDRAWN AT LEAST THAT NUMBER OF SHARES WHICH, TOGETHER WITH THE SHARES THEN OWNED BY THE PURCHASER OR PARENT, REPRESENTS AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS (THE "MINIMUM CONDITION") AND (2) PARENT HAVING RECEIVED THE FINANCING NECESSARY TO CONSUMMATE THE OFFER AND THE MERGER CONTEMPLATED BY THE COMMITMENT LETTER DATED JULY 7, 1995 FROM CHEMICAL BANK AND CHEMICAL SECURITIES INC. (THE "FINANCING CONDITION"). SEE SECTIONS 12 AND 14.

The Offer is being made pursuant to the Agreement and Plan of Merger dated as of July 16, 1995 (the "Merger Agreement"), among Parent, the Purchaser and the Company pursuant to which, as promptly as practicable following the later of the Expiration Date and the satisfaction or waiver of certain conditions, the Purchaser will be merged with and into the Company (the "Merger"). In the Merger, each outstanding Share (other than Shares held by the Company as treasury stock or by any subsidiary of the Company, or owned by Parent, the Purchaser or any other subsidiary of either Parent or the Purchaser and other than Shares held by stockholders, if any, who perfect their appraisal rights under Delaware law) will be converted into the right to receive $33.50, or any higher price per Share paid pursuant to the Offer, without interest thereon, in cash (the "Merger Consideration") and the Company will become a wholly-owned subsidiary of Parent. See Section 12.

Concurrently with the execution of the Merger Agreement, Parent and the Purchaser entered into agreements, each dated as of July 16, 1995 (collectively, the "Stockholders Agreement"), with certain stockholders of the Company (the "Stockholders") owning, in the aggregate, 4,008,518 (or approximately 21%) of the outstanding Shares on a fully diluted basis (as defined in the Merger Agreement). Pursuant to the Stockholders Agreement, the Stockholders have agreed to validly tender pursuant to the Offer and not withdraw all Shares which are beneficially owned by them.

Based on the representations and warranties of the Company contained in the Merger Agreement and information provided by the Company, as of June 30, 1995; (i) 17,547,796 Shares were outstanding; (ii) 633,497 Shares were reserved for issuance upon the exercise of certain outstanding warrants (the "Warrants"); (iii) 549,940 Shares were reserved for issuance upon the exercise of outstanding employee stock options ("Employee Options"); (iv) 237,867 Shares were issuable upon the exchange of the Class A Exchangeable Preferred Stock, par value $.01 per Share, issued by a wholly-owned subsidiary of the Company (the "Class A Exchangeable Preferred Stock"); (v) 141,791 Shares were issuable upon the exchange of the 6.5% Exchangeable Promissory Notes in the principal amount of $4.75 million issued July 28, 1993 by a wholly-owned subsidiary of the Company (the "Exchangeable Notes"); and (vi) 10,936 Shares were issuable under the Company's Employee Stock Discount Purchase Plan (the "Stock Purchase Plan").

Based on the foregoing, the Minimum Condition will be satisfied if 9,560,914 Shares are validly tendered and not withdrawn prior to the Expiration Date. Because the Stockholders own an aggregate of 4,008,518 Shares and are required to tender (and not withdraw) such Shares pursuant to the Offer, the Minimum Condition will be satisfied by the tender of at least 5,552,396 Shares held by persons other than the Stockholders. The number of Shares required to be validly tendered and not withdrawn in order to satisfy the Minimum Condition will increase to the extent additional Shares are deemed to be outstanding on a fully-diluted basis under the Merger Agreement. For purposes of the Merger Agreement, "on a fully-diluted basis" means, as of any date, the number of Shares outstanding, together with Shares the Company is then required to issue pursuant to obligations outstanding at that date under employee stock option or other benefit plans or otherwise (assuming all options and other rights to acquire Shares are fully vested and exercisable and all Shares issuable at any time have been issued), including without limitation, pursuant to the Warrants, the Employee Options, the Class A Exchangeable Preferred Stock, the Exchangeable Notes and the Stock Purchase Plan.

Parent has entered into a Commitment Letter dated July 7, 1995 with Chemical Bank and Chemical Securities Inc. (the "Commitment Letter") pursuant to which, subject to the terms and conditions thereof, Chemical Bank has agreed to provide all of the financing necessary to purchase all outstanding Shares pursuant to the Offer and the Merger. The Offer is conditioned upon, among other things, Parent having received the financing necessary to consummate the Offer and the Merger contemplated by the Commitment Letter. See Section 10 for a description of the Commitment Letter and Parent's plans for financing the Offer and the Merger.

The consummation of the Merger is subject to the satisfaction or waiver of a number of conditions, including, if required, the approval of the Merger of the requisite vote or consent of the stockholders of the Company. Under the General Corporation Law of the State of Delaware ("Delaware Law"), the stockholder vote necessary to approve the Merger will be the affirmative vote of at least a majority of the outstanding Shares, including Shares held by the Purchaser and its affiliates. Accordingly, if the Purchaser acquires a majority of the outstanding Shares, the Purchaser will have the voting power required to approve the Merger without the affirmative vote of any other stockholders of the Company. Furthermore, if the Purchaser acquires at least 90% of the outstanding Shares pursuant to the Offer or otherwise, the Purchaser would be able to effect the Merger pursuant to the "short-form" merger provisions of Section 253 of the Delaware Law, without prior notice to, or any action by, any other stockholder of the Company. In such event, the Purchaser intends to effect the Merger as promptly as practicable following the purchase of Shares in the Offer. See Section 12.

The Merger Agreement and the Stockholders Agreement are more fully described in Section 12.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. TERMS OF THE OFFER

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), the Purchaser will accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not withdrawn in accordance with Section 4. The term "Expiration Date" means 12:00 Midnight, New York City time, on Wednesday, August 16, 1995, unless

and until the Purchaser (subject to the terms of the Merger Agreement) shall have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

Subject to the terms of the Merger Agreement and the Stockholders Agreement and the applicable rules and regulations of the Securities and Exchange Commission (the "Commission"), the Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 14 hereof shall have occurred or shall have been determined by the Purchaser to have occurred, (i) to extend the period of time during which the Offer is open, and thereby delay acceptance for payment of, and the payment for, any Shares, by giving oral or written notice of such extension to the Depositary and (ii) to amend the Offer in any other respect by giving oral or written notice of such amendment to the Depositary.

If by 12:00 Midnight, New York City time, on Wednesday, August 16, 1995 (or any other date or time then set as the Expiration Date), any or all conditions to the Offer have not been satisfied or waived, the Purchaser reserves the right (but shall not be obligated), subject to the terms and conditions contained in the Merger Agreement and the Stockholders Agreement and to the applicable rules and regulations of the Commission, to (i) terminate the Offer and not accept for payment any Shares and return all tendered Shares to tendering stockholders, (ii) waive all the unsatisfied conditions and, subject to complying with the terms of the Merger Agreement and the Stockholders Agreement and the applicable rules and regulations of the Commission, accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not theretofore withdrawn, (iii) extend the Offer and, subject to the right of stockholders to withdraw Shares until the Expiration Date, retain the Shares that have been tendered during the period or periods for which the Offer is extended or (iv) amend the Offer.

There can be no assurance that the Purchaser will exercise its right to extend the Offer. Any extension, waiver, amendment or termination will be followed as promptly as practicable by public announcement. In the case of an extension, Rule 14e-1(d) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires that the announcement be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date in accordance with the public announcement requirements of Rule 14d-4(c) under the Exchange Act. Subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Exchange Act, which require that any material change in the information published, sent or given to stockholders in connection with the Offer be promptly disseminated to stockholders in a manner reasonably designed to inform stockholders of such change). Without limiting the obligation of the Purchaser under such Rules or the manner in which the Purchaser may choose to make any public announcement, the Purchaser will not have any obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to the Dow Jones News Service.

In the Merger Agreement the Purchaser and Parent have agreed that, except as otherwise required by law, they will not, without the prior consent of the Company, extend the Offer, except that, without the consent of the Company, the Purchaser may extend the Offer to a date not later than October 17, 1995 in the event that any condition to the Offer is not satisfied.

If the Purchaser extends the Offer, or if the Purchaser (whether before or after its acceptance for payment of Shares) is delayed in its acceptance for payment of or payment for Shares or it is unable to pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer, the Depositary may retain tendered Shares on behalf of the Purchaser, and such Shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described in Section 4. However, the ability of the Purchaser to delay the payment for Shares that the Purchaser has accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of holders of securities promptly after the termination or withdrawal of such bidder's offer.

If the Purchaser makes a material change in the terms of the Offer or the information concerning the Offer or waives a material condition of the Offer (including the Minimum Condition or the Financing Condition), the Purchaser will disseminate additional tender offer materials and extend the Offer to the extent

required by Rules 14d-4(c), 14d-6(d) and 14e-1 under the Exchange Act. The minimum period during which an offer must remain open following material changes in the terms of the offer or information concerning the offer, other than a change in price or a change in the percentage of securities sought, will depend upon the facts and circumstances then existing, including the relative materiality of the changed terms or information. With respect to a change in price or a change in the percentage of securities sought, a minimum period of 10 business days is generally required to allow for adequate dissemination to stockholders. As used in this Offer to Purchase, "business day" has the meaning set forth in Rule 14d-1 under the Exchange Act.

Consummation of the Offer is conditioned upon satisfaction of the Minimum Condition, the Financing Condition, the expiration or termination of all waiting periods imposed by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations thereunder (the "HSR Act") and the other conditions set forth in Section 14. Subject to the terms and conditions contained in the Merger Agreement and the Stockholders Agreement, the Purchaser reserves the right (but shall not be obligated) to waive any or all such conditions.

The Company has provided the Purchaser its list of stockholder and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal and other relevant materials will be mailed by the Purchaser to record holders of Shares and will be furnished by the Purchaser to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

2. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the Purchaser will accept for payment and will pay for all Shares validly tendered prior to the Expiration Date, and not properly withdrawn in accordance with Section 4, promptly after the Expiration Date. Any determination concerning the satisfaction or waiver of such terms and conditions will be within the sole discretion of the Purchaser, and such determination will be final and binding on all tendering stockholders. See Sections 1 and 14. The Purchaser expressly reserves the right, in its sole discretion, to delay acceptance for payment of, or payment for, Shares in order to comply in whole or in part with any applicable law, including, without limitation, the HSR Act. Any such delays will be effected in compliance with Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after the termination or withdrawal of the Offer).

Parent currently anticipates filing a Notification and Report Form with respect to the Offer under the HSR Act on or about July 20, 1995. The waiting period under the HSR Act with respect to the Offer will expire at 11:59 p.m., New York City time, on the 15th day after the date such form is filed (anticipated to be on or about August 4, 1995, unless early termination of the waiting period is granted). In addition, the Antitrust Division of the Department of Justice (the "Antitrust Division") or the Federal Trade Commission (the "FTC") may extend the waiting period by requesting additional information or documentary material from Parent. If such a request is made, such waiting period will expire at 11:59 p.m., New York City time, on the 10th day after substantial compliance by Parent with such request. See Section 15 hereof for additional information concerning the HSR Act and the applicability of the antitrust laws to the Offer.

In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates for such Shares or timely confirmation (a "Book-Entry Confirmation") of the book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company, The Midwest Securities Trust Company or the Philadelphia Depository Trust Company (each a "Book-Entry Transfer Facility" and, collectively, the "Book Entry Transfer Facilities") pursuant to the procedures set forth in Section 3, (ii) a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined below) in connection with a book-entry transfer, and (iii) any other documents required by the Letter of Transmittal. The per Share consideration paid to any stockholder pursuant to the Offer will be the highest per Share consideration paid to any other stockholder pursuant to the Offer.

The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of a Book-Entry Confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the Shares which are the subject of such Book-Entry Confirmation, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Purchaser may enforce such agreement against such participant.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares properly tendered to the Purchaser and not withdrawn as, if and when the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from the Purchaser and transmitting payment to tendering stockholders. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE PURCHASE PRICE OF THE SHARES TO BE PAID BY THE PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

If the Purchaser is delayed in its acceptance for payment of or payment for Shares or is unable to accept for payment or pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer (but subject to compliance with Rule 14e-1(c) under the Exchange Act, which requires that a tender offeror pay the consideration offered or return the tendered securities promptly after the termination or withdrawal of a tender offer), the Depositary may, nevertheless, on behalf of the Purchaser, retain tendered Shares, any such Shares may not be withdrawn except to the extent tendering stockholders are entitled to exercise, and duly exercise, withdrawal rights as described in Section 4.

If any tendered Shares are not purchased pursuant to the Offer because of an invalid tender or otherwise, certificates for any such Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares delivered by book-entry transfer of such Shares into the Depositary's account at a Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3, such Shares will be credited to an account maintained at the appropriate Book-Entry Transfer Facility), as promptly as practicable after the expiration or termination of the Offer.

The Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to Parent, or to one or more direct or indirect wholly-owned subsidiaries of Parent, the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

3. PROCEDURE FOR TENDERING SHARES

Valid Tender. For Shares to be validly tendered pursuant to the Offer, a properly completed and duly executed Letter of Transmittal (or facsimile thereof), together with any required signature guarantees, or an Agent's Message in connection with a book-entry delivery of Shares, and any other documents required by the Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date. In addition, either (i) certificates for tendered Shares must be received by the Depositary along with the Letter of Transmittal at one of such addresses or such Shares must be tendered pursuant to the procedure for book-entry transfer set forth below (and a Book-Entry Confirmation received by the Depositary), in each case prior to the Expiration Date, or (ii) the tendering stockholder must comply with the guaranteed delivery procedure set forth below.

Book-Entry Transfer. The Depositary will establish an account with respect to the Shares at each Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in any of the Book-Entry Transfer Facilities' systems may make book-entry delivery of Shares by causing a Book-Entry Transfer Facility to transfer such Shares into the Depositary's account at a Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry at a Book-Entry Transfer Facility, the Letter of Transmittal (or facsimile thereof), properly completed

and duly executed, with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other required documents, must, in any case, be transmitted to, and received by, the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the tendering stockholder must comply with the guaranteed delivery procedure described below. DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH SUCH BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

THE METHOD OF DELIVERY OF SHARES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH ANY BOOK-ENTRY TRANSFER FACILITY, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. SHARES WILL BE DEEMED DELIVERED ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Signature Guarantees. No signature guarantee is required on the Letter of Transmittal if (i) the Letter of Transmittal is signed by the registered holder of Shares (which term, for purposes of this Section, includes any participant in any of the Book-Entry Transfer Facilities Systems whose name appears on a security position listing as the owner of the Shares) tendered therewith and such registered holder has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the Letter of Transmittal or (ii) such Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of a recognized Medallion Program approved by The Securities Transfer Association, Inc. (an "Eligible Institution"). In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See Instructions 1 and 5 to the Letter of Transmittal. If the certificates for Shares are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made or certificates for Shares not tendered or not accepted for payment are to be issued to a person other than the registered holder of the certificates surrendered, the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holders or owners appear on the certificates, with the signatures on the certificates or stock powers guaranteed as described above. See Instruction 5 to the Letter of Transmittal.

Guaranteed Delivery. If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's certificates for Shares are not immediately available or the procedure for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the Depositary prior to the Expiration Date, such stockholder's tender may be effected if all the following conditions are met:

(1) such tender is made by or through an Eligible Institution;

(2) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Purchaser herewith is received by the Depositary, as provided below, prior to the Expiration Date; and

(3) the certificates for all tendered Shares, in proper form for transfer (or a Book-Entry Confirmation with respect to such Shares), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees and any other documents required by the Letter of Transmittal, are received by the Depositary within three National Association of Securities Dealers Automated Quotation National Market System ("NASDAQ/NMS") trading days after the date of execution of such Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand to the Depositary or transmitted by telegram, facsimile transmission or mail to the Depositary and must include a signature guarantee by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (i) certificates for the Shares or a Book-Entry Confirmation with respect to such Shares, (ii) a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's Message in

connection with a book-entry transfer, and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when certificates for Shares or Book-Entry Confirmations are actually received by the Depositary. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE PURCHASE PRICE OF THE SHARES TO BE PAID BY THE PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

The valid tender of Shares pursuant to one of the procedures described above will constitute a binding agreement between the tendering stockholder and the Purchaser upon the terms and subject to the conditions of the Offer, including the tendering stockholder's representation and warranty that the tender of such Shares complies with Rule 14e-4 under the Exchange Act.

Backup Withholding. In order to avoid "backup withholding" of Federal income tax on payments of cash pursuant to the Offer, a stockholder surrendering Shares in the Offer must provide the Depositary with such stockholder's correct taxpayer identification number ("TIN") on a Substitute Form W-9 and certify under penalties of perjury that such TIN is correct and that such stockholder is not subject to backup withholding. Certain stockholders (including, among others, all corporations and certain foreign individuals and entities) are not subject to backup withholding. If a stockholder does not provide its correct TIN or fails to provide the certifications described above, the Internal Revenue Service ("IRS") may impose a penalty on such stockholder and payment of cash to such stockholder pursuant to the Offer may be subject to backup withholding of 31%. All stockholders surrendering Shares pursuant to the Offer should complete and sign the main signature form and the Substitute Form W-9 included as part of the Letter of Transmittal to provide the information and certification necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the Purchaser and the Depositary). Noncorporate foreign stockholders should complete and sign the main signature form and a Form W-8, Certificate of Foreign Status, a copy of which may be obtained from the Depositary, in order to avoid backup withholding. See Instruction 9 to the Letter of Transmittal.

Appointment. By executing the Letter of Transmittal, the tendering stockholder will irrevocably appoint designees of the Purchaser as such stockholder's attorney-in-fact and proxies in the manner set forth in the Letter of Transmittal, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by the Purchaser and with respect to any and all other Shares or other securities or rights issued or issuable in respect of such Shares on or after July 16, 1995. All such proxies shall be considered coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, the Purchaser accepts for payment Shares tendered by such stockholder as provided herein. Upon such acceptance for payment, all prior powers of attorney and proxies given by such stockholder with respect to such Shares or other securities or rights will, without further action, be revoked and no subsequent powers of attorney and proxies may be given (and, if given, will not be deemed effective). The designees of the Purchaser will thereby be empowered to exercise all voting and other rights with respect to such Shares or other securities or rights in respect of any annual, special or adjourned meeting of the Company's stockholders, or otherwise, as they in their sole discretion deem proper. The Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon the Purchaser's acceptance for payment of such Shares, the Purchaser must be able to exercise full voting and other rights with respect to such Shares and other securities or rights, including voting at any meeting of stockholders then scheduled.

Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the Purchaser, in its sole discretion, which determination will be final and binding. The Purchaser reserves the absolute right to reject any or all tenders determined by it not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of the Purchaser's counsel, be unlawful. The Purchaser also reserves the absolute right, in its sole discretion, subject to the terms and conditions of the Merger Agreement and the Stockholders Agreement, to waive any of the conditions of the Offer or any defect or irregularity in any tender with respect to any particular Shares, whether or not similar defects or irregularities are waived in the case of other Shares. No tender of Shares will be deemed to have been validly made until all defects or irregularities relating thereto have been cured or waived. None of the Purchaser, Parent, the Depositary, the Information Agent, the Dealer

Manager or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. The Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

4. WITHDRAWAL RIGHTS

Except as otherwise provided in this Section 4 tenders of Shares are irrevocable. Shares tendered pursuant to the Offer may be withdrawn pursuant to the procedures set forth below at any time prior to the Expiration Date and, unless theretofore accepted for payment and paid for by the Purchaser pursuant to the Offer, may also be withdrawn at any time after September 18, 1995.

For a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from the name of the person who tendered the Shares. If certificates for Shares have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and, unless such Shares have been tendered by an Eligible Institution, the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer set forth in Section 3, the notice of withdrawal must specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Shares. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will thereafter be deemed not validly tendered for any purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 2 at any time prior to the Expiration Date.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Purchaser in its sole discretion, which determination will be final and binding. None of the Purchaser, Parent, the Depositary, the Information Agent, the Dealer Manager, or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES

THE SUMMARY OF TAX CONSEQUENCES SET FORTH BELOW IS FOR GENERAL INFORMATION ONLY AND IS BASED ON THE LAW AS CURRENTLY IN EFFECT. THE TAX TREATMENT OF EACH STOCKHOLDER WILL DEPEND IN PART UPON SUCH STOCKHOLDER'S PARTICULAR SITUATION. SPECIAL TAX CONSEQUENCES NOT DESCRIBED HEREIN MAY BE APPLICABLE TO PARTICULAR CLASSES OF TAXPAYERS, SUCH AS FINANCIAL INSTITUTIONS, BROKER-DEALERS, PERSONS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES AND STOCKHOLDERS WHO ACQUIRED THEIR SHARES THROUGH THE EXERCISE OF ANY EMPLOYEE STOCK OPTION OR OTHERWISE AS COMPENSATION. ALL STOCKHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OFFER AND THE MERGER TO THEM, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN INCOME AND OTHER TAX LAWS.

The receipt of cash pursuant to the Offer (and the receipt of the right to receive cash pursuant to the Merger) will be a taxable transaction for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. Generally, for federal income tax purposes a tendering stockholder will recognize gain or loss in an amount equal to the difference between the cash received and the stockholder's adjusted tax basis in the Shares tendered by the stockholder and purchased pursuant to the Offer or the Merger, as the case may be. Gain or loss will be calculated for each block of Shares tendered and purchased pursuant to the Offer (or cancelled pursuant to the Merger). For federal income tax purposes, such gain or loss will be a capital gain or loss if the Shares are a capital asset in the hands of the stockholder, and a long-term capital gain or loss if the stockholder's holding period is more than one year as of the date of the sale of the Shares or the effective date of the Merger, as the case may be.

6. PRICE RANGE OF THE SHARES; DIVIDENDS

According to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 (the "Company Form 10-K"), the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 1995 (the "Company Form 10-Q") and information supplied to the Purchaser by the Company, the Shares are traded on NASDAQ/NMS under the trading symbol "AIHI". The Company has never paid or declared cash dividends on the Shares. The following table sets forth, for the periods indicated, the high and low closing bid prices per Share on the NASDAQ/NMS.

	HIGH	LOW
1993:		
First Quarter	$20 5/8	$16 1/2
Second Quarter	27 3/4	20 3/8
Third Quarter	30 3/4	24 1/4
Fourth Quarter	30 1/2	23 3/4
1994:		
First Quarter	$34	$28
Second Quarter	30 1/4	24 3/4
Third Quarter	29	22 1/2
Fourth Quarter	25 3/8	16 1/2
1995:		
First Quarter	$22	$17
Second Quarter	27 1/8	19 1/2
Third Quarter (through July 19, 1995)	33 1/8	26 3/4

On July 14, 1995, the last full trading day before the public announcement of the execution of the Merger Agreement and the Purchaser's intention to acquire the Shares pursuant to the Offer, the closing bid per Share on the NASDAQ/NMS was $32 1/4. On July 19, 1995, the last full trading day before the commencement of the Offer, the closing bid per Share on the NASDAQ/NMS was $33 1/8 per Share. STOCKHOLDERS ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR THE SHARES.

7. EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES, NASDAQ/NMS QUOTATION, EXCHANGE ACT REGISTRATION AND MARGIN SECURITIES

The purchase of Shares pursuant to the Offer will reduce the number of holders of Shares and the number of Shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining Shares, if any, held by the public.

The Shares are currently listed and traded on NASDAQ/NMS, which constitutes the principal trading market for the Shares. Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the standards for continued inclusion in NASDAQ/NMS, which require that an issuer have at least 200,000 publicly held shares, held by at least 400 shareholders or 300 shareholders of round lots, with a market value of $1,000,000, and have net tangible assets of at least either $2,000,000 or $4,000,000, depending on profitability levels during the issuer's four most recent fiscal years. If these standards are not met, the Shares might nevertheless continue to be included in the National Association of Securities Dealers Automated Quotation System ("NASDAQ") with quotations published in the NASDAQ "additional list" or in one of the "local lists," but if the number of holders of the Shares were to fall below 300, or if the number of publicly held Shares were to fall below 100,000 or there were not at least two registered and active market makers for the Shares, the rules of the National Association of Securities Dealers, Inc. ("NASD") provide that the Shares would no longer be "qualified" for NASDAQ reporting and NASDAQ would cease to provide any quotations. Shares held directly or indirectly by directors, officers or beneficial owners of more than 10% of the Shares are not considered as being publicly held for this purpose. According to information provided by the Company, as of June 30, 1995 there were approximately 191 holders of record of Shares and 17,547,796 Shares were outstanding. If, as a result of the purchase of Shares pursuant to the Offer, the Shares no longer

meet the requirements of the NASD for continued inclusion in NASDAQ/NMS or NASDAQ, as the case may be, the market for Shares could be adversely affected.

In the event that the Shares no longer meet the requirements of the NASD for quotation through NASDAQ, it is possible that the Shares would continue to trade in the over-the-counter market and that price quotations would be reported by other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend upon the number of holders of Shares remaining at such time, the interests in maintaining a market in Shares on the part of securities firms, the possible termination of registration of the Shares under the Exchange Act, as described below, and other factors.

The Shares are currently registered under the Exchange Act. Registration of the Shares under the Exchange Act may be terminated upon application of the Company to the Commission if the Shares are neither listed on a national securities exchange nor held by 300 or more holders of record. Termination of registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to its stockholders and to the Commission and would make certain provisions of the Exchange Act no longer applicable to the Company, such as the short-swing profit recovery provisions of Section 16(b) of the Exchange Act, the requirement of furnishing a proxy statement pursuant to section 14(a) of the Exchange Act in connection with stockholders' meetings and the related requirement of furnishing an annual report to stockholders and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions. Furthermore, the ability of "affiliates" of the Company and persons holding "restricted securities" of the Company to dispose of such securities pursuant to Rule 144 or 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), may be impaired or eliminated. The Purchaser intends to seek delisting of the Shares from NASDAQ/NMS and to cause the Company to apply for termination of registration of the Shares under the Exchange Act as soon after the completion of the Offer as the requirements for such delisting and termination are met.

If registration of the Shares is not terminated prior to the Merger, then the Shares will cease to be reported on NASDAQ and the registration of the Shares under the Exchange Act will be terminated following the consummation of the Merger.

The Shares are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of the Shares. Depending upon factors similar to those described above regarding listing and market quotations, it is possible that, following the Offer, the Shares would no longer constitute "margin securities" for the purposes of the margin regulations of the Federal Reserve Board and therefore could no longer be used as collateral for loans made by brokers. If registration of Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or be eligible for NASDAQ reporting.

8. CERTAIN INFORMATION CONCERNING THE COMPANY

The historical information concerning the Company contained in this Offer to Purchase, including financial information, has been taken from or based upon publicly available documents and records on file with the Commission and other public sources. Neither Parent, the Purchaser nor the Dealer Manager assumes any responsibility for the accuracy or completeness of the information concerning the Company contained in such documents and records or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information to Parent or the Purchaser.

According to the Company Form 10-K, the Company is a designer and manufacturer of high quality interior trim systems and blow molded products principally for North American and European car, mini-van and light truck manufacturers. The Company's interior products include complete door panel accessories, seatbacks and inserts, armrests, consoles and headliners. Blow molded products include windshield washer reservoirs, gas tank shields and radiator coolant overflow reservoirs. The Company's products are sold primarily to major automotive original equipment manufacturers ("OEMs") including Ford, Chrysler, General Motors, Diamond Star (Mitsubishi), Honda, Isuzu, Rover, Mazda, Nissan and Jaguar.

Set forth below is certain selected historical consolidated financial information with respect to the Company and its subsidiaries excerpted or derived from the information contained in the Company Form 10-K and the Company Form 10-Q which are incorporated by reference herein. More comprehensive financial information is included in such reports and other documents filed by the Company with the Commission, and the following summary is qualified in its entirety by reference to such reports and such other documents and all the financial information (including any related notes) contained therein. Such reports and other documents should be available for inspection and copies thereof should be obtainable in the manner set forth below under "Available Information."

AUTOMOTIVE INDUSTRIES HOLDING, INC.

SELECTED CONSOLIDATED FINANCIAL DATA
(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED		YEAR ENDED		
	APRIL 1, 1995	APRIL 2, 1994	DECEMBER 31, 1994	JANUARY 1, 1994	DECEMBER 26, 1992
INCOME STATEMENT DATA:					
Revenues	$ 188.7	$ 107.7	$512.8	$348.7	$272.4
Operating income	20.8	12.9	63.9	47.1	36.5
Interest expense, net	(4.5)	(1.7)	(9.3)	(7.1)	(9.5)
Income before income taxes and extraordinary item	16.3	11.3	54.6	40.0	27.1
Extraordinary item(1)	--	--	--	--	(8.3)
Net income	9.8	6.8	32.7	24.0	6.9
Net income per common and common equivalent share	0.53	0.37	1.77	1.41	0.50
BALANCE SHEET DATA (AT END OF PERIOD):					
Working capital	$ 83.6	$ 62.9	$ 91.4	$ 57.0	$ 30.7
Total assets	608.9	371.3	567.4	338.5	233.7
Long-term debt	216.7	104.7	216.9	93.8	75.8
Shareholders' investment	230.0	196.8	219.9	189.7	109.8

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(1) Extraordinary item represents the costs associated with the exchange of the Company's former subordinated indebtedness, the termination of certain interest rate swap arrangements and the write-off of prior debt costs in connection with the initial public offering of the Shares.

On July 13, 1995, the Company issued a press release announcing that, through a wholly-owned subsidiary, it had acquired Plastifol Gmbh & Co. KG ("Plastifol") for an aggregate purchase price of approximately $60 million in cash. According to the release, Plastifol, headquartered in Ebersberg, Germany, manufactures interior trim products for Ford, Mercedes, BMW, Volkswagen and Porsche and generated revenues of approximately $75 million for the year ended December 31, 1994. The release further states that the Company financed the acquisition with borrowings under its existing credit facilities.

To the knowledge of Parent and the Purchaser, the Company does not as a matter of course make public forecasts as to its future financial performance. However, in connection with the preliminary discussions concerning the feasibility of the Offer and the Merger, the Company prepared and furnished Parent with certain financial projections.

The projections presented in the table below (the "Projections") are derived or excerpted from information provided by the Company and are based on numerous assumptions concerning future events. The Projections have not been adjusted to reflect the effects of the Offer or the Merger or the incurrence of indebtedness in connection therewith. The Projections have been prepared utilizing numerous assumptions,

including assumptions relating to unit volumes for the car, mini-van and light truck models served by the Company, the achievement of certain sales growth based on new business and currency exchange rates.

AUTOMOTIVE INDUSTRIES HOLDING, INC.

CERTAIN PROJECTIONS OF FUTURE OPERATING RESULTS(1)
(DOLLARS IN MILLIONS)

	1995	1996	1997	1998	1999
Revenues	$840.5	$932.2	$984.3	$1,061.1	$1,164.7
Net income(2)	45.8	60.0	69.6	80.5	94.2

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(1) Includes projected operating results for Plastifol provided by the Company, as if the acquisition of Plastifol occurred on January 1, 1995.

(2) Excludes approximately $1.5 million in costs attributable to management fees payable to Hidden Creek Industries and expenses associated with public company reporting requirements.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TO COMPLYING WITH PUBLISHED GUIDELINES OF THE COMMISSION AND ARE INCLUDED HEREIN ONLY BECAUSE SUCH INFORMATION WAS PROVIDED TO PARENT AND ITS PROSPECTIVE LENDERS. THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TO COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE COMMISSION OR THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REGARDING PROJECTIONS AND FORECASTS. THE PROJECTIONS REFLECT NUMEROUS ASSUMPTIONS, ALL MADE BY MANAGEMENT OF THE COMPANY, WITH RESPECT TO INDUSTRY PERFORMANCE, GENERAL BUSINESS, ECONOMIC, MARKET AND FINANCIAL CONDITIONS AND OTHER MATTERS, ALL OF WHICH ARE DIFFICULT TO PREDICT, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL AND NONE OF WHICH WERE SUBJECT TO APPROVAL BY PARENT OR THE PURCHASER. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE ASSUMPTIONS MADE IN PREPARING THE PROJECTIONS WILL PROVE ACCURATE, AND ACTUAL RESULTS MAY BE MATERIALLY GREATER OR LESS THAN THOSE CONTAINED IN THE PROJECTIONS. THE INCLUSION OF THE PROJECTIONS HEREIN SHOULD NOT BE REGARDED AS AN INDICATION THAT ANY OF PARENT, THE PURCHASER, THE COMPANY OR THEIR RESPECTIVE FINANCIAL ADVISORS CONSIDERED OR CONSIDER THE PROJECTIONS TO BE A RELIABLE PREDICTION OF FUTURE EVENTS, AND THE PROJECTIONS SHOULD NOT BE RELIED UPON AS SUCH. NEITHER PARENT, THE PURCHASER, THE COMPANY NOR THEIR RESPECTIVE FINANCIAL ADVISORS ASSUME ANY RESPONSIBILITY FOR THE VALIDITY, REASONABLENESS, ACCURACY OR COMPLETENESS OF THE PROJECTIONS. NEITHER PARENT, THE PURCHASER, THE COMPANY NOR ANY OF THEIR FINANCIAL ADVISORS HAS MADE, OR MAKES, ANY REPRESENTATION TO ANY PERSON REGARDING THE INFORMATION CONTAINED IN EITHER THE PROJECTIONS AND NONE OF THEM INTENDS TO UPDATE OR OTHERWISE REVISE THE PROJECTIONS TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE PROJECTIONS ARE SHOWN TO BE IN ERROR.

Available Information. The Company is subject to the reporting requirements of the Exchange Act and, in accordance therewith, is required to file reports and other information with the Commission relating to its business, financial condition and other matters. Information as of particular dates concerning the Company's directors and officers, their remuneration, options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company is required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the public reference facilities of the Commission located at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located in the Northwestern Atrium Center, 500 West Madison Street (Suite 1400), Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies should be obtainable, by mail, upon payment of the Commission's customary charges, by writing to the Commission's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. Such information should also be available for inspection at the offices of the NASD, Reports Section, 1735 K Street, N.W., Washington, D.C. 20006.

9. CERTAIN INFORMATION CONCERNING THE PURCHASER AND PARENT

The Purchaser, a Delaware corporation and a wholly-owned subsidiary of Parent, was organized to acquire the Company and has not conducted any unrelated activities since its organization. The principal offices of the Purchaser are located at 21557 Telegraph Road, Southfield, Michigan 48034. All outstanding shares of capital stock of the Purchaser are owned by Parent.

Parent is a Delaware corporation with its principal office located at 21557 Telegraph Road, Southfield, Michigan 48034. The common stock, par value $.01 per share, of Parent is traded on the New York Stock Exchange, Inc. ("NYSE"). Parent is the largest independent supplier of automotive seat systems in the world. Parent's principal products include finished automobile and light truck seat systems, automobile and light truck seat frames, seat covers and other seat components. Parent's present customers include 17 OEMs, the most significant of which are Ford, General Motors, Fiat, Chrysler, Volvo, Volkswagen, Saab and Mazda.

Set forth below is certain selected historical consolidated financial information with respect to Parent and its subsidiaries excepted or derived from Parent's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (the "Parent Form 10-K") and Parent's Quarterly Report on Form 10-Q for the three months ended April 1, 1995 (the "Parent Form 10-Q"), which are incorporated herein by reference, and other documents filed by Parent with the Commission. More comprehensive financial information is included in such reports and other documents filed by Parent with the Commission, and the following summary is qualified in its entirety by reference to such reports and other documents and all the financial information (including any related notes) contained therein. Such reports and other documents should be available for inspection and copies thereof should be obtainable in the manner set forth below under "Available Information."

LEAR SEATING CORPORATION

SELECTED CONSOLIDATED FINANCIAL DATA
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED					
	APRIL 1, 1995	APRIL 2, 1994	YEAR ENDED DECEMBER 31, 1994	YEAR ENDED DECEMBER 31, 1993	SIX MONTHS ENDED DECEMBER 31, 1993	YEAR ENDED JUNE 30, 1993
OPERATING DATA:						
Net sales	$1,043.5	$ 686.7	$3,147.5	$1,950.3	$ 1,005.2	$ 1,756.5
Operating income	47.7	30.3	169.6	79.6	21.8	81.1
Interest expense, net	14.2	13.9	46.7	45.6	24.8	47.8
Income (loss) before income taxes and extraordinary items	31.4	13.8	114.8	24.8	(9.6)	27.9
Extraordinary items(1)	--	--	--	(11.7)	(11.7)	--
Net income (loss)	17.0	6.5	59.8	(13.8)	(34.7)	10.1
Net income (loss) per share before extraordinary items	.34	.16	1.26	(.06)	(.65)	.25
Net income (loss) per share	.34	.16	1.26	(.39)	(.98)	.25
BALANCE SHEET DATA (AT END OF PERIOD):						
Current assets	$ 904.3	$ 465.0	$ 818.3	$ 433.6	$ 433.6	$ 352.2
Total assets	1,797.9	1,122.6	1,715.1	1,114.3	1,114.3	820.2
Current liabilities	956.8	502.6	981.2	505.8	505.8	375.0
Long-term debt	519.9	504.9	418.7	498.3	498.3	321.1
Stockholders' equity	217.1	60.6	213.6	43.2	43.2	75.1

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(1) The extraordinary items resulted from the prepayment of debt.

Except as described in this Offer to Purchase, neither the Purchaser nor Parent (together, the "Corporate Entities") or, to the best knowledge of the Corporate Entities, any of the persons listed in Schedule I or any associate or majority-owned subsidiary of the Corporate Entities or any of the persons so listed, beneficially

owns any equity security of the Company, and none of the Corporate Entities or, to the best knowledge of the Corporate Entities, any of the other persons referred to above, or any of the respective directors, executive officers or subsidiaries of any of the foregoing, has effected any transaction in any equity security of the Company during the past 60 days.

Except as described in this Offer to Purchase, (1) there have not been any contacts, transactions or negotiations between the Corporate Entities, any of their respective subsidiaries or, to the best knowledge of the Corporate Entities, any of the persons listed in Schedule I, on the one hand, and the Company or any of its directors, officers or affiliates, on the other hand, that are required to be disclosed pursuant to the rules and regulations of the Commission and (2) none of the Corporate Entities or, to the best knowledge of the Corporate Entities, any of the persons listed in Schedule I has any contract, arrangement, understanding or relationship with any person with respect to any securities of the Company.

From time to time Parent and certain of its subsidiaries have engaged in ordinary course business transactions with the Company and expect to engage in such transactions with the Company in the future.

Available Information. Parent is subject to the informational filing requirements of the Exchange Act and, in accordance therewith, is obligated to file reports and other information with the Commission relating to its business, financial condition and other matters. Information, as of particular dates, concerning Parent's directors and officers, their remuneration, options granted to them, the principal holders of Parent's securities and any material interest of such persons in transactions with Parent is disclosed in proxy statements distributed to Parent's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the Commission, and copies thereof should be obtainable from the Commission, in the same manner as set forth with respect to information concerning the Company in Section 8. Such material should also be available for inspection at the library of the NYSE, 20 Broad Street, New York, New York 10005.

10. SOURCE AND AMOUNT OF FUNDS

The consummation of the Offer is conditioned upon, among other things, Parent having received that portion of the financing necessary to consummate the Offer and the Merger contemplated by the Commitment Letter dated July 7, 1995 from Chemical Bank and Chemical Securities Inc. (the "Commitment Letter"). See Section 14.

The Purchaser estimates that approximately $641 million will be required to acquire all of the Shares pursuant to the Offer and the Merger. The Purchaser expects to obtain these funds from capital contributions and/or loans from Parent. Such funds, in turn, are expected to be obtained from borrowings under a $1.5 billion credit facility to be established with a syndicate of financial institutions (the "Credit Facility"). The Credit Facility is to be used (i) to finance the purchase of the Shares pursuant to the Offer and the Merger and to pay fees and expenses thereof, (ii) to refinance the existing indebtedness of the Company, (iii) to refinance Parent's existing $500 million revolving credit facility (the "Existing Facility") and (iv) for general corporate purposes.

Pursuant to the Commitment Letter, Chemical Bank has committed to provide the Credit Facility. The commitment and agreements of Chemical Bank under the Commitment Letter are subject to customary conditions, including, among other things, (i) that there shall not have occurred and be continuing any change in general financial, bank or capital conditions which materially and adversely affects the ability of Chemical Bank to extend credit or syndicate loans of a nature similar to the Credit Facility and (ii) the negotiation, execution and delivery of definitive documentation with respect to the Credit Facility.

Amounts available to be drawn down under the Credit Facility will decrease semi-annually during each year by semi-annual reductions in increasing amounts starting at $25 million. The commitment of Chemical Bank with respect to the Credit Facility will terminate on September 30, 1995 if definitive documentation evidencing the Credit Facility has not been entered into prior to such date and the Offer shall not have been consummated.

The Credit Facility will be guaranteed by all of Parent's direct and indirect wholly-owned domestic subsidiaries. The Credit Facility and such guarantees will be secured by a pledge of all of the capital stock of Parent's direct and indirect wholly-owned domestic subsidiaries, including the Company, the pledge of the capital stock of Parent's direct and indirect foreign subsidiaries, a grant of security interest in substantially all of the assets of Parent's direct and indirect wholly-owned domestic subsidiaries, other than the Company.

Borrowings pursuant to the Credit Facility will bear interest, at the election of Parent, at (i) the higher of (a) Chemical Bank's prime rate and (b) the federal funds rate plus .5% or (ii) the Eurodollar Rate for eurodollar deposits, plus 1/2% to 1.0% depending on certain ratios.

Generally, amounts under the Credit Facility may be borrowed, repaid and reborrowed from time to time. The entire unpaid balance under the Credit Facility will be payable on September 30, 2001.

The definitive documentation with respect to the Credit Facility will contain the representations and warranties, covenants, conditions and events of default contained in the agreements for the Existing Facility modified to reflect the acquisition of the Company. Such covenants include, among other things, financial covenants relating to maintenance of ratios of indebtedness to operating profit and of operating profit to interest expense and restrictions on indebtedness, guarantees, acquisitions, capital expenditures, investments, loans and advances, liens, dividends and other stock payments, asset sales and issuances of stock.

Parent has agreed to pay Chemical Bank financing, agent's administration and other fees that Parent believes to be customary for transactions of this type. In addition, the Credit Facility will provide for a commitment fee of 1/5% to 3/8% per annum, depending on certain ratios, on the unused portion of the Credit Facility from the date of the initial funding under the Credit Facility until the termination of the Credit Facility.

The foregoing description of the Commitment Letter is qualified in its entirety by reference to the text of the Commitment Letter as an exhibit to the Schedule 14D-1, a copy of which may be obtained from the offices of the Commission in the manner set forth in Section 7 (except that such information will not be available at the regional offices of the Commission).

It is anticipated that the indebtedness incurred through borrowings under the Credit Facility will be repaid from funds generated internally by Parent and its subsidiaries, including the Company and from other sources which may include the proceeds of the private or public sale of debt or equity securities and/or asset dispositions.

The margin regulations promulgated by the Federal Reserve Board place restrictions on the amount of credit that may be extended for the purposes of purchasing margin stock (including the Shares) if such credit is secured directly or indirectly by margin stock. The Purchaser believes that the financing of the acquisition of the Shares will be in full compliance with or not subject to the margin regulations.

11. BACKGROUND OF THE OFFER

During April 1995, a representative of DLJ contacted Parent to inquire into Parent's interest in pursuing an acquisition of the Company. Following this contact, Parent initiated a review of certain publicly available information concerning the Company. On April 18, 1995, Parent entered into a confidentiality agreement pursuant to which the Company agreed to provide Parent with certain information concerning the Company (the "Confidentiality Agreement"). Parent and the Purchaser have received certain non-public information from the Company under the terms of the Confidentiality Agreement. See Section 8.

On May 8, 1995, Kenneth L. Way, the Chairman of the Board of Directors and Chief Executive Officer of Parent, certain other members of Parent's management and their advisors, Tony Johnson, the Chairman of the Board of Directors of the Company, and certain other members of the Company's management and their advisors met to discuss Parent's interest in exploring a possible acquisition of the Company. At this meeting, certain background information relating to the Company and Parent was provided and management of Parent and the Company answered general due diligence questions concerning their respective operations. Following this meeting, Parent initiated a comprehensive legal and financial due diligence review of the Company that included among other things, plant tours, management meetings and a review of certain legal matters.

On June 14, 1995, Parent received from DLJ an invitation to submit an offer for the acquisition of the Company, along with procedures and guidelines for the submission of such offer (the "Guidelines"). The Guidelines provided that all offers were to be received by 5:00 p.m. (EST) on Wednesday, July 12, 1995. DLJ also furnished Parent a proposed form of merger agreement for the acquisition of the Company, which agreement was to be submitted with proposed modifications, together with Parent's offer.

On July 12, 1995, Parent submitted an offer to DLJ with respect to the acquisition of the Company. The offer included Parent's proposed revisions to the proposed form of merger agreement and information regarding Parent's financing for such offer. On July 11, 1995, Parent's Board of Directors approved the form of merger agreement, as submitted by Parent, and authorized certain of the Company's executive officers to execute the final form of such agreement with such modifications (within certain prescribed parameters) as such officers deemed appropriate. Parent's offer stipulated that Parent would proceed with the transaction only if (i) the Stockholders agreed, among other things, contractually commit to tender their Shares to Parent or its designated purchaser and (ii) Hidden Creek Industries, J2R Corporation, Tony Johnson, the Chairman of the Board of the Company, and Scott Rued, the Chief Financial Officer of the Company, each agreed to enter into certain noncompete arrangements. As required by the Guidelines, Parent's offer remained in effect until 5:00 p.m. (EST) on July 26, 1995.

During the evening of July 12, 1995 representatives of DLJ contacted representatives of Parent. The parties discussed certain aspects of Parent's offer and the provisions of the proposed merger agreement, and agreed to pursue such discussions the following day.

Beginning July 13, 1995 and continuing through July 16, 1995, the parties, directly and through their respective financial and legal advisors, negotiated the financial and legal terms of the Merger Agreement as well as the terms of the Stockholders Agreement and the Noncompete Agreement.

On July 16, 1995, the Board of Directors of the Company met and approved the Offer and the Merger and the execution and delivery of the Merger Agreement and the Stockholders Agreement. Later that day, the Merger Agreement, the Stockholders Agreement and the Noncompete Agreement were executed.

12. PURPOSE OF THE OFFER AND THE MERGER; PLANS FOR THE COMPANY; THE MERGER AGREEMENT, THE STOCKHOLDERS AGREEMENT AND THE NONCOMPETE AGREEMENT

Purpose of the Offer and the Merger

The purpose of the Offer and the Merger is to enable Parent, through the Purchaser, to acquire the entire equity interest in the Company. The Offer is intended to increase the likelihood that the Merger will be completed promptly. Parent regards the acquisition of the Company as an attractive opportunity to expand its current product lines in the automotive and light truck interior market and to create additional growth opportunities.

Plans for the Company

If and to the extent that the Purchaser acquires control of the Company, Parent and the Purchaser intend to conduct a detailed review of the Company and its assets, corporate structure, capitalization, operations, properties, policies, management and personnel and consider and determine what, if any, changes would be desirable in light of the circumstances which then exist. Such strategies could include, among other things and subject to the terms of the Merger Agreement, changes in the Company's business, corporate structure, Certificate of Incorporation, Bylaws, capitalization, management or dividend.

Except as noted in this Offer to Purchase, the Purchaser and Parent have no present plans or proposals that would result in an extraordinary corporate transaction, such as a merger, reorganization, liquidation, or sale or transfer of a material amount of assets, involving the Company or any subsidiary of the Company or any other material changes in the Company's capitalization, dividend policy, corporate structure, business or composition of its management or Board of Directors.

The Merger Agreement

The following is a summary of the material terms of the Merger Agreement. This summary is not a complete description of the terms and conditions thereof and is qualified in its entirety by reference to the full text thereof, which is incorporated herein by reference and a copy of which has been filed with the Commission as an exhibit to the Schedule 14D-1. The Merger Agreement may be examined, and copies thereof may be obtained, as set forth in Section 8 above.

The Offer. The Merger Agreement provides for the commencement of the Offer, in connection with which Parent and the Purchaser have expressly reserved the right to waive certain conditions of the Offer, but without the prior written consent of the Company, Parent and the Purchaser have agreed not to (i) decrease the Offer Price or change the form of consideration therefor or decrease the number of Shares sought pursuant to the Offer, (ii) change or impose additional conditions to the Offer or amend any other term of the Offer in a manner adverse to the holders of Shares, (iii) amend or waive satisfaction of the Minimum Condition on the date of purchase, and (iv) extend the expiration date of the Offer (except as required by applicable law and except that the Purchaser may extend the expiration date of the Offer for up to sixty days after the initial expiration date in the event that any condition to the Offer is not satisfied); provided, however, that, except as set forth above, the Purchaser may waive any other condition to the Offer in its sole discretion; and provided, further, that the Offer may be extended in connection with an increase in the consideration to be paid pursuant to the Offer so as to comply with the applicable rules and regulations of the Commission.

Board Representation. The Merger Agreement provides that promptly upon the purchase by Parent or any of its subsidiaries pursuant to the Offer, and from time to time thereafter, Parent shall be entitled to designate such number of directors, rounded up to the next whole number (but in no event more than one less than the total number of directors of the Board of Directors of the Company) as will give Parent, subject to compliance with Section 14(f) of the Exchange Act, representation on the Board of Directors of the Company equal to the product of (x) the number of directors on the Board of Directors of the Company (giving effect to any increase in the number of directors pursuant to the Merger Agreement) and (y) the percentage that such number of Shares so purchased bears to the aggregate number of Shares outstanding (such number being the "Board Percentage"). The Company has agreed, upon request of Parent, to promptly satisfy the Board Percentage by (i) increasing the size of the Board of Directors of the Company or (ii) using its best efforts to secure the resignations of such number of directors as is necessary to enable Parent's designees to be elected to the Board of Directors of the Company and to cause Parent's designees promptly to be so elected. Following the election or appointment of Parent's designees pursuant to the Merger Agreement and prior to the Effective Time of the Merger, any amendment or termination of the Merger Agreement, extension for the performance or waiver of the obligations or other acts of Parent or the Purchaser or waiver of the Company's rights thereunder, shall require the concurrence of a majority of the directors of the Company then in office who were directors on the date of the Merger Agreement.

Consideration to be Paid in the Merger. The Merger Agreement provides that upon the terms (but subject to the conditions) set forth in the Merger Agreement, the Purchaser will be merged with and into the Company whereupon the separate existence of the Purchaser shall cease, and the Company shall be the surviving corporation (the "Surviving Corporation") and shall be a wholly-owned subsidiary of the Parent. In the Merger, each Share (excluding shares owned directly or indirectly by the Company or any of its subsidiaries or by Parent, the Purchaser or any other subsidiary of Parent and holders who have not voted in favor of the Merger or consented to the Merger in writing and who have demanded appraisals for such Shares in accordance with the Delaware Law) outstanding immediately prior to the time the Certificate of Merger, or if applicable the Certificate of Ownership and Merger, is duly filed with the Secretary of the State of Delaware or at such later time as is specified in such Certificate of Merger (the "Effective Time") shall be converted into the right to receive the Merger Consideration in cash, without any interest thereon, less any required withholding taxes. Each share of the capital stock of the Purchaser outstanding immediately prior to the Effective Time shall be converted into and become one fully paid and nonassessable share of Common Stock, par value $.01 per share, of the Company, with the same rights and privileges as the shares so converted and shall constitute the only outstanding shares of capital stock of the Surviving Corporation. The Merger Agreement provides that the closing of the Merger shall occur as soon as practicable, but in no event later than

five business days after satisfaction or, to the extent permitted under the Merger Agreement, waiver of the conditions to the Merger set forth in the Merger Agreement.

Employee Options, Warrants, Class A Exchangeable Preferred Stock and Exchangeable Notes. The Merger Agreement provides that, at the Effective Time, all outstanding Employee Options (regardless of whether or not such options have vested) shall either (i) be cancelled and each holder of a cancelled option shall be entitled to receive, in consideration for the cancellation of such option, an amount in cash equal to the product of (x) the number of Shares previously subject to such option and (y) the excess, if any, of the Merger Consideration over the exercise price per Share previously subject to such option or (ii) if elected by such holder, and if this option is made available by Parent, such option will convert into options or other rights to acquire shares of the common stock of Parent, on terms determined in good faith by Parent to have substantially the same value as the value of such option.

The Merger Agreement further provides that at or prior to the Effective Time, the Company shall use its reasonable best efforts to cause each holder of the Warrants that are then outstanding to be exercised for Shares. At the Effective Time, proper provision shall be made for discharging all obligations under all outstanding unexercised Warrants by providing that each holder of a Warrant shall be entitled to solely receive, in consideration for the exercise and cancellation of such Warrant, an amount in cash equal to the product of (x) the number of shares previously subject to such Warrant and (y) the excess, if any, of the Merger Consideration over the exercise price per Share previously subject to such Warrant.

In addition, at or prior to the Effective Time, with the prior consent of Parent, the Company shall give any required notice to redeem, and redeem or deposit funds sufficient to redeem, all of the outstanding shares of Class A Exchangeable Preferred Stock pursuant to the terms of ASAA International, Inc.'s (the issuer of such stock and a wholly-owned subsidiary of the Company) Certificate of Incorporation. At or prior to the Effective Time, with the prior consent of Buyer, the Company shall give any required notice to redeem, and redeem or deposit funds sufficient to redeem all of the Exchangeable Notes pursuant to the terms thereof.

Stockholder Meeting. The Merger Agreement provides that unless Purchaser acquires at least 90% of the outstanding Shares in the Offer, if required by applicable law, the Company shall cause a special meeting of the Company's stockholders (the "Company Stockholder Meeting") to be duly called and held as soon as reasonably practicable after the purchase of Shares pursuant to the Offer for the purpose of acting upon proposals to approve the Merger Agreement and the transactions contemplated thereby. At the Company Stockholder Meeting, Parent shall cause all the shares of the Company then owned by Parent and the Purchaser and any of their subsidiaries or affiliates to be voted in favor of the Merger.

If the Purchaser acquires at least 90% of the outstanding Shares of the Company in the Offer, the Parent shall cause the Merger to be effected without a vote of the Company's stockholders in accordance with the provisions of Delaware Law.

Representations and Warranties. The Merger Agreement contains various representations and warranties of the parties thereto. These include representations and warranties by the Company with respect to (i) due incorporation, existence, good standing, corporate power and authority or qualifications of the Company and subsidiaries of the Company; (ii) capitalization of the Company, including the number of shares of capital stock of the Company outstanding, the number of shares reserved for issuance on the exercise of options and similar rights to purchase shares; (iii) the authorization, execution, and delivery of the Merger Agreement and the consummation of transactions contemplated thereby, and the validity and enforceability thereof; (iv) subject to certain exceptions, the absence of consents and approvals necessary for consummation by the Company of the Merger, and the absence, except as disclosed, of any violations, breaches or defaults which would result from compliance by the Company with any provision of the Merger Agreement; (v) compliance with the Securities Act and the Exchange Act, in connection with the Company SEC Reports (as defined in the Merger Agreement) filed by the Company with the Commission; (vi) compliance with the Exchange Act of the Company Disclosure Documents (as defined in the Merger Agreement), including the Schedule 14D-9; (vii) the absence of certain changes which would constitute a change or effect that is or would be materially adverse to the business, results of operations or financial condition of the Company and its subsidiaries taken as a whole ("Company Material Adverse Effect") and the Company's conduct of business in the ordinary course of

business consistent with past practices; (vii) except as disclosed, the absence of pending litigation or violation of any law by the Company which is reasonably likely to have a Company Material Adverse Effect or which seeks to, or is reasonably likely to delay or prevent the consummation of the Offer or the Merger; (viii) certain employee benefit and ERISA matters; (ix) certain tax matters; (x) certain environmental matters; (xi) receipt of a financial opinion of DLJ; (xii) certain matters relating to affiliate transactions; (xiii) certain labor matters and (xiv) certain matters related to real property.

Parent and the Purchaser have also made certain representations and warranties, including with respect to (i) due incorporation, existence, good standing, corporate power and authority or qualifications of the Company and (ii) the authorization, execution, and delivery of the Merger Agreement and the consummation of transactions contemplated thereby, and the validity and enforceability thereof.

Conduct of Business Pending the Merger. The Company has agreed that during the period from the date of the Merger Agreement to the Effective Time (the "Interim Period"), except as otherwise provided in the Merger Agreement or consented to by Parent (such consent not to be unreasonably withheld), the businesses of the Company and its subsidiaries shall, in all material respects, be conducted in, and the Company and its subsidiaries shall not take any material action, except in the ordinary course of business, consistent with past practice, and the Company shall, and shall cause its subsidiaries to use their respective reasonable best efforts to preserve substantially intact their respective business organizations, to keep available the services of their respective current officers, employees and consultants and to preserve their respective relationships with customers, suppliers and other persons with which it or any of its subsidiaries has significant business relations as well as with officials and employees of government agencies and other entities which regulate the Company, its subsidiaries and their business. By way of amplification and not limitation, except as contemplated by the Merger Agreement, and as set forth on the Company's disclosure schedule to the Merger Agreement, neither the Company nor any of its subsidiaries shall, during the Interim Period, directly or indirectly do, or propose or agree to do, any of the following without the prior written consent of Parent (which will not be unreasonably withheld) (provided that the following restrictions shall not apply to any subsidiaries which the Company does not control): (i) amend or otherwise change the Certificate of Incorporation or Bylaws of the Company or any subsidiary of the Company; (ii) issue or sell, or authorize the issuance or sale of, (a) any shares of capital stock of any class of, or any other ownership interest it, the Company or any of its subsidiaries, or any options, warrants or other securities or rights convertible into, exchangeable for, evidencing the right to subscribe for or purchase, or otherwise providing for the right to acquire capital stock, or any other ownership interest (including, without limitation, any phantom interest) of the Company or any of its subsidiaries (other than the issuance of shares of capital stock in connection with (A) the exercise of the Employee Options and the Warrants, and the redemption or exchange of the Exchangeable Notes and the Class A Exchangeable Preferred Stock in accordance with the terms of such securities in effect on the date of the Merger Agreement, or (B) the Stock Purchase Plan as in effect on the date of the Merger Agreement) or (b) any assets of it or any of the Company's subsidiaries, except for sales in the ordinary course of business or which, individually, do not exceed $10.0 million or which, in the aggregate, do not exceed $20.0 million; (iii) amend, waive or otherwise modify any of the terms of any option, warrant or stock option plan of the Company or any subsidiary of the Company, including without limitation the Employee Options, the Warrants, the Exchangeable Notes, the Class A Exchangeable Preferred Stock and the Stock Purchase Plan; (iv) declare, set aside or pay any dividend or other actual, constructive or deemed distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock (other than a divided or distribution payable solely to the Company or a subsidiary of the Company) or otherwise make any payments to stockholders in their capacity as stockholders; (v) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock other than redemptions of the Class A Exchangeable Preferred Stock, consistent with applicable securities laws; (vi) acquire (for cash, shares of stock or other consideration) (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof (or a substantial portion of the assets thereof) or any other assets, except for such acquisitions which, individually, do not exceed $10.0 million or which, in the aggregate, do not exceed $25.0 million; (vii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances, except (A) in connection with the Merger

Agreement and the transactions contemplated thereby, or (B) borrowings under existing bank lines of credit in the ordinary course of business; (viii) adopt or amend any bonus, profit sharing, compensation, severance, termination, stock option, pension, retirement, deferred compensation, employment or other employee benefit agreements, trusts, plans, funds or other arrangements for the benefit or welfare of any director, officer or employee that increase in any manner the compensation, retirement, welfare or fringe benefits of any director, officer or employee, or pay any benefit not required by any existing plan or arrangement (including without limitation the granting of stock options or stock appreciation rights) or take any action or grant any benefit not expressly required under the terms of any existing agreements, trusts, plans, funds or other such arrangements or enter into any contract, agreement, commitment or arrangement to do any of the foregoing, except for normal increases in the ordinary course of business consistent with past practice that do not result in a material increase in benefits or compensation expense to the Company or pursuant to collective bargaining agreements as in effect on the date of the Merger Agreement; (ix)take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures; (x) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution of the Company or any of its material subsidiaries; (xi) make any tax elections or settle or compromise any material income tax liability; (xii) pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted, unasserted, contingent or otherwise), other than the payment, discharge or satisfaction in the ordinary course of business and consistent with past practice of liabilities reflected or reserved against in the consolidated financial statements of the Company; (xiii) other than in the ordinary course of business and consistent with past practice, waive any rights of substantial value or make payment, direct or indirect, of any material liability of the Company or any of the Company's subsidiaries before the same comes due in accordance with its terms; (xiv) fail to maintain its existing insurance coverage of all types in effect or, in the event any such coverage shall be terminated or lapse, to the extent available at reasonable cost, procure substantially similar substitute insurance policies which in all material respects are in at least such amounts and against such risks as are currently covered by such policies; (xv) enter into any new collective bargaining agreement or any successor collective bargaining agreement (other than the collective bargaining agreement with the Company's Weston Division currently being negotiated); (xvi) amend or otherwise modify the Option Plan or the Stock Purchase Plan; or (xvii) enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

Other Agreements. Subject to the terms and conditions of the Merger Agreement, the Company, Parent and the Purchaser each have agreed to use its commercially reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by the Merger Agreement. Subject to the terms and conditions of the Merger Agreement, if at any time prior to the Effective Time, any further action is necessary or desirable to consummate more effectively the actions contemplated by the Merger Agreement, at the request of the other party and at the expense of the party so requesting, Parent and the Purchaser, on the one hand, and the Company, on the other hand, shall execute and deliver to such requesting party such documents and take such other action as such requesting party may reasonably request. The Company shall, and shall cause its subsidiaries to, cooperate with Parent and the Purchaser in obtaining the financing necessary to consummate the Offer and the Merger and consummating the other transactions contemplated by the Commitment Letter. In the event any action, suit, claim, investigation or other proceeding relating to the Merger Agreement, the Merger or the other transactions thereby shall be commenced, each of the parties to the Merger Agreement agrees (subject, in the case of the Company, to the fiduciary obligation of the Board of Directors of the Company under applicable law as advised by independent legal counsel) to cooperate with each other party and to use its commercially reasonable best efforts to respond to and to defend vigorously against such proceeding.

No Solicitations. From and after the date of the Merger Agreement until the termination thereof, the Company shall not and shall use its best efforts to cause its officers, directors, employees, representatives, agents or affiliates (including, without limitation, any investment banker, attorney or accountant retained by the Company or any of its subsidiaries) not to, directly or indirectly, invite, initiate, solicit or knowingly encourage (including by way of furnishing nonpublic information or assistance), any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to any Acquisition Proposal (as defined

below), provided, however, that the Board of Directors of the Company is not prohibited from (i) furnishing information to, or entering into discussions or negotiations with, any person or entity that makes an unsolicited Acquisition Proposal if, and only to the extent that, (A) the Board of Directors of the Company, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board of Directors of the Company to comply with its fiduciary duties to stockholders under applicable law, and (B) prior to taking such action, to the extent any confidential information will be disclosed, the Company receives from such person or entity an executed customary confidentiality agreement. The term "Acquisition Proposal" means any of the following transactions (other than transactions between the Company, Parent and the Purchaser contemplated in the Merger Agreement) involving the Company or any of its subsidiaries: (i) any merger, consolidation, share exchange, recapitalization, business combination or other similar transaction; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 50% or more of the assets of the Company and its subsidiaries taken as a whole, in a single transaction or a series of transactions; (iii) any tender offer or exchange offer for 50% or more of the outstanding shares of capital stock of the Company or the filing of a registration statement under the Securities Act in connection therewith; or (iv) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing. In the event that the Company receives or becomes aware of any Acquisition Proposal, the Company will promptly notify the Parent in writing of such communication (it being understood that nothing set forth herein shall obligate the Parent to disclose the details of any such Acquisition Proposal if the Board of Directors of the Company determines such non-disclosure is in the best interest of the Company's stockholders).

Fees and Expenses. The Merger Agreement provides that all out-of-pocket costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred directly or indirectly by the parties thereto in respect of the transactions contemplated by the Merger Agreement shall be paid by the party which has incurred such costs and expenses; provided, however, that if the Merger is consummated all unpaid expenses of the Company shall be paid by the Surviving Corporation; provided, further, that all filing fees under the HSR Act shall be paid by Parent.

The Merger Agreement further provides that if the Merger Agreement shall be terminated (i) by either Parent or the Company (A) if the Merger shall not have been consummated before November 30, 1995, or January 31, 1996, if extended in accordance with the Merger Agreement, or (B) if the Offer is not consummated before October 31, 1995, in each case at any time when (I) an Acquisition Proposal shall have been made by a third party but shall not have been rejected by the Company and (II) the Company or any of its subsidiaries or the Company's stockholders shall thereafter consummate or agree to consummate a transaction which would constitute an Acquisition Proposal with such third party offeror or a subsidiary or an affiliate of any such offeror, (ii) by either Parent or the Company, if the Merger shall fail to receive the requisite vote for approval and adoption by the stockholders of the Company at the Company Stockholder Meeting and at the time of such stockholder meeting Parent shall not have voting control over a sufficient number of Shares to approve the Merger and there shall exist an Acquisition Proposal, (iii) by the Company, if the Board of Directors of the Company withdraws or modifies its approval or recommendation of the Offer or the Merger Agreement, in each case in a manner adverse to Parent, because the Board of Directors of the Company, based upon advice of independent legal counsel, determines in good faith that such action is necessary for the Board of Directors of the Company to comply with its fiduciary duties to stockholders under applicable law; (iv)(x) by either Parent or the Company, if the Offer terminates, expires or is withdrawn or abandoned by Parent or the Purchaser by reason of the failure to satisfy any condition to the Offer described in Section 14, or (y) by the Company, if the Offer terminates, expires or is withdrawn or abandoned by Parent or the Purchaser, and in each such case if the Minimum Condition has not been satisfied at the time of the expiration, termination or withdrawal (on or after the initial scheduled expiration date of the Offer) of the Offer and there shall exist an Acquisition Proposal, (v) by Parent, if (A) the Board of Directors of the Company shall withdraw, modify or change its recommendation or approval in respect of the Offer or Merger Agreement, (B) the Board of Directors of the Company shall have recommended or accepted any Acquisition Proposal other than by Parent or the Purchaser, or (C) the Board of Directors of the Company shall have resolved to do any of the acts referred to in (A) or (B); or (vi) by Parent, if the Company shall have breached

its obligation to mail the Schedule 14D-9 to its stockholders or failed to include in such Schedule 14D-9 the recommendation by the Board of Directors of the Company of the transaction contemplated by the Merger Agreement (including the recommendation that the stockholders of the Company vote in favor of the Merger) and there shall exist an Acquisition Proposal, then in any such event the Company shall pay to Parent an amount equal to $19.0 million.

Conditions to the Merger. Pursuant to the Merger Agreement, the respective obligation of the Company, Parent and the Purchaser to consummate the Merger is subject to the satisfaction of the Merger of the following conditions: (i) if required by Delaware Law, the Merger Agreement shall have been approved and adopted by the stockholders of the Company in accordance with Delaware Law (except that this condition shall be deemed satisfied if Parent and/or the Purchaser shall have acquired 90% or more of the outstanding Shares); (ii) any applicable waiting period under the HSR Act relating to the Merger shall have expired or been terminated; and (iii) no governmental, administrative or regulatory authority or agency, domestic or foreign (each a "Governmental Entity"), or federal or state court of competent jurisdiction shall have enacted, issued or enforced any statute, regulation, decree, injunction or other order which has become final and nonappealable and which materially restricts or prohibits the consummation of the Merger.

Termination. The Merger Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, whether before or after approval of the matters presented in connection with the Merger by the stockholders of the Company or Parent by (a) mutual written consent of Parent and the Company; (b) by either Parent or the Company, if any permanent injunction, order or action by any Governmental Entity or by any federal or state court of competent jurisdiction (other than a temporary restraining order) preventing the consummation of the Merger shall have become final and nonappealable; (c) by either Parent or the Company, (i) if the Merger shall not have been consummated before November 30, 1995; provided, however, that the Merger Agreement may be extended by written notice by either Parent or the Company, to a date not later than January 31, 1996, if the Merger shall not have been consummated as a direct result of Parent or the Company having failed by November 30, 1995, to receive all required approvals or consents with respect to the Merger, or (ii) if the Offer is not consummated before October 31, 1995; (d) by Parent if, any corporation, partnership, person, other entity or group (as defined in Section 13(d)(3) of the Exchange Act) other than Parent or the Purchaser or any of their respective subsidiaries or affiliates shall have become the beneficial owner of more than 20% of the outstanding Shares (either on a primary or a fully diluted basis) (other than the ownership by any bona fide arbitrageur for the purpose or arbitrage); (e) by either Parent or the Company, if the Merger shall fail to receive the requisite vote for approval and adoption by the stockholders of the Company at the Company Stockholder Meeting; (f) by the Company, if the Board of Directors of the Company withdraws or modifies its approval or recommendation of the Offer or its recommendation of the Merger in each case in a manner adverse to Parent, so long as the Board of Directors of the Company, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board of Directors of the Company to comply with its fiduciary duties to stockholders under applicable law; (g) by Parent or the Company, if the Offer terminates, expires or is withdrawn or abandoned by Parent by reason of the failure to satisfy any condition of the Offer set forth in Section 14; (h) by Parent, if (x) the Board of Directors of the Company shall withdraw, modify or change its recommendation or approval in respect of the Merger Agreement or the Offer; (y) the Board of Directors of the Company shall have recommended or accepted any Acquisition Proposal other than by Parent or the Purchaser; or (z) the Board of Directors of the Company shall have resolved to do any of the acts referred to in (x) or (y) above; (i) by the Parent, if the Company shall have breached its obligation to mail the 14D-9 to its stockholders or failed to include in such 14D-9 the recommendation by the Board of Directors of the Company referred to in clause (x) of paragraph (h) above (including the recommendation that the stockholders of the Company vote in favor of the Merger); or (j) by the Company, if the Offer terminates, expires or is withdrawn or abandoned by the Parent or Purchaser.

Indemnification. The Merger Agreement provides that the Certificate of Incorporation and Bylaws of the Surviving Corporation shall contain the provisions with respect to indemnification set forth in the Certificate of Incorporation and By-Laws of the Company on the date of the Merger Agreement, which provisions shall

not be amended, repealed or otherwise modified for a period of six years after the Effective Time in any manner that would adversely affect the rights thereunder of individuals who at any time prior to the Effective Time were directors or officers of the Company in respect of actions or omissions occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by the Merger Agreement), unless such modification is required by law.

The Merger Agreement further provides that from and after the Effective Time, the Surviving Corporation shall indemnify, defend and hold harmless the present and former officers and directors of the Company (collectively, the "Indemnified Parties") against all losses, expenses, claims, damages, liabilities or amounts that are paid in settlement of, with the approval of the Surviving Corporation (which approval shall not unreasonably be withheld), or otherwise incurred in connection with any claim, action, suit, proceeding or investigation (a "Claim"), based in whole or in part by reason of the fact that such person is or was a director or officer of the Company and arising out of actions, events or omissions occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by the Merger Agreement), in each case to the full extent permitted under Delaware Law (and shall pay expenses in advance of the final disposition of any such action or proceeding to each Indemnified Party to the fullest extent permitted under Delaware Law, upon receipt from the Indemnified Party to whom expenses are advanced of the undertaking to repay such advances contemplated by Section 145(e) of Delaware Law); provided, that the Surviving Corporation shall indemnify, defend and hold harmless the Indemnified Parties only to the same extent and on the same terms (including with respect to advancement of expenses) provided for in the Company's Certificate of Incorporation and Bylaws in effect on the date of the Merger Agreement (to the extent consistent with applicable law), which rights pursuant to such provisions shall survive the Merger and continue in full force and effect after the Effective Time.

For a period of three years after the Effective Time, the Surviving Corporation shall cause to be maintained in effect the liability insurance policies for directors and officers which are maintained on the date of the Merger Agreement by the Company with respect to claims arising from facts or events which occurred before the Effective Time (provided that Parent may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are no less advantageous in any material respect to the Indemnified Parties). Notwithstanding the foregoing, Parent shall not be required to pay an annual premium for such insurance in excess of 225% of the last annual premium paid by the Company prior to the date of the Merger Agreement, but in such case shall purchase as much coverage as possible for such amount.

Amendment. The Merger Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company, Parent and the Purchaser or in the case of a waiver, by the party against whom the waiver is to be effective; provided that after the adoption of the Merger Agreement by the Company's stockholders, no such amendment or waiver shall, without further approval of such stockholders, alter or change (i) the amount or kind of consideration to be received, (ii) any terms of the Certificate of Incorporation of the Surviving Corporation or (iii) any of the terms or conditions of the Merger Agreement if such alteration or change would adversely affect the holders of any shares of capital stock of the Company. In addition, following the election or appointment of Parent's designees to the Company's Board of Directors and prior to the Effective Time, any amendment or termination of the Merger Agreement, extension for the performance or waiver of the obligations or other acts of Parent or the Purchaser or waiver of the Company's rights thereunder, will require the concurrence of a majority of the directors of the Company then in office who were directors on the date of the Merger Agreement.

Timing. The exact timing and details of the Merger will depend upon legal requirements and a variety of other factors, including the number of Shares acquired by the Purchaser pursuant to the Offer. Although Parent has agreed to cause the Merger to be consummated on the terms set forth above, there can be no assurance as to the timing of the Merger.

The Stockholders Agreement

The following is a summary of the material terms of the Stockholders Agreement. This summary is not a complete description of the terms and conditions thereof and is qualified in its entirety by reference to the full text thereof which is incorporated herein by reference and a copy of each of which has been filed with the Commission as an exhibit to the Schedule 14D-1. The Stockholders Agreement may be examined, and copies thereof may be obtained, as set forth in Section 8 above.

Tender of Shares. Simultaneously with the execution of the Merger Agreement, Parent, the Purchaser and the Stockholders entered into the Stockholders Agreement. Upon the terms and subject to the conditions of such agreement, the Stockholders have severally agreed to validly tender and not to withdraw pursuant to and in accordance with the terms of the Offer, not later than the fifth business day after commencement of the Offer, the respective number of Shares owned beneficially by them as of the date of the Stockholders Agreement as well as Shares acquired thereafter. Each Stockholder further agreed that through the transfer to the Purchaser in the Offer of his or its Shares the Purchaser will acquire good and marketable title to such Shares. The Stockholders Agreement provides that, without the prior written consent of each Stockholder, (i) the price per Share payable in the Offer shall not be decreased, and the form of consideration payable in the Offer shall not be changed, from that set forth in the Merger Agreement as in effect on the date thereof and (ii) the Minimum Condition shall not be decreased or waived in respect of the Offer.

Voting. Each Stockholder has agreed to constitute and appoint Parent, or any nominee of Parent, with full power of substitution, as his or its true and lawful attorney and proxy, for and in his or its name, place and stead, to vote as his or its proxy, at any meeting of the Company's stockholders and to sign such stockholder's name to any written consent of the Company's stockholders with respect to the Shares held of record or beneficially by such stockholder (whether acquired before or after the date of the Stockholders Agreement) (i) in favor of the Merger, the execution and delivery by the Company of the Merger Agreement and the approval of the terms thereof and each of the other actions contemplated by the Merger Agreement and the Stockholders Agreement and any actions reasonably required in furtherance thereof; (ii) against any action or agreement that would reasonably be expected to result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or the Stockholders Agreement; and (iii) against the following actions (other than the Merger and the transactions contemplated by the Merger Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or its subsidiaries; (B) a sale, lease or transfer of a material amount of assets of the Company or its subsidiaries, or a reorganization, recapitalization, dissolution or liquidation of the Company or its subsidiaries; (C)(1) any change in a majority of the persons who constitute the Board of Directors of the Company; (2) any change in the present capitalization of the Company or any amendment of the Company's Certificate of Incorporation or Bylaws; (3) any other material change in the Company's corporate structure or business; or (4) any other action which, in the case of each of the matters referred to in clauses (C)(1), (2), (3) or (4), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, discourage or adversely affect the Merger and the transactions contemplated by the Stockholders Agreement and the Merger Agreement. The Stockholders further agreed to cause his or its Shares to be voted in accordance with the foregoing.

Representations, Warranties, Covenants and Other Agreements. In connection with the Stockholders Agreement, the Stockholders have made certain customary representations, warranties and covenants, including with respect to (i) their ownership of the Shares, (ii) their authority to enter into and perform their obligations under the Stockholders Agreement, (iii) the receipt of requisite governmental consents and approvals, (iv) the absence of liens and encumbrances on and in respect of their Shares, (v) restrictions on the transfer of their Shares, (vi) the solicitation of Acquisition Proposals, and (vii) the waiver of their appraisal rights.

Termination. Other than as provided therein, the Stockholders Agreement terminates by its terms upon the earlier to occur of (i) the purchase of the Shares pursuant to the terms of the Offer, (ii) the withdrawal, abandonment, expiration or termination of the Offer without the purchase of the Shares, and (iii) the termination of the Merger Agreement in accordance with its terms.

The Noncompete Agreement

The following is a summary of the material terms of the Noncompete Agreement. This summary is not a complete description of the terms and conditions thereof and is qualified in its entirety by reference to the full text thereof which is incorporated herein by reference and a copy of which has been filed with the Commission as an exhibit to the Schedule 14D-1. The Noncompete Agreement may be examined, and copies thereof may be obtained, as set forth in Section 8 above.

Covenant Not to Compete. Simultaneously with the execution of the Merger Agreement, Parent, the Purchaser, Hidden Creek Industries, J2R Corporation, S. A. Johnson and Scott D. Rued (each a "Covenantor", and collectively, the "Covenantors") entered into the Noncompete Agreement under which the Covenantors have agreed not to compete with Parent and the Company for the period commencing on the date on which the Offer is consummated pursuant to the terms of the Merger Agreement and ending on the third anniversary of such date (the "Noncompete Period"). Under the Noncompete Agreement, each Covenantor has agreed that during the Noncompete Period, neither such Covenantor, nor any Affiliate (as defined in the Noncompete Agreement) of such Covenantor will, without the prior written consent of Parent, own, control, manage or engage in, directly or indirectly, whether as an owner, partner, shareholder (except that such Covenantor or such Affiliate may hold equity securities representing not more than five percent (5%) of the equity securities of any publicly-held enterprise and debt instruments representing not more than ten percent (10%) in value of any publicly-held enterprise, provided that neither such Covenantor nor such Affiliate renders advice or assistance to such enterprise), employee, officer, director, independent contractor, consultant, advisor (such service as an advisor to be given by such Covenantor or Affiliate for pecuniary gain) or in any other capacity calling for the making of investments or the rendition of services, advice (which advice shall be given by such Covenantor or Affiliate for pecuniary gain), or acts of management, operation or control, any business which is competitive with the Business Conducted by the Company/Parent (such term to have the meaning assigned to the term "Business Conducted by the Company/Buyer" in the Noncompete Agreement); provided that the terms of the Noncompete Agreement shall not prevent such Covenantor or such Covenantor's Affiliate from acquiring, directly or indirectly, all of the capital stock of, or substantially all of the assets of, a person or entity (the "Acquired Person/Entity") which conducts a business which is competitive with the Business Conducted by the Company/Parent so long as (a) such business which is competitive with the Business Conducted by the Company/Parent does not (i) generate gross revenues constituting fifty percent (50%) of the gross revenues of the Acquired Person/Entity (such gross revenues, in each case, to be computed for the most recently completed four quarter period) or (ii) own or use assets constituting greater than fifty percent (50%) of the total assets of the Acquired Person/Entity (such assets to be computed on a fair market basis) and (b) the Covenantor or Affiliate of such Covenantor shall offer to sell to Parent such business which is competitive with the Business Conducted by the Company/Parent in accordance with the procedures set forth in the Noncompete Agreement. For purposes of the Noncompete Agreement, Affiliate does not include Onex Corporation or any Affiliate of Onex Corporation which is not also an Affiliate of J2R Corporation, Scott D. Rued and S. A. Johnson.

Non-Solicitation of Employees. Each Covenantor has agreed that during the Noncompete Period, such Covenantor will not, without the prior written consent of Parent, directly or indirectly solicit any employee of the Company or Parent (other than non-salary or solely clerical employees) to leave such employment.

Confidentiality. Each Covenantor has agreed that such Covenantor will not, without the prior written authorization of Parent, directly or indirectly divulge, furnish or make accessible to any person any confidential information concerning the Company, or make accessible to any person any such confidential information, but instead shall keep all confidential information strictly and absolutely confidential, except (i) as required by law or administrative process, in which event such Covenantor shall give notice of such disclosure to Parent as promptly as practicable so as to enable Parent or the Purchaser to seek a protective order from a court of competent jurisdiction with respect thereto and (ii) for information which becomes public other than as a result of a breach of this provision.

Other Matters

Appraisal Rights. No appraisal rights are available to holders of Shares in connection with the Offer. However, if the Merger is consummated, holders of Shares will have certain rights under Section 262 of the Delaware Law to dissent and demand appraisal of, and payment in cash for the fair value of, their Shares. Such rights, if the statutory procedures are complied with, could lead to a judicial determination of the fair value (excluding any element of value arising from accomplishment or expectation of the Merger) required to be paid in cash to such dissenting holders for their Shares. Any such judicial determination of the fair value of Shares could be based upon considerations other than in addition to the Offer Price and the market value of the Shares, including asset values and the investment value of the Shares. The value so determined could be more or less than the Offer Price or the Merger Consideration.

If any holder of Shares who demands appraisal under Section 262 of the Delaware Law fails to perfect, or effectively withdraws or loses his right to appraisal, as provided in the Delaware Law, the shares of such holder will be converted into the Merger Consideration in accordance with the Merger Agreement. A stockholder may withdraw his demand for appraisal by delivery to Parent of a written withdrawal of his demand for appraisal and acceptance of the Merger.

Failure to follow the steps required by Section 262 of the Delaware Law for perfecting appraisal rights may result in the loss of such rights.

Going Private Transactions. Rule 13e-3 under the Exchange Act is applicable to certain "going-private" transactions. The Purchaser does not believe that Rule 13e-3 will be applicable to the Merger unless, among other things, the Merger is completed more than one year after termination of the Offer. If applicable, Rule 13e-3 would require, among other things, that certain financial information regarding the Company and certain information regarding the fairness of the Merger and the consideration offered to minority stockholders be filed with the Commission and disclosed to minority stockholders prior to consummation of the Merger.

13. DIVIDENDS AND DISTRIBUTIONS

Pursuant to the terms of the Merger Agreement, the Company is prohibited from taking any of the actions described in the two following paragraphs, and nothing herein shall constitute a waiver by the Purchaser or Parent of any of its rights under the Merger Agreement or a limitation of remedies available to the Purchaser or Parent for any breach of the Merger Agreement, including termination thereof.

If on or after the date of the Merger Agreement, the Company should (a) split, combine or otherwise change the Shares or its capitalization, (b) acquire currently outstanding Shares or otherwise cause a reduction in the number of outstanding Shares or (c) issue or sell additional Shares, shares of any other class of capital stock, other voting securities or any securities convertible into, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, other than Shares issued pursuant to the exercise of outstanding employee stock options, then subject to the provisions of Section 14 below, the Purchaser, in its sole discretion, may make such adjustments as it deems appropriate in the Offer Price and other terms of the Offer, including, without limitation, the number or type of securities offered to be purchased.

If, on or after the date of the Merger Agreement, the Company should declare or pay any cash dividend on the Shares or other distribution on the Shares, or issue with respect to the Shares any additional Shares, shares of any other class of capital stock, other voting securities or any securities convertible into, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, payable or distributable to stockholders of record on a date prior to the transfer of the Shares purchased pursuant to the Offer to the Purchaser or its nominee or transferee on the Company's stock transfer records, then, subject to the provisions of Section 14 below, (a) the Offer Price may, in the sole discretion of the Purchaser, be reduced by the amount of any such cash dividend or cash distribution and (b) the whole of any such noncash dividend, distribution or issuance to be received by the tendering stockholders will (i) be received and held by the tendering stockholders for the account of the Purchaser and will be required to be promptly remitted and transferred by each tendering stockholder to the Depositary for the account of the Purchaser, accompanied by appropriate documentation of transfer, or (ii) at the direction of the Purchaser, be exercised for the benefit of

the Purchaser, in which case the proceeds of such exercise will promptly be remitted to the Purchaser. Pending such remittance and subject to applicable law, the Purchaser will be entitled to all rights and privileges as owner of any such noncash dividend, distribution, issuance or proceeds and may withhold the entire Offer Price or deduct from the Offer Price the amount or value thereof, as determined by the Purchaser in its sole discretion.

14. CERTAIN CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after expiration or termination of the Offer), to pay for any Shares tendered, and, except as otherwise provided in the Merger Agreement, may postpone the acceptance for payment or, subject to the restriction referred to above, payment for any Shares tendered, and may amend or terminate the Offer (whether or not any Shares have theretofore been purchased or paid for) if (i) prior to the Expiration Date (a) the Minimum Condition or the Financing Condition shall not have been satisfied, (b) the applicable waiting period under the HSR Act shall not have expired or been terminated or (c) all regulatory and related approvals shall have not been obtained on terms reasonably satisfactory to Parent, except where the failure to obtain such approval would not have a Company Material Adverse Effect and would not materially restrict or prohibit consummation of the Offer or the Merger or (ii) prior to the acceptance for payment of or payment for Shares and at any time on or after the date of the Merger Agreement, any of the following conditions shall have occurred and be continuing:

(a) Any Governmental Entity or federal or state court of competent jurisdiction shall have enacted, issued, promulgated, entered or enforced any statute, rule, executive order, regulation, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and which (1) materially restricts or prohibits consummation of the Offer or the Merger, (2) prohibits or limits materially the ownership or operation by the Company, Parent or any of their subsidiaries of all or any material portion of the business or assets of the Company and its subsidiaries taken a whole, or compels the Company, Parent, or any of their subsidiaries to dispose of or hold separate all or any material portion of the business or assets of the Company and its subsidiaries taken as a whole, (3) imposes limitations on the ability of Parent, the Purchaser or any other subsidiary of Parent to exercise rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by the Purchaser pursuant to the Offer or otherwise on all matters properly presented to the Company's stockholders, including, without limitation, the approval and adoption of the Merger Agreement and the transactions contemplated thereby, (4) requires divestitures of any Shares by Parent, the Purchaser or any other affiliate of Parent or (5) which would result in a Company Material Adverse Effect; provided that Parent shall have used commercially reasonable efforts to cause any such decree, judgment, injunction or other order to be vacated or lifted;

(b) there shall have been instituted or there shall be pending any action or proceeding before any Governmental Entity or federal or state court of competent jurisdiction which is reasonably likely to result, directly or indirectly, in any of the consequences set forth in clauses (1) through (5) of paragraph (a) above; provided that Parent shall have used commercially reasonable efforts to cause any such decree, judgment, injunction or other order to be vacated or lifted;

(c) Any of the representations and warranties of the Company contained in the Merger Agreement shall not be true and correct as of the date of consummation of the Offer as though made on and as of such date, except (i) for changes specifically permitted by the Merger Agreement, (ii) that those representations and warranties which address matters only as of a particular date shall remain true and correct as of such date, and (iii) where, with respect to those representations and warranties which are not qualified by materiality or a similar qualification, such failures to be true and correct would not, individually or in the aggregate, have a Company Material Adverse Effect;

(d) The Company shall not have performed or complied in all material respects with all agreements and covenants required by the Merger Agreement to be performed or complied with by the Company on or prior to the date of consummation of the Offer;

(e) There shall have occurred and be continuing for a period of two days or upon the date of any scheduled expiration of the Offer (i) any general suspension of, or limitation or pricing for, trading in securities on any national securities exchange or in the over-the-counter market, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in United States (whether or not mandatory), (iii) from the date of this Agreement through the date of termination or expiration of the Offer, a decline of a least 25% in the Standard & Poor's 500 Index, or (iv) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;

(f) The Merger Agreement shall have been terminated in accordance with its terms;

(g) Parent and the Company shall have agreed that Parent shall amend the Offer to terminate the Offer or postpone the payment for Shares pursuant thereto;

(h) The Board of Directors of the Company shall have withdrawn or materially modified (in a manner adverse to Parent) its approval or recommendation of the Offer or the Merger;

(i) either immediately before or after giving effect to payment by Parent or the Purchaser for the Shares tendered pursuant to the Offer, (i) a Potential Event of Default or Event of Default (as defined in that certain Note and Warrant Exchange Agreement dated as of April 30, 1992 by and among the Company, Automotive Industries, Inc., Kemper Investors Life Insurance Company, The Northwestern Mutual Life Insurance Company and Teachers Insurance and Annuity Association of America (as amended, the "8.75% Note Agreement")) shall have occurred and be continuing, (ii) a Default or Event of Default (as defined in that certain Note Agreement dated as of December 29, 1994 by and among Automotive Industries, Inc., The North Atlantic Life Insurance Company of America, Northern Life Insurance Company, The Northwestern Mutual Life Insurance Company and Teachers Insurance and Annuity Association of America (as amended, the "8.89% Note Agreement" and together with the 8.85% Note Agreement the "Note Agreements")) shall have occurred and be continuing, or (iii) the Note Agreements shall prohibit the Company from incurring an additional dollar of Funded Debt (as defined in each of the Note Agreements); or

(j) Since April 1, 1995 there shall have been any material adverse change in the business, results of operations, financial condition or business prospects of the Company and its Subsidiaries, taken as a whole (other than any change resulting from a change in general economic conditions or a change in the automotive industry generally).

The foregoing conditions are for the sole benefit of Parent and the Purchaser and each of their affiliates and may be asserted by Parent or the Purchaser or may be waived by Parent or the Purchaser, in whole or in part, from time to time in either of their sole discretion, except as otherwise provided in the Merger Agreement. The failure by Parent or the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right and may be asserted at any time from time to time.

15. CERTAIN LEGAL MATTERS

Except as described in this Section 15, based on a review of publicly available filings made by the Company with the Commission and other publicly available information concerning the Company, as well as certain representations made to the Purchaser and Parent in the Merger Agreement by the Company, neither the Purchaser nor Parent is aware of any license or regulatory permit that appears to be material to the business of the Company and its subsidiaries, taken as a whole, that might be adversely affected by the Purchaser's acquisition of Shares as contemplated herein or of any approval or other action by any Governmental Entity that would be required for the acquisition or ownership of Shares by the Purchaser as contemplated herein. Should any such approval or other action be required, the Purchaser and Parent

currently contemplate that such approval or other action will be sought, except as described below under "State-Takeover Laws". While, except as otherwise expressly described in this Section 15, the Purchaser does not presently intend to delay the acceptance for payment of or payment for Shares tendered pursuant to the Offer pending the outcome of any such matter, there can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that failure to obtain any such approval or other action might not result in consequences adverse to the Company's business or that certain parts of the Company's business might not have to be disposed of if such approvals were not obtained or such other actions were not taken or in order to obtain any such approval or other action. If certain types of adverse action are taken with respect to the matters discussed below, the Purchaser could decline to accept or payment or pay for any Shares tendered. See Section 14 for certain conditions to the Offer.

State Takeover Laws. A number of states throughout the United States have enacted takeover statutes that purport, in varying degrees, to be applicable to attempts to acquire securities of corporations that are incorporated or have assets, stockholders, executive offices or places of business in such states. In Edgar v. MITE Corp., the Supreme Court of the United States held that the Illinois Business Takeover Act, which involved state securities laws that made the takeover of certain corporations more difficult, imposed a substantial burden on interstate commerce and therefore was unconstitutional. In CTS Corp. v. Dynamics Corp. of America, however, the Supreme Court of the United States held that a state may, as a matter of corporate law and, in particular, those laws concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without prior approval of the remaining stockholders, provided that such laws were applicable only under certain conditions.

The Company is incorporated under the laws of Delaware. Section 203 of the Delaware Law prevents an "Interested Stockholder" (defined generally as a person with 15% or more of the corporation's outstanding voting stock) from engaging in a "Business Combination" (defined to include a variety of transactions, including mergers) with a Delaware corporation for three years following the date such person becomes an Interested Stockholder, unless (i) before such person became an Interested Stockholder, the board of directors of the corporation approved the transaction in which the Interested Stockholder became an Interested Stockholder or approved the Business Combination, (ii) upon consummation of the transaction which resulted in the Interested Stockholder becoming an Interested Stockholder, the Interested Stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding stock held by directors who are also officers of the corporation and by certain employee stock ownership plans), (iii) following the transaction in which such person became an Interested Stockholder, the Business Combination is approved by the board of directors of the corporation and authorized at a meeting of stockholders by the affirmative vote of the holders of two-thirds of the outstanding voting stock of the corporation not owned by the Interested Stockholder. The Board of Directors of the Company has unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Offer and the execution and delivery of the Stockholders Agreement, for purposes of Section 203 of the Delaware Law, and the restrictions of such Section 203 are, accordingly, not applicable to Parent, the Purchaser or affiliates or associates of the Purchaser as a result of the execution and delivery of the Stockholders Agreement or the consummation of the transactions contemplated by this Offer to Purchase.

Neither the Purchaser nor Parent has currently complied with any state takeover statute or regulation. The Purchaser reserves the right to challenge the applicability or validity of any state law purportedly applicable to the Offer or the Merger and nothing in this Offer to Purchase or any action taken in connection with the Offer or the Merger is intended as a waiver of such right. If it is asserted that any state takeover statute is applicable to the Offer or the Merger and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or the Merger, the Purchaser might be required to file certain information with, or to receive approvals from, the relevant state authorities, and the Purchaser might be unable to accept for payment or pay for Shares tendered pursuant to the Offer, or be delayed in consummating the Offer or the Merger. In such case, the Purchaser may not be obliged to accept payment or pay for any Shares tendered pursuant to the Offer.

Antitrust. Under the provisions of the HSR Act applicable to the Offer, the purchase of Shares under the Offer may be consummated following the expiration of a 15-calendar day waiting period following the filing by

Parent of a Notification and Report Form with respect to the Offer, unless Parent receives a request for additional information or documentary material from the Antitrust Division or the FTC or unless early termination of the waiting period is granted. Parent currently anticipates making such filing on or about July 20, 1995. If, within the initial 15-day waiting period, either the Antitrust Division or the FTC requests additional information or material from Parent concerning the Offer, the waiting period will be extended and would expire at 11:59 p.m., New York City time, on the tenth calendar day after the date of substantial compliance by Parent with such request. Only one extension of the waiting period pursuant to a request for additional information is authorized by the HSR Act. Thereafter, such waiting period may be extended only by court order or with the consent of Parent. In practice, complying with a request for additional information or material can take a significant amount of time. In addition, if the Antitrust Division or the FTC raises substantive issues in connection with a proposed transaction, the parties frequently engage in negotiations with the relevant governmental agency concerning possible means of addressing those issues and may agree to delay consummation of the transaction while such negotiations continue.

The Merger would not require an additional filing under the HSR Act if the Purchaser owns 50% or more of the outstanding Shares at the time of the Merger or if the Merger occurs within one year after the HSR Act waiting period applicable to the Offer expires or is terminated.

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as the Purchaser's proposed acquisition of the Company. At any time before or after the Purchaser's purchase of Shares pursuant to the Offer, the Antitrust Division or FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or the consummation of the Merger or seeking the divestiture of Shares acquired by the Purchaser or the divestiture of substantial assets of Parent or its subsidiaries, or the Company or its subsidiaries. Private parties may also bring legal action under the antitrust laws under certain circumstances. There can be no assurance that a challenge to the Offer on antitrust grounds will not be made or, if such a challenge is made, of the results thereof.

Foreign Approvals. According to the Company Form 10-K, the Company owns property and conducts business in a number of other foreign countries and jurisdictions. In connection with the acquisition of the Shares pursuant to the Offer, the laws of certain of those foreign countries and jurisdictions may require the filing of information with, or the obtaining of the approval of, governmental authorities in such countries and jurisdictions. The governments in such countries and jurisdictions might attempt to impose additional conditions on the Company's operations conducted in such countries and jurisdictions as a result of the acquisition of the Shares pursuant to the Offer. There can be no assurance that the Purchaser will be able to cause the Company or its subsidiaries to satisfy or comply with such laws or that compliance or noncompliance will not have adverse consequences for the Company or any subsidiary after purchase of the Shares pursuant to the Offer.

16. FEES AND EXPENSES

Lehman Brothers is acting as Dealer Manager in connection with the Offer and has provided certain financial advisory services to Parent in connection with the Offer and the Merger pursuant to a Dealer Manager Agreement dated July 19, 1995 (the "Dealer Manager Agreement"). Parent and the Purchaser have agreed to pay Lehman Brothers a fee of $4.75 million, payable upon consummation of the Merger, for its services in connection with the Offer and as financial advisor. A portion of the fee payable to Lehman Brothers under the Dealer Manager Agreement will be paid by Lehman Brothers to Cypress Advisors L.P., an affiliate of The Cypress Group L.L.C. (the "Cypress Group"), a company which provides consulting services to Lehman Brothers with respect to the management of the equity investments of the Lehman Funds (as hereinafter defined). In addition, Parent and the Purchaser have agreed to reimburse the Dealer Manager for its out-of-pocket expenses, including the reasonable fees and expenses of its counsel, in connection with the Offer and to indemnify the Dealer Manager and certain related persons against certain liabilities and expenses, including certain liabilities under the Federal securities laws.

Certain merchant banking partnerships (the "Lehman Funds") affiliated with Lehman Brothers own an aggregate of approximately 52.5% of the outstanding common stock of Parent on a fully-diluted basis and,

collectively, have the ability to elect all of the members of Parent's Board of Directors. Certain members of Parent's Board of Directors presently are employed by Lehman Brothers or the Cypress Group. Lehman Brothers has from time to time provided investment banking, financial advisory and other services to Parent. In the ordinary course of its business, Lehman Brothers trades debt and equity securities of Parent and the Company for its own account and accounts of its customers, and accordingly, it may at any time have a net long or short position in such securities. As of July 19, 1995, Lehman Brothers had a net long position in equity securities of Parent and the Company, and a net short position in debt securities of Parent.

The Purchaser has retained D.F. King & Co., Inc. to act as the Information Agent and Bankers Trust Company to serve as the Depositary in connection with the Offer. The Information Agent and the Depositary each will receive reasonable and customary compensation for their services, be reimbursed for certain reasonable out-of-pocket expenses and be indemnified against certain liabilities and expenses in connection therewith, including certain liabilities under the Federal securities laws.

Neither the Purchaser nor Parent will pay any fees or commissions to any broker or dealer or other person (other than the Dealer Manager) in connection with the solicitation of tenders of Shares pursuant to the Offer. Brokers, dealers, banks and trust companies will be reimbursed by the Purchaser upon request for customary mailing and handling expenses incurred by them in forwarding material to their customers.

17. MISCELLANEOUS

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. Neither the Purchaser nor Parent is aware of any jurisdiction in which the making of the Offer or the tender of Shares in connection therewith would not be in compliance with the laws of such jurisdiction. If the Purchaser or Parent becomes aware of any state law prohibiting the making of the Offer or the acceptance of Shares pursuant thereto in such state, the Purchaser will make a good faith effort to comply with any such state statute or seek to have such state statute declared inapplicable to the Offer. If, after such good faith effort, the Purchaser cannot comply with any such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state, depending on the timing of such amendment, if any, will extend the Offer to provide adequate dissemination of such information to holders of Shares prior to the expiration of the Offer. In any jurisdiction the securities, blue sky or other laws of which require the Offer to be made by a licensed broker or dealer, the Offer is being made on behalf of the Purchaser by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION ON BEHALF OF THE PURCHASER OR PARENT NOT CONTAINED HEREIN OR IN THE LETTER OF TRANSMITTAL AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. NEITHER THE DELIVERY OF THE OFFER TO PURCHASE NOR ANY PURCHASE PURSUANT TO THE OFFER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF PARENT, THE PURCHASER OR THE COMPANY SINCE THE DATE AS OF WHICH INFORMATION IS FURNISHED OR THE DATE OF THIS OFFER TO PURCHASE.

The Purchaser or Parent has filed with the Commission the Schedule 14D-1 pursuant to Rule 14d-3 under the Exchange Act, furnishing certain additional information with respect to the Offer. In addition, the Company has filed with the Commission the Schedule 14D-9 pursuant to Rule 14d-9 under the Exchange Act, setting forth its recommendation with respect to the Offer and the reasons for such recommendation and furnishing certain additional related information. Such Schedules and any amendments thereto, including exhibits, should be available for inspection and copies should be obtainable in the manner set forth in Sections 8 and 9 (except that they will not be available at the regional offices of the Commission).

AIHI ACQUISITION CORP.

July 20, 1995

SCHEDULE I

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF PARENT AND THE PURCHASER

The following table sets forth the name, age, business address, citizenship and principal occupation or employment at the present time and during the past five years of each director and executive officer of Parent and the Purchaser. Unless otherwise noted, each such person is a citizen of the United States. In addition, unless otherwise noted, each such person's business address is Lear Seating Corporation, 21557 Telegraph Road, Southfield, Michigan 48034. Directors are indicated with an asterisk.

DIRECTORS AND EXECUTIVE OFFICERS OF PARENT

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
Kenneth L. Way*.....	Mr. Way was elected to and has held the position of Chairman of the Board and Chief Executive Officer of Parent since 1988. Prior to this time he served as Corporate Vice President, Automotive Group for Lear Siegler, Inc. ("LSI") since October 1984. During the previous six years, Mr. Way was President of LSI's General Seating Division. Before this position, he was President of LSI's Metal Products Division in Detroit for three years. Other positions held by Mr. Way during his 29 years with LSI include Manufacturing Manager of the Metal Products Division and Manager of Production Control for the Automotive Division in Detroit. Mr. Way also serves as a director of Hayes Wheels International, Inc. Mr. Way is 56 years old.
Robert E. Rossiter*.....	Mr. Rossiter became President of Parent in 1984 and a Director and the Chief Operating Officer of Parent in 1988. He joined LSI in 1971 in the Material Control Department of the Automotive Division, then joined the Metal Products Division of LSI as Production Control Manager, and subsequently moved into sales and sales management. In 1979, he joined the General Seating Division as Vice President of Sales and worked in that position, as well as Vice President of Operations, until 1984. Mr. Rossiter is 49 years old.
Gian Andrea Botta*.....	Mr. Botta became a Director of Parent on December 31, 1993 upon consummation of the merger of Lear Holdings Corporation ("Holdings") into Parent (the "Holdings Merger"). Prior to the Holdings Merger, Mr. Botta was a Director of Holdings since 1993. Mr. Botta has been President of EXOR America Inc., an affiliate of FIMA Finance Management Inc. ("FIMA"), since February, 1994 and previously was President of IFINT-USA Inc., an affiliate of FIMA, since 1993 and was Vice President of Acquisitions of IFINT-USA Inc. for more than five years prior thereto. Mr. Botta is a member of the Board of Directors of ICF International and Chartwell Re Corporation, and a Trustee of Corporate Property Investors. Mr. Botta is 41 years old and is a citizen of the Republic of Italy.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
Eliot M. Fried*.....	Mr. Fried became a Director of Parent on December 31, 1993 upon consummation of the Holdings Merger. From September 1991 until the Holdings Merger, Mr. Fried was a Director of Holdings. He has been a Managing Director of Lehman Brothers Inc. for more than five years. Mr. Fried is a director of Bridgeport Machines, Inc., Energy Ventures Corporation, Sun Distributors, L.P., Vernitron, Inc., American Marketing Industries Holdings Inc. and Walter Industries, Inc. Mr. Fried is 62 years old.
Jeffrey P. Hughes*.....	Mr. Hughes became a Director of Parent in September 1991. Mr. Hughes left Lehman Brothers Inc. to become Vice Chairman of The Cypress Group L.L.C. in 1994. Prior to this time, he was a Managing Director of Lehman Brothers Inc. for more than five years. Mr. Hughes is 54 years old.
Larry W. McCurdy*.....	Mr. McCurdy became a Director of Parent in 1988. Mr. McCurdy was named Executive Vice President, Operations of Cooper Industries in April 1994. Prior to this time, Mr. McCurdy was the President and Chief Executive Officer of Moog Automotive, Inc. since November 1985, and prior thereto President and Chief Operating Officer of Echlin, Inc. ("Echlin"), since August 1983, after serving as Vice President of Finance from February 1983. Prior to joining Echlin, he served in various material positions with Tenneco, Inc. He was formerly Chairman of the Board of Directors of the Motor and Equipment Manufacturing Association (MEMA). Mr. McCurdy also serves as a director of Mohawk Industries, Inc., Breed Technologies, Inc. and as a trustee of Millikin University. Mr. McCurdy is 60 years old.
Robert W. Shower*.....	Mr. Shower became a Director of Parent on December 31, 1993 upon consummation of the Holdings Merger. From November 1991 until the Holdings Merger, Mr. Shower was a Director of Holdings. Mr. Shower was appointed Senior Vice President and Chief Financial Officer of Seagull Energy Corporation in March 1992, elected a director in May 1992 and named Executive Vice President in 1994. Prior thereto, he served as Senior Vice President -- Corporate Development at Albert Fisher Inc. from November 1991 to February 1992, as Senior Vice President of Finance and CFO at AmeriServ in 1990 and 1991 and as a Managing Director of Corporate Finance with Lehman Brothers Inc. from 1986 to 1990. From 1964 to 1986, Mr. Shower served in a variety of financial executive positions with The Williams Companies where he was a member of the Board of Directors and Executive Vice President of Finance and Administration from 1977 to 1986. Mr. Shower is a member of the Board of Directors of Seagull Energy Corporation. Mr. Shower is 57 years old.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
David P. Spalding*.....	Mr. Spalding became a Director of Parent in September 1991. Mr. Spalding left Lehman Brothers Inc. to become Vice Chairman of The Cypress Group L.L.C. in 1994. Prior to this time, he was a Managing Director of Lehman Brothers Inc. from February 1991. Previously, he held the position of Senior Vice President of Lehman Brothers Inc. from September 1988 to February 1991. From April 1987 to September 1988, he was Senior Vice President of General Electric Capital Corporation Corporate Finance Group, Inc. Prior to 1987 he was Vice President of The First National Bank of Chicago. Mr. Spalding is a Director of Parisian, Inc. and American Marketing Industries Holdings Inc. Mr. Spalding is 41 years old.
James A. Stern*.....	Mr. Stern became a Director of Parent on December 31, 1993 upon consummation of the Holdings Merger. From September 1991 until the Holdings Merger, Mr. Stern was a Director of Holdings. Mr. Stern left Lehman Brothers Inc. to become Chairman of The Cypress Group L.L.C. in 1994. Prior to this time, he was a Managing Director of Lehman Brothers Inc. for more than five years. He is also a director of K&F Industries Inc., Infinity Broadcasting Corporation, R.P. Scherer Corporation and Noel Group, Inc. Mr. Stern is 44 years old.
Alan H. Washkowitz*.....	Mr. Washkowitz became a Director of Parent in 1994. Mr. Washkowitz has been a Managing Director of Lehman Brothers Inc. or its predecessors since 1978. Mr. Washkowitz also serves as a director of K & F Industries, Inc., Illinois Central Corporation and McBride, plc. Mr. Washkowitz is 54 years old.
James H. Vandenberghe.....	Mr. Vandenberghe is currently Executive Vice President and Chief Financial Officer of Parent. Mr. Vandenberghe previously served as Senior Vice President -- Finance, Secretary and Chief Financial Officer of Parent since 1988. He was appointed Executive Vice President of Parent in 1993. He joined LSI's Automotive Division in 1973 as a financial analyst and was promoted to positions at the Metal Products Division and the Automotive Group office, and in 1978 was named the Vice President -- Finance for the Plastics Division. In 1983, Mr. Vandenberghe was appointed Vice President -- Finance for the General Seating Division. Prior to 1988, Mr. Vandenberghe had been responsible for project management, United States operations, and international operations of Parent. Mr. Vandenberghe is 45 years old.
Barthold H. Hoemann.....	Mr. Hoemann is Senior Vice President -- President, Ford Division of Parent. He was promoted to this position in 1994. Prior to serving in this position he was Senior Vice President -- North American JIT Operations since 1992. Previously he served as Vice President -- Component Operations for Parent in 1992 and 1993 and as Vice President and General Manager for Parent's subsidiary, Lear Plastics Corporation, in 1991 and 1992. From 1988 until 1991, Mr. Hoemann was the Chief Executive Officer of Peerless Corporation. Mr. Hoemann has over 30 years experience as a senior manager and officer in manufacturing companies such as the AC Spark Plug Division of General Motors and the Plastics and Peerless Divisions of LSI. Mr. Hoemann is 56 years old.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
James A. Hollars.....	Mr. Hollars is currently Senior Vice President -- President, International Division of Parent. He was promoted to this position in 1994. Prior to serving in this position, he was Senior Vice President -- International Operations of Parent since 1993. He was previously promoted to Vice President -- International upon the sale of LSI's Power Equipment Division to Lucas Industries in 1988. Mr. Hollars joined LSI's Metal Products Division in 1973 as the Manufacturing Manager and later served as Vice President -- Manufacturing for its No-Sag Spring Division. In 1979, he was named President of the Foam Products Division and was subsequently promoted to President at the Anchorlok Division in 1985 and the Power Equipment Division in 1986. Mr. Hollars is 50 years old.
Joseph F. McCarthy.....	Mr. McCarthy was elected Vice President, Secretary and General Counsel of Parent in April 1994. Prior to joining Parent, Mr. McCarthy served as Vice President -- Legal and Secretary for both Hayes Wheels International, Inc. and Kelsey-Hayes Company. Prior to joining Hayes Wheels International, Inc. and Kelsey-Hayes Company, Mr. McCarthy was a partner in the law firm of Kreckman & McCarthy from 1973 to 1983. Mr. McCarthy is 51 years old.
Donald J. Stebbins.....	Mr. Stebbins is currently Vice President, Treasurer and Assistant Secretary of Parent. He joined Parent in June 1992 from Bankers Trust Company, New York, where he was Vice President for four years. Prior to his tenure at Bankers Trust Company, Mr. Stebbins held positions at Citibank, N.A. and The First National Bank of Chicago. Mr. Stebbins is 37 years old.
Gerald G. Harris.....	Mr. Harris is President -- GM Division of Parent. He was promoted to this position in November 1994. Prior to serving in this position, he was Vice President and General Manager -- GM Operations since March 1994. Previously, Mr. Harris served as Director -- Ford Business Unit from March 1992 to March 1994, Director of Sales from August 1990 to March 1992 and Sales Manager from January 1989 to August 1990. Mr. Harris is 61 years old.
Richard N. Hodgson.....	Mr. Hodgson is President -- Components Division of Parent. He was promoted to this position in November 1994. Prior to serving in this position, he was Vice President -- Component Operations since April 1993. Previously he served as Plant Manager for Parent's subsidiary, Lear Seating Canada Ltd., from 1982. Mr. Hodgson is 47 years old.
Randal T. Murphy.....	Mr. Murphy is President -- BMW Division of Parent. He was promoted to this position in November 1994. Prior to serving in this Position, he was Vice President and General Manager -- Chrysler/BMW Operations since March 1994. Previously he served as Director -- JIT Operations from 1993 and Vice President -- Product Engineering from 1980. Mr. Murphy is 60 years old.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
Terrance E. O'Rourke.....	Mr. O'Rourke is President -- Chrysler Division of Parent. He was promoted to this position in November 1994. Prior to serving in this position, he was Director -- Strategic Planning since October 1994. Prior to joining Parent, Mr. O'Rourke was employed by Ford Motor Company as Supply Manager -- Climate Control Department from 1992 and Procurement Operations Manager from 1988. Mr. O'Rourke is 48 years old.

DIRECTORS AND EXECUTIVE OFFICERS OF THE PURCHASER

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
Kenneth L. Way.....	Mr. Way has been Chairman and Chief Executive Officer of the Purchaser since July 1995. Mr. Way was elected to and has held the position of Chairman of the Board and Chief Executive Officer of Parent since 1988. Prior to this time he served as Corporate Vice President, Automotive Group for Lear Siegler, Inc. ("LSI") since October 1984. During the previous six years, Mr. Way was President of LSI's General Seating Division. Before this position, he was President of LSI's Metal Products Division in Detroit for three years. Other positions held by Mr. Way during his 29 years with LSI include Manufacturing Manager of the Metal Products Division and Manager of Production Control for the Automotive Division in Detroit. Mr. Way also serves as a director of Hayes Wheels International, Inc. Mr. Way is 56 years old.
James H. Vandenberghe.....	Mr. Vandenberghe has been a President, Executive Vice President and Chief Financial Officer of the Purchaser since July 1995. Mr. Vandenberghe is currently Executive Vice President and Chief Financial Officer of Parent. Mr. Vandenberghe previously served as Senior Vice President -- Finance, Secretary and Chief Financial Officer of Parent since 1988. He was appointed Executive Vice President of Parent in 1993. He joined LSI's Automotive Division in 1973 as a financial analyst and was promoted to positions at the Metal Products Division and the Automotive Group office, and in 1978 was named the Vice President -- Finance for the Plastics Division. In 1983, Mr. Vandenberghe was appointed Vice President -- Finance for the General Seating Division. Prior to 1988, Mr. Vandenberghe had been responsible for project management, United States operations, and international operations of Parent. Mr. Vandenberghe is 45 years old.
Joseph F. McCarthy*.....	Mr. McCarthy has been a Director and Vice President, Secretary and General Counsel of the Purchaser since July 1995. Mr. McCarthy was elected Vice President, Secretary and General Counsel of Parent in April 1994. Prior to joining Parent, Mr. McCarthy served as Vice President -- Legal and Secretary for both Hayes Wheels International, Inc. and Kelsey-Hayes Company. Prior to joining Hayes Wheels International, Inc. and Kelsey-Hayes Company, Mr. McCarthy was a partner in the law firm of Kreckman & McCarthy from 1973 to 1983. Mr. McCarthy is 51 years old.

Manually signed facsimile copies of the Letter of Transmittal will be accepted. The Letter of Transmittal, certificates for Shares and any other required documents should be sent or delivered by each stockholder of the Company or such stockholder's broker, dealer, bank, trust company or other nominee to the Depositary at one of its addresses set forth below.

The Depositary for the Offer is:

BANKERS TRUST COMPANY

By Hand/Overnight Courier
Bankers Trust Company
Corporate Trust & Agency Group
Receipt & Delivery Window
123 Washington Street, 1st Floor
New York, NY 10006
Attn: Reorganization Department

By Mail:
Bankers Trust Company
Corporate Trust & Agency Group
Reorganization Department
P.O. Box 1458
Church Street Station
New York, NY 10008-1458

Facsimile Transmission
(for Eligible Institutions only):
(212) 250-6275/3290
Confirm Receipt of Notice of Guaranteed Delivery by Telephone:
(212) 250-6270

Questions and requests for assistance or for additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and locations listed below. You may also contact your broker, dealer, bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

D.F. KING & CO., INC.

77 WATER STREET
NEW YORK, NEW YORK 10005
BANKS AND BROKERS CALL COLLECT: (212) 269-5550
ALL OTHERS CALL TOLL-FREE: (800) 848-3094

The Dealer Manager for the Offer is:

LEHMAN BROTHERS

3 WORLD FINANCIAL CENTER
NEW YORK, NEW YORK 10285
(212) 526-5730 (CALL COLLECT)

LETTER OF TRANSMITTAL
To Tender Shares of Class A Common Stock
of

AUTOMOTIVE INDUSTRIES HOLDING, INC.
at
$33.50 Net Per Share
Pursuant to the Offer to Purchase
Dated July 20, 1995
by
AIHI ACQUISITION CORP.
a wholly-owned subsidiary of
LEAR SEATING CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995, UNLESS THE OFFER IS EXTENDED.

THE DEPOSITARY FOR THE OFFER IS:

By Mail:	By Facsimile Transmission:	By Hand or Overnight Courier:
Bankers Trust Company	(For Eligible Institutions	Bankers Trust Company
Corporate Trust & Agency Group	Only)	Corporate Trust & Agency Group
Reorganization Dept.	(212) 250-6275/3290	Receipt & Delivery Window
P.O. Box 1458		123 Washington Street, 1st
Church Street Station	Confirm by Telephone to:	Floor
New York, NY 10008-1458	(212) 250-6270	New York, NY 10006

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE THEREFOR PROVIDED BELOW AND COMPLETE THE SUBSTITUTE FORM W-9 SET FORTH BELOW.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be completed by holders of Shares (as defined below) of Automotive Industries Holding, Inc. (the "Tendering Stockholders") if certificates evidencing Shares ("Certificates") are to be forwarded herewith or, unless as Agent's Message (as defined in the Offer to Purchase) is used, if delivery of Shares is to be made by book-entry transfer to an account maintained by Bankers Trust Company (the "Depositary") at The Depository Trust Company ("DTC"), the Midwest Securities Trust Company ("MSTC") or the Philadelphia Depository Trust Company ("PDTC") (each a "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase (as defined below).

Tendering Stockholders whose Certificates are not immediately available or who cannot deliver either their Certificates for, or a Book-Entry Confirmation (as defined in Section 3 of the Offer to Purchase) with respect to, their Shares and all other required documents to the Depositary prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) may tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2 hereof. Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.

DESCRIPTION OF SHARES TENDERED

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S) APPEAR(S) ON THE CERTIFICATE(S))	SHARE CERTIFICATE NUMBER(S)(1)	NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)(1)	NUMBER OF SHARES TENDERED(2)
	TOTAL SHARES		

(1) Need not be completed by holders of Shares delivering Shares by Book-Entry Transfer.
(2) Unless otherwise indicated, it will be assumed that all Shares represented by Certificates delivered to the Depositary are being tendered. See Instruction 4.

/ / CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH A BOOK-ENTRY TRANSFER FACILITY, AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN A BOOK-ENTRY TRANSFER FACILITY MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER).

Name of Tendering Institution:
Check Box of Book-Entry Transfer Facility:

/ / DTC / / MSTC / / PDTC

Account Number: Transaction Code Number:

/ / CHECK HERE IF SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING. PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY.

Name(s) of Registered Holder(s):
Window Ticket Number (if any):
Date of Execution of Notice of Guaranteed Delivery:
Name of Institution which Guaranteed Delivery:
If delivered by book-entry transfer, check box of Applicable Book-Entry Transfer Facility:

/ / DTC / / MSTC / / PDTC

Account Number: Transaction Code Number:

NOTE: SIGNATURES MUST BE PROVIDED BELOW.
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

Ladies and Gentlemen:

The undersigned hereby tenders to AIHI Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Seating Corporation ("Parent"), a Delaware corporation, the above-described shares of Class A Common Stock, $.01 par value per share (the "Shares"), of Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), at a price of $33.50 per share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated July 20, 1995 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which together constitutes the "Offer"). The undersigned understands that the Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its or Parent's affiliates, the right to purchase all of any portion of the Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligations under the Offer or prejudice the rights of tendering holders of the Shares ("Tendering Stockholders") to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of, or payment for, Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms or conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, the Purchaser all right, title and interest in and to all of the Shares that are being tendered hereby and any and all other Shares or other securities issued or issuable in respect of such Shares on or after July 16, 1995 (a "Distribution") and irrevocably constitutes and appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and any Distributions), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver Certificates evidencing such Shares (and any Distributions), or transfer ownership of such Shares (and any Distributions) on the account books maintained by a Book-Entry Transfer Facility together, in any such case, with all accompanying evidences of transfer and authenticity to, or upon the order of, the Purchaser, upon receipt by the Depositary as the undersigned's agent, of the purchase price with respect to such Shares, (ii) present such Shares (and any Distributions) for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and any Distributions), all in accordance with the terms and subject to the conditions of the Offer.

The undersigned hereby irrevocably appoints each designee of the Purchaser as the attorney-in-fact and proxy of the undersigned, each with full power of substitution, to the full extent of the undersigned's rights with respect to all Shares tendered hereby and accepted for payment and paid for by the Purchaser (and any Distributions), including, without limitation, the right to vote such Shares (and any Distributions) in such manner as each such attorney and proxy or his substitute shall, in his sole discretion, deem proper. All such powers of attorney and proxies, being deemed to be irrevocable, shall be considered coupled with an interest in the Shares tendered herewith. Such appointment will be effective when, and only to the extent that, the Purchaser accepts such Shares for payment. Upon such acceptance for payment, all prior powers of attorney and proxies given by the undersigned with respect to such Shares (and any Distributions) will be revoked, without further action, and no subsequent powers of attorneys and proxies may be given with respect thereto (and, if given, will be deemed ineffective). The designees of the Purchaser will, with respect to the Shares (and any Distributions) for which such appointment is effective, be empowered to exercise all voting and other rights of the undersigned with respect to such Shares (and any Distributions) as they in their sole discretion may deem proper. The Purchaser reserves the absolute right to require that, in order for Shares to be deemed validly tendered, immediately upon the acceptance for payment of such Shares, the Purchaser or its designees are able to exercise full voting rights and all other rights which inure to a record and beneficial holder with respect to such Shares (and any Distributions) including voting at any meeting of stockholders then scheduled.

All authority conferred or agreed to be conferred in this Letter of Transmittal shall be binding upon the successors, assigns, heirs, executors, administrators, trustee in bankruptcy, personal and legal representatives

of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable, provided that the Shares tendered pursuant to the Offer may be withdrawn prior to their acceptance for payment.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby (and any Distributions) and that, when the same are accepted for payment and paid for by the Purchaser, the Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances, and that the Shares tendered hereby (and any Distributions) will not be subject to any adverse claim. The undersigned, upon request, will execute and deliver any additional documents deemed by the Depositary or the Purchaser to be necessary or desirable to complete the sale, assignment and transfer of Shares tendered hereby (and any Distributions). In addition, the undersigned shall promptly remit and transfer to the Depositary for the account of the Purchaser any and all Distributions issued to the undersigned on or after July 16, 1995 in respect of the Shares tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance and transfer or appropriate assurance thereof, the Purchaser shall be entitled to all rights and privileges as owner of any such Distributions and may withhold the entire purchase price or deduct from the purchase price the amount of value thereof, as determined by the Purchaser in its sole discretion.

The undersigned understands that the valid tender of Shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and the Purchaser with respect to such Shares upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, the Purchaser may not be required to accept for payment any of the Shares tendered hereby or may accept for payment fewer than all of the Shares tendered hereby.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price and/or return any Certificates evidencing Shares not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any Certificates evidencing Shares not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Shares Tendered." In the event that both the "Special Payment Instructions" and the "Special Delivery Instructions" are completed, please issue the check for the purchase price and/or return any such Certificates evidencing Shares not tendered or not accepted for payment (and accompanying documents, as appropriate) in the name(s) of, and deliver such check and/or return such certificates (and accompanying documents, as appropriate) to, the person(s) so indicated. Unless otherwise indicated herein under "Special Payment Instructions," in the case of a book-entry delivery of Shares, please credit the account maintained at the Book-Entry Transfer Facility indicated above with respect to any Shares not accepted for payment. The undersigned recognizes that the Purchaser has no obligation pursuant to the "Special Payment Instructions" to transfer any Shares from the name of the registered holder thereof if the Purchaser does not accept for payment any of the Shares tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS

(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if Certificates for Shares not tendered or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be issued in the name of someone other than the undersigned, or if Shares delivered by book-entry transfer that are not accepted for payment are to be returned by credit to an account maintained at a Book-Entry Transfer Facility, other than to the account indicated above.
Issue (check appropriate box(es)):
/ / Check to:
/ / Certificate(s) to:

Name: _____
Address: _____
_____
(INCLUDE ZIP CODE)

_____
(TAX IDENTIFICATION OR SOCIAL SECURITY NO.)
(SEE SUBSTITUTE FORM W-9)

/ / Credit unpurchased Shares delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below:

/ / DTC / / MSTC / / PDTC

(check one)

_____
(DTC/MSTC/PDTC Account Number)

SPECIAL DELIVERY INSTRUCTIONS

(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if Certificates for Shares not tendered or not accepted for payment and/or the check of the purchase price of Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown above.
Mail (check appropriate box(es)):
/ / Check to:
/ / Certificate(s) to:

Name: _____
Address: _____
_____
(INCLUDE ZIP CODE)

_____
(TAX IDENTIFICATION OR SOCIAL SECURITY NO.)

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. Except as otherwise provided below, signatures on this Letter of Transmittal must be guaranteed by a member firm of a registered national securities exchange (registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), by a member firm of the National Association of Securities Dealers, Inc., by a commercial bank or trust company having an office or correspondent in the United States or by any other "Eligible Guarantor Institution" (bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc. (each of the foregoing constituting an "Eligible Institution"), unless the Shares tendered hereby are tendered (i) by the registered holder (which term, for purposes of this document, shall include any participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares) of such Shares who has completed neither the box entitled "Special Payment Instructions" nor the box entitled "Special Delivery Instructions" herein or (ii) for the account of an Eligible Institution. See Instruction 5. If the Certificates are registered in the name of a person other than the signer of this Letter of Transmittal, or if payment is to be made or delivered to, or Certificates evidencing unpurchased Shares are to be issued or returned to, a person other than the registered owner, then the tendered Certificates must be endorsed or accompanied by duly executed stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the Certificates, with the signatures on the Certificates or stock powers guaranteed by an Eligible Institution as provided herein. See Instruction 5.

2. Requirements of Tender. This Letter of Transmittal is to be completed by Tendering Stockholders if Certificates evidencing Shares are to be forwarded herewith or if delivery of Shares is to be made pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase. For a Tendering Stockholder to validly tender Shares pursuant to the Offer, either (a) a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry delivery of Shares, and any other required documents, must be received by the Depositary at one of its addresses set forth herein on or prior to the Expiration Date and either (i) Certificates for tendered Shares must be received by the Depositary at one of such addresses on or prior to the Expiration Date or (ii) Shares must be delivered pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase and a Book-Entry Confirmation must be received by the Depositary on or prior to the Expiration Date or (b) the Tendering Stockholder must comply with the guaranteed delivery procedures set forth below and in Section 3 of the Offer to Purchase.

Tendering Stockholders whose Certificates are not immediately available or who cannot deliver their Certificates and all other required documents to the Depositary or complete the procedures for book-entry transfer on or prior to the Expiration Date may tender their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution, (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Purchaser, must be received by the Depositary prior to the Expiration Date, and (iii) the Certificates representing all tendered Shares in proper form for transfer, or a Book-Entry Confirmation with respect to all tendered Shares, together with a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees (or in the case of a book-entry transfer, an Agent's Message) and any other documents required by this Letter of Transmittal, must be received by the Depositary within three NASDAQ/National Market System trading days after the date of such Notice of Guaranteed Delivery. If Certificates are forwarded separately to the Depositary, a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) must accompany each such delivery.

THE METHOD OF DELIVERY OF CERTIFICATES, THIS LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE OPTION AND SOLE RISK OF THE TENDERING STOCKHOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN

ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. All Tendering Stockholders, by execution of this Letter of Transmittal (or a facsimile thereof), waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided herein is inadequate, the information required under "Description of Shares Tendered" should be listed on a separate signed schedule attached hereto.

4. Partial Tenders. If fewer than all of the Shares represented by any Certificates delivered to the Depositary herewith are to be tendered hereby, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new Certificate for the remainder of the Shares that were evidenced by your old certificate(s) will be sent, without expense, to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares represented by Certificate(s) delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal, Instruments of Transfer and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the Certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any of the tendered Shares are registered in different names on several Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of Certificates.

If this Letter of Transmittal or any Certificates or instruments of transfer are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Purchaser of such person's authority to so act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares listed and transmitted hereby, no endorsements of Certificates or separate instruments of transfer are required unless payment is to be made, or Certificates not tendered or not purchased are to be issued or returned, to a person other than the registered holder(s). Signatures on such Certificates or instruments of transfer must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares evidenced by the Certificate(s) listed and transmitted hereby, the Certificate(s) must be endorsed or accompanied by appropriate instruments of transfer, in either case signed exactly as the name(s) of the registered holder(s) appear on the Certificate(s). Signatures on such Certificate(s) or instruments of transfer must be guaranteed by an Eligible Institution.

6. Transfer Taxes. Except as set forth in this Instruction 6, the Purchaser will pay or cause to be paid any transfer taxes with respect to the transfer and sale of Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if Certificates for Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered holder(s) of such persons) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Certificate(s) listed in this Letter of Transmittal.

7. Special Payment and Delivery Instructions. If a check and/or Certificates for unpurchased Shares are to be issued in the name of a person other than the signer of this Letter of Transmittal or if a check is to be sent and/or such Certificates are to be returned to someone other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed. If any tendered Shares are not purchased for any reason and such Shares are delivered by Book Entry Transfer Facility, such Shares will be credited to an account maintained at the appropriate Book Entry Transfer Facility.

8. Requests for Assistance or Additional Copies. Questions and requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses or telephone numbers set forth below and requests for additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent or brokers, dealers, commercial banks and trust companies and such materials will be furnished at the Purchaser's expense.

9. Waiver of Conditions. The conditions of the Offer may be waived by the Purchaser, in whole or in part, at any time or from time to time, in the Purchaser's sole discretion.

10. Backup of Withholding Tax. Each Tendering Stockholder is required to provide the Depositary with a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below and to certify that the stockholder is not subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the Tendering Stockholder to 31% federal income tax backup withholding on the payment of the purchase price for the Shares. The Tendering Stockholder should indicate in the box in Part III of the Substitute Form W-9 if the Tendering Stockholders has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the Tendering Stockholder has indicated in the box in Part III that a TIN has been applied for and the Depositary is not provided with a TIN by the time of payment, the Depositary will withhold 31% of all payments of the purchase price, if any, made thereafter pursuant to the Offer until a TIN is provided by the Depositary.

11. Lost or Destroyed Certificates. If any Certificate(s) representing Shares has been lost or destroyed, the holders should promptly notify the Company's transfer agent, Norwest Bank Minnesota, N.A. The holders will then be instructed as to the procedure to be followed in order to replace the Certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed Certificates have been followed.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A MANUALLY SIGNED FACSIMILE THEREOF (TOGETHER WITH CERTIFICATES OR A BOOK-ENTRY CONFIRMATION FOR SHARES AND ANY OTHER REQUIRED DOCUMENTS) MUST BE RECEIVED BY THE DEPOSITARY, OR A NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE EXPIRATION DATE.

IMPORTANT TAX INFORMATION

Under federal income tax law, a Tendering Stockholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payor) with such Tendering Stockholder's correct TIN on Substitute Form W-9 below. If such Tendering Stockholder is an individual, the TIN is his social security number. If the Tendering Stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, such Tendering Stockholder should so indicate on the Substitute Form W-9. See Instruction 10. If the Depositary is not provided with the correct TIN, the Tendering Stockholder may be subject to a $50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such Tendering Stockholders with respect to Shares purchased pursuant to the Offer may be subject to backup federal income tax withholding.

Certain Tendering Stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual

to qualify as an exempt recipient, that Tendering Stockholder must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status. Forms for such statements can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies, the Depositary is required to withhold 31% of any payments made to the Tendering Stockholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup federal income tax withholding with respect to payment of the purchase price for Shares purchased pursuant to the Offer, a Tendering Stockholder must provide the Depositary with his correct TIN by completing the Substitute Form W-9 below, certifying that the TIN provided on Substitute Form W-9 is correct (or that such Tendering Stockholder is awaiting a TIN) and that (1) such Tendering Stockholder has not been notified by the Internal Revenue Service that he is subject to backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the Tendering Stockholder that he is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE DEPOSITARY

The Tendering Stockholder is required to give the Depositary the social security number or employer identification number of the record holder of the Shares tendered hereby. If the Shares are registered in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report. If the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, he or she should write "Applied For" in the space provided for in the TIN in Part III, and sign and date the Substitute Form W-9. If "Applied For" is written in Part III and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% on all payments of the purchase price made thereafter until a TIN is provided to the Depositary.

IMPORTANT
TENDERING SHAREHOLDER: SIGN HERE AND COMPLETE SUBSTITUTE
FORM W-9 ON REVERSE

(Signature(s) of Tendering Stockholder(s))
Dated: , 1995

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the Certificates or on a security position listing or by person(s) authorized to become registered holder(s) by Certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, agents, officers of corporations or others acting in a fiduciary or representative capacity, please provide the following information. See Instruction 5.)
Name(s):

(Please Print)
Capacity (full title):

(See Instruction 5)
Address:

(Include Zip Code)
Area Codes and Telephone No.:
(Home)

(Business)
Taxpayer Identification or Social Security No.:
(Complete Substitute Form W-9 on Reverse)

GUARANTEE OF SIGNATURE(S)
(See Instructions 1 and 5)
Authorized Signature(s):
Name:
Name of Firm:
Address:

(Include Zip Code)
Area Code and Telephone No.:
Dated: , 1995

PAYER'S NAME: BANKERS TRUST COMPANY

SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE	PART I--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	PART III--Social Security Number OR Employer Identification Number (If awaiting TIN write "Applied For")
Payer's Request for Taxpayer Identification Number (TIN)	PART II--For Payees Exempt From Backup Withholding, see the enclosed Guidelines for Certification of Taxpayer Identification Number on Sub-stitute Form W-9 and complete as instructed therein.	

CERTIFICATION--Under penalties of perjury, I certify that:
(1) The Number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me); and
(2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATE INSTRUCTIONS--You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding, you received another notification from the IRS that you were no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

NAME
(Please Print)

SIGNATURE DATE

NOTE: FAILURE TO COMPLETE AND RETURN THIS SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER TO PURCHASE. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU ARE AWAITING A TIN.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within sixty (60) days, 31% of all payments of the Offer Price made to me thereafter will be withheld until I provide a number.

SIGNATURE DATE

The Information Agent for the Offer is:

D.F. KING & CO., INC.

77 WATER STREET
NEW YORK, NEW YORK 10005
BANKS AND BROKERS CALL COLLECT: (212) 269-5550
ALL OTHERS CALL TOLL-FREE: (800) 848-3094

The Dealer Manager for the Offer is:

LEHMAN BROTHERS

3 WORLD FINANCIAL CENTER
NEW YORK, NEW YORK 10285
(212) 526-5730 (CALL COLLECT)

JULY 20, 1995

NOTICE OF GUARANTEED DELIVERY
FOR TENDER OF SHARES OF CLASS A COMMON STOCK

OF

AUTOMOTIVE INDUSTRIES HOLDING, INC.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995, UNLESS THE OFFER IS EXTENDED.

July 20, 1995

This Notice of Guaranteed Delivery or one substantially equivalent hereto must be used to accept the Offer (as defined below) if certificates representing the Class A Common Stock, $.01 par value per share (the "Shares"), of Automotive Industries Holding, Inc., a Delaware corporation, are not immediately available or the procedures for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach Bankers Trust Company (the "Depositary") prior to the Expiration Date (as defined in the Offer to Purchase). This Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mail to the Depositary. See Section 3 of the Offer to Purchase.

The Depositary for the Offer is:

BANKERS TRUST COMPANY

By Mail:	By Facsimile Transmission:	By Hand or Overnight Courier:
Bankers Trust Company Corporate Trust & Agency Group Reorganization Dept. P.O. Box 1458 Church Street Station New York, NY 10008-1458	(For Eligible Institutions Only) (212) 250-6275/3290 Confirm by Telephone to: (212) 250-6270	Bankers Trust Company Corporate Trust & Agency Group Receipt & Delivery Window 123 Washington Street, 1st Floor New York, NY 10006

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must deliver the Letter of Transmittal and certificates for Shares to the Depositary within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED

Ladies and Gentlemen:

The undersigned hereby tenders to AIHI Acquisition Corp. a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Seating Corporation, a Delaware corporation ("Parent"), upon the terms and subject to the conditions set forth in the Offer to Purchase, dated July 20, 1995 (the "Offer to Purchase"), and in the related Letter of Transmittal (which together constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Shares indicated below pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

Number of Shares: _____

Certificate Nos. (if available): _____

_____

Check ONE box if Shares will be tendered by book-entry transfer:

/ / The Depository Trust Company

/ / Midwest Securities Trust Company

/ / Philadelphia Depository Trust Company

Account Number: _____

Dated: _____, 1995

Name(s) of Record Holder(s): _____

_____

(PLEASE PRINT)

Address(es): _____

_____

(ZIP CODE)

Area Code and Tel No.: _____

Signature(s): _____

_____

THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, as Eligible Institution (as such term is defined in Section 3 of the Offer to Purchase), hereby (a) represents that the tender of shares effected hereby complies with Rule 14e-4 under the Securities Exchange Act of 1934, as amended, and (b) guarantees to deliver to the Depositary the certificates representing the Shares tendered hereby, in proper form for transfer, or a Book-Entry Confirmation (as defined in Section 3 of the Offer to Purchase) with respect to transfer of such Shares into the Depositary's account at The Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company, in each case, together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry delivery of Shares, and any other documents required by the Letter of Transmittal, all within three NASDAQ/National Market System trading days after the date hereof.

Name of Firm: _____

_____

(AUTHORIZED SIGNATURE)

Address: _____

_____

(ZIP CODE)

Name: _____

Title: _____

Area Code and Tel. No.: _____

Date: _____

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE OF GUARANTEED DELIVERY. CERTIFICATES FOR SHARES SHOULD BE SENT ONLY TOGETHER WITH YOUR LETTER OF TRANSMITTAL.

Offer to Purchase for Cash
All Outstanding Shares of Class A Common Stock
of
AUTOMOTIVE INDUSTRIES HOLDING, INC.
at
$33.50 Net Per Share
by

AIHI ACQUISITION CORP.

a wholly-owned subsidiary of

LEAR SEATING CORPORATION

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THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995 UNLESS THE OFFER IS EXTENDED.

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July 20, 1995

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been appointed by AIHI Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Seating Corporation, a Delaware corporation ("Parent"), to act as Dealer Manager in connection with the Purchaser's offer to purchase for cash all of the outstanding shares of Class A Common Stock, $.01 par value per share (the "Shares"), of Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), for $33.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated July 20, 1995 (the "Offer to Purchase"), and in the related Letter of Transmittal (which together with the Offer to Purchase (and any amendments or supplements hereto or thereto, collectively) constitute the "Offer") enclosed herewith.

Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares in your name or in the name of your nominee.

Enclosed herewith for your information and forwarding to your clients are copies of the following documents:

1. The Offer to Purchase dated July 20, 1995.

2. The Letter of Transmittal to tender Shares for your use and for the information of your clients. Facsimile copies of the Letter of Transmittal may be used to tender Shares.

3. A letter to stockholders of the Company from S.A. (Tony) Johnson, together with a Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission by the Company and mailed to stockholders of the Company.

4. The Notice of Guaranteed Delivery for Shares to be used to accept the Offer if neither of the two procedures for tendering Shares set forth in the Offer to Purchase can be completed on a timely basis.

5. A printed form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.

6. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.

7. A return envelope addressed to Bankers Trust Company, the Depositary.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995, UNLESS THE OFFER IS EXTENDED.

Please note the following:

1. The tender price is $33.50 per Share, net to the seller in cash.

2. The Offer is subject to there being validly tendered and not properly withdrawn prior to the expiration of the offer a majority of the outstanding shares on a fully diluted basis and certain other conditions.

3. The Offer is being made for all of the outstanding Shares.

4. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by the Purchaser pursuant to the Offer. However, federal income tax backup withholding at a rate of 31% may be required, unless an exemption is provided or unless the required taxpayer identification information is provided. See Instruction 10 of the Letter of Transmittal.

5. The board of directors of the Company (the "Board") has unanimously determined that each of the Offer and the Merger (as defined in the Offer to Purchase) is fair to, and is in the best interests of, the Company's stockholders, has approved the Merger Agreement (as defined in the Offer to Purchase) and the transactions contemplated thereby, including the Offer and the Merger, and recommends that the Company's stockholders accept the Offer and tender all of their Shares pursuant to the Offer.

6. Notwithstanding any other provision of the Offer, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (a) Certificates pursuant to the procedures set forth in Section 3 of the Offer to Purchase or a timely Book-Entry Confirmation (as defined in the Offer to Purchase) with respect to such Shares, (b) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in connection with a book-entry delivery of Shares, and (c) any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering stockholders at the same time depending upon when Certificates are actually received by the Depositary.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995 UNLESS THE OFFER IS EXTENDED.

In order to take advantage of the Offer, (i) a duly executed and properly completed Letter of Transmittal (or a manually signed facsimile thereof) and any required signature guarantees or an Agent's Message in connection with a book-entry transfer and other required documents should be sent to the Depositary and (ii) Certificates representing the tendered Shares or a timely Book-Entry Confirmation (as defined in the Offer to Purchase) should be delivered to the Depositary in accordance with the instructions set forth in the Letter of Transmittal and the Offer to Purchase.

If holders of Shares wish to tender, but it is impracticable for them to forward their Certificates or other required documents or complete the procedures for book-entry transfer prior to the Expiration Date, a tender may be effected by following the guaranteed delivery procedures specified in Section 3 of the Offer to Purchase.

The Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer (other than the Dealer Manager as described in the Offer to Purchase). The Purchaser will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. The Purchaser will pay or cause to be paid any transfer taxes payable on the transfer of Shares to it, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to D.F. King & Co., Inc., the Information Agent for the Offer, at 77 Water Street, New York, New York 10005, telephone number (800) 848-3094, or Lehman Brothers Inc., the Dealer Manager, at 3 World Financial Center, New York, New York 10285.

Requests for copies of the enclosed materials may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of the enclosed Offer to Purchase.

Very truly yours,

Lehman Brothers Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF THE PURCHASER, PARENT, THE COMPANY, THE DEPOSITARY, THE INFORMATION AGENT, THE DEALER MANAGER OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENT OR USE ANY DOCUMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

Offer to Purchase for Cash
All Outstanding Shares of Class A Common Stock
of
AUTOMOTIVE INDUSTRIES HOLDING, INC.
at
$33.50 Net Per Share
by
AIHI ACQUISITION CORP.
a wholly-owned subsidiary of
LEAR SEATING CORPORATION

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THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995, UNLESS THE OFFER IS EXTENDED.

- ---

July 20, 1995

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated July 20, 1995, (the "Offer to Purchase"), and the related Letter of Transmittal (which together constitute the "Offer") relating to the offer by AIHI Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Seating Corporation, a Delaware corporation ("Parent"), to purchase all the outstanding shares of Class A Common Stock, $.01 par value per share (the "Shares"), of Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), at a purchase price of $33.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer. Holders of Shares whose certificates for such Shares (the "Certificates") are not immediately available or who cannot deliver their Certificates and all other required documents to the depositary (the "Depositary") or complete the procedures for book-entry transfer prior to the Expiration Date (as defined in the Offer to Purchase) must tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

WE ARE (OR OUR NOMINEE IS) THE HOLDER OF RECORD OF SHARES HELD BY US FOR YOUR ACCOUNT. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

Accordingly, we request instructions as to whether you wish to have us tender on your behalf any or all Shares held by us for your account pursuant to the terms and conditions set forth in the Offer.

Please note the following:

1. The tender price is $33.50 per Share, net to the seller in cash.

2. The Offer is subject to there being validly tendered and not properly withdrawn prior to the expiration of the Offer a majority of the outstanding Shares on a fully diluted basis and certain other conditions.

3. The Offer is being made for all of the outstanding Shares.

4. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by the Purchaser pursuant to the Offer. However, federal income tax backup withholding at a rate of 31% may be required, unless an exemption is provided or unless the required taxpayer identification information is provided. See Instruction 10 of the Letter of Transmittal.

5. The board of directors of the Company (the "Board") has unanimously determined that each of the Offer and the Merger (as defined in the Offer to Purchase) is fair to, and is in the best interests of, the Company's stockholders, has approved the Merger Agreement (as defined in the Offer to Purchase) and the transactions contemplated thereby, including the Offer and the Merger, and recommends that the Company's stockholders accept the Offer and tender all of their Shares pursuant to the Offer.

6. Notwithstanding any other provision of the Offer, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (a) Certificates pursuant to the procedures set forth in Section 3 of the Offer to Purchase or a timely Book-Entry Confirmation (as defined in the Offer to Purchase) with respect to such Shares, (b) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in connection with a book-entry delivery of Shares, and (c) any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering stockholders at the same time depending upon when Certificates are actually received by the Depositary.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995, UNLESS THE OFFER IS EXTENDED.

If you wish to have us tender any or all of the Shares held by us for your account, please so instruct us by completing, executing, detaching and returning to us the instruction form set forth below. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified below. An envelope to return your instructions to us is enclosed. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the expiration of the Offer.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary to make the Offer in any jurisdiction and extend the Offer to holders of Shares in such jurisdiction.

In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by Lehman Brothers Inc. or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

Instructions with Respect to
the Offer to Purchase for Cash
all Outstanding Shares of Class A Common Stock
of

AUTOMOTIVE INDUSTRIES HOLDING, INC.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated July 20, 1995, and the related Letter of Transmittal in connection with the offer by AIHI Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Seating Corporation, a Delaware corporation, to purchase all outstanding shares of Class A Common Stock, par value $.01 per share ("Shares"), of Automotive Industries Holding, Inc., a Delaware corporation.

This will instruct you to tender to the Purchaser the number of Shares indicated below (or if no number is indicated below, all Shares) which are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

SIGN HERE

Number of Shares to be Tendered:*

Signature(s)

Date: ---
(Print Name(s))

(Print Address(es))

(Area Code and Telephone Number(s))

(Taxpayer Identification or
Social Security Number(s))

* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER.--Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

FOR THIS TYPE OF ACCOUNT:	GIVE THE SOCIAL SECURITY NUMBER OF--
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, any one of the individuals1
3. Husband and wife (joint account)	The actual owner of the account or, if joint funds, either person1
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor2
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor1
6. Account in the name of guardian or committee for a designated ward, minor or incompetent person	The ward, minor, or incompetent person3
7. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee1
b. So-called trust account that is not a legal or valid trust under state law	The actual owner1
8. Sole proprietorship account	The owner4

FOR THIS TYPE OF ACCOUNT:	GIVE THE EMPLOYER IDENTIFICATION NUMBER OF--
9. A valid trust, estate, or pension trust	The legal entity (Do not furnish the identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)5
10. Corporate account	The corporation
11. Religious, charitable, or educational organization account	The organization
12. Partnership account	The partnership
13. Association, club or other tax-exempt organization	The organization
14. A broker or registered nominee	The broker or nominee
15. Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments	The public entity

1 List first and circle the name of the person whose number you furnish.

2 Circle the minor's name and furnish the minor's social security number.

3 Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.

4 Show the name of the owner.

5 List first and circle the name of the legal trust, estate or pension trust.

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

OBTAINING A NUMBER

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from backup withholding on ALL payments include the following:

- - A corporation.

- - A financial institution.

- - An organization exempt from tax under section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or an individual retirement plan.

- - The United States or any agency or instrumentality thereof.

- - A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.

- - A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.

- - An international organization or any agency or instrumentality thereof.

- - A registered dealer in securities or commodities registered in the United States or a possession of the United States.

- - A real estate investment trust.

- - A common trust fund operated by a bank under section 584(a) of the Code.

- - An exempt charitable remainder trust, or a nonexempt trust described in section 4947(a)(1) of the Code.

- - An entity registered at all times under the Investment Company Act of 1940.

- - A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- - Payments to nonresident aliens subject to withholding under section 1441 of the Code.

- - Payments to partnerships not engaged in a trade or business in the United States and which have at least one nonresident partner.

- - Payments of patronage dividends where the amount received is not paid in money.

- - Payments made by certain foreign organizations.

- - Payments made to a nominee.

Payments of interest not generally subject to backup withholding include the following:

- - Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.

- - Payments of tax-exempt interest (including exempt-interest dividends under section 852 of the Code).

- - Payments described in section 6049(b)(5) of the Code to non-resident aliens.

- - Payments on tax-free covenant bonds under section 1451 of the Code.

- - Payments made by certain foreign organizations.

- - Payments made to a nominee.

EXEMPT PAYEES DESCRIBED ABOVE MUST STILL COMPLETE THE SUBSTITUTE FORM W-9 ENCLOSED HEREWITH TO AVOID POSSIBLE ERRONEOUS BACKUP WITHHOLDING. FILE SUBSTITUTE FORM W-9 WITH THE PAYER, REMEMBERING TO CERTIFY YOUR TAXPAYER IDENTIFICATION NUMBER ON PART III OF THE FORM, WRITE "EXEMPT" ON THE FACE OF THE FORM AND SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

Payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A, and 6050N of the Code and their regulations.

PRIVACY ACT NOTICE.--Section 6109 requires most recipients of dividends, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. Payers must be given the numbers whether or not recipients are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

PENALTIES

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER.--If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING.--If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION.--Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

EXHIBIT (A)(7)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is being made solely by the Offer to Purchase dated July 20, 1995 and the related Letter of Transmittal and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of AIHI Acquisition Corp. by Lehman Brothers Inc. or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

NOTICE OF OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF CLASS A COMMON STOCK
OF

AUTOMOTIVE INDUSTRIES
HOLDING, INC.
AT

$33.50 NET PER SHARE
BY

AIHI ACQUISITION CORP.
A WHOLLY-OWNED SUBSIDIARY OF

LEAR SEATING CORPORATION

AIHI Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Seating Corporation, a Delaware corporation (the "Parent"), hereby offers to purchase all of the outstanding shares of Class A Common Stock, par value $.01 per share (the "Shares"), of Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), at a purchase price of $33.50 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase dated July 20, 1995, (the "Offer to Purchase") and in the related Letter of Transmittal (which together with any amendments or supplements thereto, collectively constitute the "Offer").

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, AUGUST 16, 1995, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED PRIOR TO THE EXPIRATION OF THE OFFER AND NOT WITHDRAWN THAT NUMBER OF SHARES WHICH, TOGETHER WITH THE SHARES THEN OWNED BY THE PURCHASER OR PARENT, REPRESENTS AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS AND (2) PARENT HAVING RECEIVED THE FINANCING NECESSARY TO CONSUMMATE THE OFFER AND THE MERGER CONTEMPLATED BY THE COMMITMENT LETTER DATED JULY 7, 1995 FROM CHEMICAL BANK AND CHEMICAL SECURITIES INC. SEE SECTIONS 12 AND 14 OF THE OFFER TO PURCHASE.

The Offer is being made pursuant to the Agreement and Plan of Merger dated as of July 16, 1995 (the "Merger Agreement"), among Parent, the Purchaser and the Company pursuant to which, as promptly as practicable following the later of the Expiration Date and the satisfaction or waiver of certain conditions, the Purchaser will be merged with and into the Company (the "Merger"). In the Merger, each outstanding Share

(other than Shares held by the Company as treasury stock or by any subsidiary of the Company, or owned by Parent, the Purchaser or any other subsidiary of either Parent or the Purchaser and other than Shares held by stockholders, if any, who perfect their appraisal rights under Delaware law) will be converted into the right to receive $33.50, or any higher price per Share paid pursuant to the Offer, without interest thereon, in cash (the "Merger Consideration") and the Company will become a wholly-owned subsidiary of Parent.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY APPROVED THE OFFER AND THE MERGER AND DETERMINED THAT THE TERMS OF THE OFFER AND THE MERGER ARE FAIR TO, AND IN THE BEST INTERESTS OF, THE STOCKHOLDERS OF THE COMPANY AND RECOMMENDS THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER ALL OF THEIR SHARES PURSUANT THERETO.

Concurrently with the execution of the Merger Agreement, Parent and the Purchaser entered into agreements, each dated as of July 16, 1995 (collectively, the "Stockholders Agreement"), with certain stockholders of the Company (the "Stockholders") owning, in the aggregate, 4,008,518 (or approximately 21%) of the outstanding Shares on a fully diluted basis (as defined in the Merger Agreement). Pursuant to the Stockholders Agreement, the Stockholders have agreed to validly tender pursuant to the Offer and not withdraw all Shares which are beneficially owned by them.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment (and thereby purchased), Shares properly tendered to the Purchaser and not withdrawn as, if and when the Purchaser gives oral or written notice to Bankers Trust Company (the "Depositary") of the Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares so accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from the Purchaser and transmitting such payment to tendering stockholders. Under no circumstances will interest on the purchase price for Shares be paid by the Purchaser, regardless of any extension of the Offer or delay in making such payment. In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (1) certificates representing Shares ("Share Certificates"), or timely confirmation of a book-entry transfer of such Shares, into the Depositary's account at The Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company (each a "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (2) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined in Section 2 of the Offer to Purchase) in connection with a book-entry transfer, and (3) any other documents required by the Letter of Transmittal.

Subject to the terms of the Merger Agreement and the Stockholders Agreement and the applicable rules of the Securities and Exchange Commission, the Purchaser expressly reserves the right (but shall not be obligated), in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 14 of the Offer to Purchase shall have occurred or shall have been determined by the Purchaser to have occurred, (i) to extend the period during which the Offer is open, and thereby delay acceptance for payment of, or payment for, any Shares, by giving oral or written notice of such extension to the Depositary and (ii) to amend the Offer in any other respect by giving oral or written notice of such amendment to the Depositary. The Purchaser shall not have any obligation to pay interest on the purchase price for tendered Shares whether or not the Purchaser exercises such rights. Any such extension will be followed as promptly as practicable by public announcement thereof, such announcement to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

The term "Expiration Date" means 12:00 Midnight, New York City time, on Wednesday, August 16, 1995, unless and until the Purchaser, in its sole discretion and subject to the terms of the Merger Agreement and the Stockholders Agreement, shall have extended the period during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

Except as otherwise provided in Section 4 of the Offer to Purchase, tenders of Shares made pursuant to the Offer are irrevocable, except that Shares tendered pursuant to the Offer may be withdrawn at any time on

or prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after September 18, 1995 (or such later date as may apply in case the Offer is extended). In order for a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder, if different from that of the person who tendered such Shares. If Share Certificates to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 3 of the Offer to Purchase) unless such Shares have been tendered for the account of any Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares and must otherwise comply with the procedures of such Book-Entry Transfer Facility, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the second sentence of this paragraph. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Purchaser, in its sole discretion, whose determination will be final and binding.

The information required to be disclosed by paragraph (e)(1)(vii) of Rule 14d-6 under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the related Letter of Transmittal and, if required, other relevant materials will be mailed to record holders of Shares whose names appear on the Company's stockholder list provided by the Company, and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list, or who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

Questions and requests for assistance may be directed to the Dealer Manager or the Information Agent as set forth below. Requests for copies of the Offer to Purchase and the related Letter of Transmittal and all other tender offer materials may be directed to the Information Agent, and copies will be furnished promptly at the Purchaser's expense. Stockholders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer. The Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Dealer Manager) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

D.F. KING & CO., INC.

77 Water Street
New York, New York 10005
Banks and Brokers Call Collect: (212)269-5550
All Others Call Toll-Free: (800)848-3094

The Dealer Manager for the Offer is:

LEHMAN BROTHERS

3 World Financial Center
New York, New York 10285
(212) 526-5730 (Call Collect)

July 20, 1995

EXHIBIT (a)(8)

FOR IMMEDIATE RELEASE

CONTACTS:

LEAR SEATING CORPORATION

Analysts:	Media:
Jonathan Peisner	Leslie Touma
(810) 746-1624	(810) 746-1678

AUTOMOTIVE INDUSTRIES HOLDING, INC.

Analysts:	Media:
Scott Rued	Yvonne Marschner-Bova
(612) 332-2335	Eisbrenner Public Relations
	(810) 641-1446

LEAR SEATING CORPORATION AND AUTOMOTIVE INDUSTRIES HOLDING, INC. ENTER INTO DEFINITIVE MERGER AGREEMENT

SOUTHFIELD, MI, JULY 17, 1995 -- Lear Seating Corporation (NYSE: LEA) and Automotive Industries Holding, Inc. (NASDAQ: AIHI) announced today that they have entered into a definitive merger agreement. The agreement calls for Lear, the world's leading supplier of seating systems, to acquire Automotive Industries, a major supplier of high quality interior systems and under the hood components. The combination makes Lear the largest independent supplier able to provide seating and interior systems to automobile manufacturers worldwide.

Under the merger agreement, AIHI Acquisition Corporation, a wholly-owned subsidiary of Lear, will promptly commence a cash tender offer for all of the outstanding shares of Automotive Industries common stock for $33.50 per share. Any shares not purchased in the tender offer will be acquired for the same price in cash in a second-step merger. Automotive Industries has approximately 18.7 million fully diluted shares outstanding.

Commenting on the acquisition, Kenneth L. Way, Chairman and CEO of Lear Seating Corporation stated, "The purchase of Automotive Industries, with its excellent people, products and plants, is consistent with our strategy of broadly expanding Lear's product lines in the light vehicle interior market. This acquisition will position Lear as the largest fully integrated automotive interior supplier in the world. As the automotive and light truck interior market in North America and Europe alone exceeded $22 billion in 1994, we are extremely pleased with the long-term growth opportunities afforded us by this transaction."

- more -

Way continued, "Lear's market leadership, expertise and established relationships with European automobile manufacturers should allow us to further expand the penetration of Automotive Industries product lines into the European market. We envision further growth opportunities for these product lines as we leverage Lear's current growth and relationships in South America, the Pacific Rim and South Africa. This acquisition enhances Lear's reputation as one of the world's preeminent automotive suppliers."

Rick Sommer, President and CEO of Automotive Industries stated, "This transaction represents a tremendous opportunity for both companies. With the addition of Automotive Industries, Lear enhances its reputation as a premier global automotive supplier - an organization able to provide world class total interior systems to customers worldwide. We believe this transaction is in the best interests of our customers, employees and stockholders. The transaction is the result of a process in which Lear presented the best alternative for our stockholders."

Automotive Industries largest investor - the ONEX Corporation, its affiliates, along with certain other investors and directors, which hold in the aggregate approximately 24 percent of the total outstanding shares of the Company, have agreed to tender their shares in Automotive Industries. Additionally, the Boards of Directors of both companies have given approval to the acquisition and the Board of Automotive Industries recommends that Automotive Industries stockholders accept Lear's cash tender offer.

Consummation of the acquisition is contingent upon the tender of the majority of Automotive Industries outstanding shares, the expiration or termination of any applicable waiting periods under the federal Hart-Scott-Rodino Antitrust Improvements Act, the receipt by Lear of sufficient financing for the acquisition and other customary conditions. Lear has obtained a commitment letter from Chemical Bank to provide the funding necessary for the acquisition. The Company is also considering other long term financing alternatives.

Automotive Industries Holding, Inc. is a major supplier of high quality interior trim systems and under the hood components to the North American automotive industry. Additionally, the Company supplies interior and other automotive products in the United Kingdom, Germany and Sweden. In 1994 Automotive Industries had revenues of approximately $512 million, operating income exceeding $70 million and over 8,000 employees.

A Fortune 500 Company, Lear Seating Corporation is the world's leading supplier of automotive seating systems, based on 1994 revenues of $3.1 billion. Lear's world class products are manufactured by over 25,000 employees located in 79 facilities around the world.

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EXHIBIT (a)(9)

FOR IMMEDIATE RELEASE

CONTACTS:
LEAR SEATING CORPORATION
MEDIA:
LESLIE TOUMA
(810) 746-1678

ANALYSTS:
JONATHAN PEISNER
(810) 746-1624

INFORMATION AGENT:
D. F. KING AND CO., INC.
BANKS AND BROKERS:
(212) 269-5550

ALL OTHERS:
1-800-848-3094

LEAR SEATING CORPORATION COMMENCES CASH TENDER OFFER FOR AUTOMOTIVE INDUSTRIES HOLDING, INC.

SOUTHFIELD, MI, JULY 20, 1995 -- Lear Seating Corporation (NYSE: LEA) announced today that AIHI Acquisition Corp., its wholly-owned subsidiary, has commenced a cash tender offer for all outstanding shares of Class A common stock of Automotive Industries Holding, Inc. (NASDAQ: AIHI) at $33.50 per share.

The offer is being made pursuant to the previously announced merger agreement between Lear Seating Corporation and Automotive Industries Holding, Inc. The offer is conditioned upon, among other things, the tender of a majority of the shares outstanding on a fully diluted basis and the receipt by Lear of sufficient financing for the acquisition. Lear has obtained a commitment letter from Chemical Bank to provide the necessary funding for the acquisition.

The offer and withdrawal rights are scheduled to expire at midnight, New York City time on Wednesday, August 16, 1995. Lehman Brothers, Inc. is acting as the Dealer Manager for the tender offer and D. F. King and Co., Inc. is serving as the Information Agent for the offer.

A Fortune 500 Company, Lear Seating Corporation is the world's leading supplier of automotive seating systems, with annual revenues of $3.1 billion. Lear's world class products are manufactured by over 25,000 employees located in 79 facilities around the world.

***

CHEMICAL BANK
CHEMICAL SECURITIES INC.

July 7, 1995

Lear Seating Corporation
21557 Telegraph Road
Southfield, Michigan 48034
Attention: Donald J. Stebbins

Re: Lear Seating Corporation - Commitment Letter

Dear Sirs:

You have advised Chemical Bank ("Chemical") and Chemical Securities Inc. ("CSI") that Lear Seating Corporation (the "Borrower") will form a wholly-owned subsidiary ("AcquisitionCo") which will seek to acquire (the "Acquisition") a corporation previously identified by you to CSI and Chemical in writing ("Target"). The Acquisition will be accomplished through a tender offer (the "Tender Offer") to be made by AcquisitionCo for shares of common stock (the "Shares") of Target, followed by a merger (the "Merger") of Target and AcquisitionCo (the surviving corporation of such merger, the "New Company", which will be a wholly-owned subsidiary of the Borrower following the Merger). Pursuant to the Tender Offer, the Borrower will offer to purchase not less than a majority of the shares of Target either for all cash or part cash and part common stock of the Borrower, in amounts consistent with the cost of the Acquisition previously disclosed in writing to CSI and Chemical.

Chemical is pleased to advise you of its commitment to provide up to the full amount of a $1,500,000,000 credit facility (the "Credit Facility") on the terms and conditions summarized in this letter and in the Statement of Terms and Conditions attached to this letter (the "Term Sheet"). The Credit Facility will be used (i) to finance the purchase price of the Shares in the Tender Offer and the Merger and to pay fees and expenses of the Acquisition, (ii) to refinance the existing indebtedness of Target, (iii) to refinance the Borrower's existing $500 million revolving credit facility (the "Existing Agreement") and (iv) for general corporate purposes, including acquisitions.

Although Chemical is committing to provide all of the Credit Facility on a fully underwritten basis, Chemical expects that a portion of the Credit Facility will be made available by other financial institutions (such lenders including Chemical, the "Banks"). It is agreed that Chemical will act as the sole administrative agent (in such capacity, the "Administrative Agent") for the Credit Facility, and CSI will act as the sole arranger. CSI and Chemical will be responsible for preparing and negotiating definitive documentation for the Credit Facility and CSI and Chemical will manage the syndication effort of forming the syndicate of lenders that will make the Credit Facility available. No additional agents, co-agents or arrangers will be appointed unless the Borrower and Chemical and CSI so agree.

You agree to assist CSI and Chemical in forming any such syndicate and to provide CSI, Chemical and the other Banks, promptly upon request, with all information reasonably deemed necessary by them (consistent with past practice) to complete successfully the syndication, including, but not limited to, (i) an information package for delivery to potential syndicate members and participants and (ii) all information and projections prepared by you or your advisers relating to the transactions described herein. Prior to the closing of the Credit Facility you agree to coordinate any other financings by the Borrower or any of its affiliates with CSI's syndication effort and to refrain from any such financings during such syndication process unless otherwise agreed to by CSI and Chemical. You further agree to make appropriate officers and representatives of the Borrower and its subsidiaries available to participate in information meetings for potential syndicate members and participants at such times and places as CSI and Chemical may reasonably request.

You represent and warrant and covenant that (i) all information which has been or is hereafter made available to CSI and Chemical by you or any of your representatives in connection with the transactions contemplated hereby is and will be complete and correct in all material respects with respect to the matters such information purports to cover and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (ii) all financial projections that have been or are hereafter prepared by you and made available to CSI and Chemical or any other participants in the Credit Facility have been or will be prepared in good faith based upon reasonable assumptions. You agree to supplement the information and projections referred to in clauses (i) and (ii) above from time to time until completion of the syndication so that the representations and warranties in the preceding sentence remain correct. In arranging and syndicating the Credit Facility, CSI and Chemical may use and rely on such information and projections without independent verification thereof.

In connection with the syndication of the Credit Facility, CSI and Chemical may, in their discretion, allocate to other Banks portions of any fees payable to CSI and Chemical in connection with the Credit Facility. You agree that no Bank will receive any compensation of any kind for its participation in the Credit Facility, except as expressly provided for in this letter, the Term Sheet or in the Fee Letter referred to below.

Chemical's commitment hereunder is further subject to the condition that after the date hereof there shall not have occurred and be continuing any change in general financial, bank or capital market conditions which materially and adversely affects the ability of Chemical to extend credit or syndicate loans of a nature similar to the Credit Facility. In addition, the commitment of Chemical hereunder is subject to the negotiation, execution and delivery prior to September 30, 1995 of definitive documentation with respect to the Credit Facility satisfactory in form and substance to the Banks. The terms and conditions of the commitment hereunder which are not covered by the provisions of this letter and the Term Sheet are subject to the mutual approval of the Borrower and CSI and Chemical.

The costs and expenses of the CSI and Chemical (including, without limitation, the reasonable fees and expenses of counsel to the Agents and their syndication and other out-of-pocket expenses) arising in connection with the preparation, execution and delivery of this letter and the definitive financing agreements shall be for your account. You further agree to indemnify and hold harmless each Agent and each Bank and each director, officer, employee, affiliate and agent thereof (each, an "indemnified person") against, and to reimburse each indemnified person, upon its demand, for, any losses, claims, damages, liabilities or other expenses ("Losses") to which such indemnified person may become subject insofar as such Losses arise out of or in any way relate to or result from this letter or the financing contemplated hereby, including, without limitation, Losses consisting of legal or other expenses incurred in connection with investigating, defending or participating in any legal proceeding relating to any of the foregoing (whether or not such indemnified person is a party thereto); provided that the foregoing will not apply to any Losses to the extent they result from the gross negligence or willful misconduct of such indemnified person. Your obligations under this paragraph shall remain effective whether or not definitive financing documentation is executed and notwithstanding any termination of this letter. Neither CSI, Chemical nor any other indemnified person shall be responsible or liable to any other person for consequential damages which may be alleged as a result of this letter or the financing contemplated hereby.

The provisions of this letter are supplemented as set forth in a separate fee letter dated the date hereof from us to you (the "Fee Letter") and are subject to the terms of such Fee Letter. By executing this letter, you acknowledge that this letter, the Fee Letter and the letters, dated the date hereof, concerning the cost of the Acquisition and the satisfaction of certain conditions are the only agreements between you and CSI and Chemical with respect to the Credit Facility and set forth the entire understanding of the parties with respect thereto. Neither this letter nor the Fee Letter nor the other letters referred to in the preceding sentence may be changed except pursuant to a writing signed by each of the parties hereto.

This letter is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and shall not be assignable by you without the prior written consent of CSI and Chemical. This letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. This letter shall be governed by, and construed in accordance with, the laws of the State of New York.

If you are in agreement with the foregoing, please sign and return to Chemical the enclosed copies of this letter and the Fee Letter no later than 5:00 P.M., New York time, on July 12, 1995. This offer shall terminate at such time unless prior thereto we shall have received duly signed and completed copies of such letters.

We look forward to working with you on this transaction.

Very truly yours,

CHEMICAL BANK

By:

Title:

CHEMICAL SECURITIES INC.

By:

Title:

Accepted and agreed to as of
the date first above written:

LEAR SEATING CORPORATION

By:

Title:

LEAR SEATING CORPORATION

$1.5 BILLION REVOLVING CREDIT FACILITY

Statement of Terms and Conditions

July 7, 1995

I. PARTIES.

Borrower:	Lear Seating Corporation (the "Borrower").
Administrative Agent:	Chemical Bank ("Chemical").
Arranger:	Chemical Securities Inc. ("CSI").
Banks:	Chemical and a syndicate of financial institutions selected by Chemical, CSI and the Borrower (collectively, the "Banks").

II. TYPE AND AMOUNT OF CREDIT FACILITY.

Type and Amount of Facility:	Six year revolving credit and letter of credit facility (the "Credit Facility") in the amount of $1,500,000,000 (the loans thereunder, the "Revolving Credit Loans").
Availability:	The Revolving Credit Loans may be made, and letters of credit (the "Letters of Credit") may be issued, under the Revolving Credit Facility at any time during the period between the Closing Date and September 30, 2001 (the "Termination Date"); provided that no Letter of Credit shall have an expiration date after the Termination Date.

Mandatory Reduction of Commitments: The revolving credit commitments will be reduced semi-annually during each year in the following amounts for each semi-annual reduction:

Year	Semi-Annual Amount
1	$ 25.0 million
2	50.0 million
3	62.5 million
4	62.5 million
5	75.0 million
6	100.0 million

Letter of Credit Provisions: In accordance with the Existing Agreement except for the following changes:

(a) the maximum aggregate face amount of all Letters of Credit shall be increased to $ 175 million; and

(b) the maximum aggregate face amount of all Foreign Letters of Credit with non-Canadian or non-Mexican beneficiaries shall be increased to $100 million.

Swingline Facility: Swingline loans in an aggregate principal amount not to exceed $65 million, which shall each be in an aggregate minimum amount of $100,000 or whole multiples thereof.

Maturity: The Termination Date.

Purpose: (a) To finance the purchase (the "Acquisition") by a wholly owned subsidiary of the Borrower ("AcquisitionCo"), of shares of common stock (the "Shares") of a corporation previously identified by the Borrower to CSI and Chemical in writing ("Target") which are tendered pursuant to a cash tender offer (the "Tender Offer") to be commenced by AcquisitionCo for not less than a majority of the issued and outstanding common stock of Target, to finance the merger (the "Merger") of Target and AcquisitionCo and to pay fees and expenses of the Acquisition, (b) to refinance the existing indebtedness of Target, (c) to refinance the Second Amended and

Restated Revolving Credit Agreement (the "Existing Agreement"), dated as of November 29, 1994, among the Borrower, certain lenders, Chemical, as Administrative Agent, and Bankers Trust Company, The Bank of Nova Scotia, Citicorp USA, Inc. and Lehman Commercial Paper Inc., as Managing Agents and (d) for general corporate purposes, including acquisitions otherwise permitted.

III. GENERAL PROVISIONS.

Commitment Fees: Commitment fee will be payable at a rate per annum determined in the manner described in Annex I hereto on the daily average unused portion of the Credit Facility (Letters of Credit being deemed to be utilization of the Credit Facility by the undrawn amount thereof), commencing on the date of closing of the Credit Facility and payable quarterly in arrears.

Interest Rates: Loans under the Credit Facility will bear interest, at the Borrower's election, at the following rates:

(a) the higher of (i) the rate of interest publicly announced by Chemical as its prime rate in effect at its office in New York City and (ii) the federal funds rate from time to time plus 0.5% (such highest rate, the "ABR"; this rate is not intended to be the lowest rate charged by Chemical to its borrowers); or

(b) the rate (grossed-up for reserve requirements) at which eurodollar deposits for one, two, three or six months, and if available to all Banks, nine or twelve months (as selected by the Company) are offered by reference banks in the interbank eurodollar market in the approximate amount of such reference bank's share of the relevant loan (the "Eurodollar Rate") plus a margin determined in the manner described in Annex I hereto.

Interest on ABR Loans will be payable quarterly in arrears. Interest on Eurodollar Rate Loans will be payable at the end of interest periods (but not less often than quarterly). Up to 20 Eurodollar Tranches may be outstanding at any time.

	Interest shall be calculated on the basis of the actual number of days elapsed over a 365/366-day year for ABR Loans based on the prime rate, and over a 360-day year for all other borrowings.
Letter of Credit Fees:	In accordance with the Existing Agreement, with appropriate adjustments to reflect any changes in the margin on Eurodollar Loans.
Collateral:	In accordance with the Existing Agreement (including the pledge of Target stock), except that (a) the Borrower shall not be required to pledge the stock of foreign subsidiaries created after the Closing Date, (b) neither the Target, AcquisitionCo nor domestic subsidiaries created after the Closing Date shall be required to pledge its assets (other than stock of the Target as described above) to secure the Credit Facility and (c) the liens on the assets of Lear Seating Canada Ltd. and on the Favesa S.A. de C.V. trust properties shall be released. It is understood that certain actions required to complete the perfected pledge of stock of certain foreign subsidiaries may not be completed until a reasonable period of time after the closing of the Credit Facility.
Guarantees:	In accordance with the Existing Agreement and shall include 3 each domestic subsidiary of the Borrower (including AcquisitionCo and, following the Merger, the surviving corporation of the Merger).
Reserve Requirements; Yield Protection:	In accordance with the Existing Agreement.
Prepayments:	In accordance with the Existing Agreement.
Optional Reduction of Commitments:	In accordance with the Existing Agreement.

IV. CERTAIN CONDITIONS.

The initial availability of the Credit Facility will be conditioned upon, among other things, satisfaction of conditions precedent in accordance with the Existing Agreement and any others appropriate as a result of the Acquisition. Such conditions shall include, without limitation:

(a) The Company, AcquisitionCo and Target shall have entered into a definitive Merger Agreement, in form and substance reasonably satisfactory to the Banks, providing for the Tender Offer and the Merger with a tender offer price and merger price consistent with the cost of the Acquisition previously disclosed in writing by the Borrower to CSI and Chemical; the Merger Agreement shall have been approved by the Boards of Directors of the Company, AcquisitionCo and Target and the Tender Offer and the Merger provided for thereby shall have been recommended by the Board of Directors of Target to the shareholders of Target; and the Merger Agreement shall be in full force and effect.

(b) AcquisitionCo shall have acquired concurrently with the making of the initial Loans on the Closing Date not less than a majority of the issued and outstanding common stock of Target (on a fully diluted basis) and there shall not have been any material change in the number of shares of such capital stock outstanding (on a fully diluted basis).

(c) The Banks shall be satisfied that the Credit Facility, the use of proceeds thereof and the collateral security therefor comply in all respects with Regulations G and U of the Board of Governors of the Federal Reserve System.

(d) The terms and conditions of the Tender Offer (including, without limitation, the cost of the Acquisition as previously disclosed to Chemical) shall have been reasonably acceptable to the Banks and all documents and materials then filed publicly with respect to the Tender Offer and the Merger shall have been reasonably acceptable to the Administrative Agent.

V. CERTAIN COVENANTS AND EVENTS OF DEFAULT.

Affirmative Covenants: In accordance with the Existing Agreement. Affirmative covenants in the Existing Agreement include delivery of financial statements, reports, officers' certificates and other information requested by the Banks; payment of taxes and other obligations; continuation of business and maintenance of existence, rights and privileges; compliance with

contractual obligations and laws; maintenance of property and insurance; maintenance of books and records; right of the Banks to inspect property and books and records; and notices of defaults, litigation and material events. In addition, the Company will covenant to consummate the Merger within 180 days of the Closing Date.

Negative Covenants: In accordance with the Existing Agreement, except for the following changes:

(a) the interest coverage test set forth in subsection 8.1(b) of the Existing Agreement shall be amended to provide for the following minimum interest coverage (measured at the end of each fiscal quarter) for any period of four fiscal quarters ending during the following periods:

Period	Minimum Interest Coverage
Closing Date through 1st Qtr.1996	2.75
2nd Qtr. 1996 through 4th Qtr. 1996	3.0
Thereafter	3.5

(b) the Consolidated Operating Profit test set forth in subsection 8.1(c) of the Existing Agreement shall be amended to provide for minimum amounts as follows:

Fiscal Year	Amount (in millions)
1995	$200
1996	315
1997	330
1998	340
1999-thereafter	360

(c) subsection 8.2 of the Existing Agreement shall be amended by (i) adding a basket permitting up to $30 million of Indebtedness for any Brazilian or Argentine foreign subsidiary; (ii) adding a basket permitting up to $5 million of Indebtedness for any South African foreign subsidiary; (iii) adding a basket permitting up to $15 million of Indebtedness for any foreign subsidiary organized under the laws

of Indonesia, Thailand or Australia; (iv) adding a basket permitting up to up to $20 million of Indebtedness for any foreign subsidiary organized under the laws of the United Kingdom; (v) increasing the basket for Interest Rate Agreement obligations to $500 million; and (vi) permitting the indebtedness of the Target and its subsidiaries at the time of the closing of the Tender Offer to remain outstanding until the consummation of the Merger.

(d) subsection 8.3 of the Existing Agreement shall be amended to (i) permit liens securing additional permitted Indebtedness of any foreign subsidiary and (ii) increase the basket in subsection 8.3(m) to $50 million.

(e) subsection 8.5 of the Existing Agreement shall be amended to permit (i) the Acquisition and related transactions; (ii) to the extent not already permitted, the creation of AcquisitionCo and the merger of Target and Acquisition Corp.; and (iii) acquisitions by the Borrower and its subsidiaries of entities in the same or related lines of business as the Borrower in an aggregate amount of up to $50 million per year (with carryover to be agreed upon).

(f) subsection 8.7 of the Existing Agreement shall be amended to allow the Borrower to purchase, redeem and/or retire shares of its capital stock or options to purchase its capital stock in connection with the exercise of outstanding stock options, and to permit additional repurchases by the Borrower of its common stock from management investors or officers of the Borrower, in an aggregate amount not exceeding $35 million.

(g) subsection 8.8 of the Existing Agreement shall be amended to provide the following maximum capital expenditures:

Fiscal Year	Amount (in millions)
1995	$150
1996	125
1997	130
1998	100
1999	75
2000	75

(h) subsection 8.9 of the Existing Agreement shall be amended (i) to permit the Acquisition and related transactions; (ii) to delete the requirement that 65% of the capital stock of the Borrower's foreign subsidiaries formed or acquired after the Closing Date be pledged to secure the Credit Facility; (iii) to increase the general basket for investments in the Borrower or any of its Subsidiaries contained in subsection 8.9(d) of the Existing Agreement to a maximum aggregate amount of $100 million, with a sub-limit of $50 million for investments in any Special Entity (as defined in the Existing Agreement); (iv) to permit acquisitions by the Borrower and its subsidiaries of entities in the same or related lines of business as the Borrower in an aggregate amount of up to $50 million per year (with carryover to be agreed upon); and (v) to permit the Borrower to purchase participating interests in loans made to its foreign subsidiaries in amounts not greater than the amounts which the Borrower would be permitted to lend directly to such subsidiaries.

(i) subsection 8.12 of the Existing Agreement shall be amended to increase the permitted basket for sale-leaseback transactions to $50 million.

(j) negative covenants in the Existing Agreement will also be modified to the extent necessary to permit the Borrower and its subsidiaries to make loans to the Target in order to permit the Target to refinance existing debt.

Negative covenants in the Existing Agreement include limitations on indebtedness, liens, guarantee

obligations, asset dispositions, dividends and other restricted junior payments, creation of subsidiaries, capital expenditures, investments, loans and advances, acquisitions, mergers, changes in fiscal year, transactions with affiliates, changes in business conducted, sale and leaseback transactions, prepayment of other indebtedness and amendments of debt and other capitalization documents.

Events of Defaults:	The documentation relating to the Credit Facility will include events of default in accordance with the Existing Agreement. Events of default in the Existing Agreement include nonpayment of principal, interest, fees or other amounts, violation of covenants, inaccuracy of representations and warranties, cross-default, bankruptcy, material judgments, ERISA, actual or asserted invalidity of any loan documents, or a change of control.

VI. CERTAIN OTHER TERMS.

Conditions to each Availability of Credit Facility:	In accordance with the Existing Agreement.
Transfer Provisions:	In accordance with the Existing Agreement.
Representations and Warranties:	In accordance with the Existing Agreement and any others necessary as a result of the Acquisition.
Governing Law:	State of New York.
Indemnity:	In accordance with the Existing Agreement.
Commitment Termination Date:	Definitive documentation with respect to the Credit Facility must have been entered into on or before September 30, 1995.

ANNEX I

PRICING GRID

EBITDA/Interest	Eurodollar Margin	Commitment Fee Rate
<3.25	1.0%	.375%
3.25-4.0	.875%	.25%
4.0-5.0	.75%	.25%
>5.0	.50%	.20%

The Eurodollar Margin and Commitment Fee Rate applicable during the fiscal quarter in which the Acquisition occurs and the immediately following fiscal quarter will be agreed upon by the Borrower and Chemical after the Acquisition cost is determined and will be set forth in the Credit Agreement. In addition, the Borrower and Chemical will agree upon the effect on such pricing of the issuance of equity by the Borrower during such period. In determining the pricing applicable to the second, third and fourth full fiscal quarters following the fiscal quarter in which the Acquisition occurs, (i) the EBITDA/Interest test will be calculated for the period of one, two or three fiscal quarters, as the case may be, beginning with the first full fiscal quarter following the fiscal quarter in which the Acquisition occurs and ending with the fiscal quarter prior to the fiscal quarter for which the test is being calculated and (ii) any equity offering by the Borrower during such period shall be given pro forma effect to the beginning of such period. Thereafter, the EBITDA/Interest test will be calculated on a rolling four quarters basis.

EXHIBIT (C)(1)

AGREEMENT AND PLAN OF MERGER

DATED AS OF

JULY 16, 1995

AMONG

AUTOMOTIVE INDUSTRIES HOLDING, INC.,

AIHI ACQUISITION CORP.

AND

LEAR SEATING CORPORATION

AGREEMENT AND PLAN OF MERGER

AGREEMENT dated as of July 16, 1995 (this "Agreement") among Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), Lear Seating Corporation, a Delaware corporation ("Buyer"), and AIHI Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Buyer ("Merger Subsidiary").

RECITALS

WHEREAS, the Board of Directors of the Buyer, the Merger Subsidiary and the Company have each approved the acquisition of the Company by the Buyer upon the terms and subject to the conditions set forth herein;

WHEREAS, the Buyer and the Merger Subsidiary are unwilling to enter into this Agreement (and effect the transactions contemplated hereby) unless, contemporaneously with the execution and delivery hereof, (i) certain beneficial and record holders of the Shares (as defined in Section 1.01) identified on Exhibit A hereto enter into agreements (collectively, the "Stockholders Agreement") providing for certain matters with respect to their Shares, including the tender of their Shares and certain other actions relating to the Offer (as defined in Section 1.01) and the other transactions contemplated by this Agreement, and in order to induce the Buyer and the Merger Subsidiary to enter into this Agreement, the Board of Directors of the Company has approved the execution and delivery of the Stockholders Agreement so that the restrictions on "business combinations" set forth in Section 203 of Delaware Law (as defined below) do not and will not apply to Buyer, Merger Subsidiary or affiliates or associates of Merger Subsidiary as a result of the execution and delivery of the Stockholders Agreement or the consummation of the transactions contemplated thereby or by this Agreement, and such stockholders have agreed to execute and deliver the Stockholders Agreement.

WHEREAS, in furtherance of the acquisition of the Company by the Buyer on the terms and subject to the conditions set forth herein, the Board of Directors of the Buyer, the Merger Subsidiary and the Company have each approved the merger of the Merger

Subsidiary with and into the Company in accordance with the terms of this Agreement and the General Corporation Law of the State of Delaware (the "Delaware Law") and with any other applicable law;

WHEREAS, the Board of Directors of the Company has, in light of and subject to the terms and conditions set forth herein, (i) unanimously determined that (x) the consideration to be paid for each Share in the Offer and the Merger (as defined in Section 2.01) is fair to the stockholders of the Company and (y) the Offer and the Merger are otherwise in the best interests of the Company and its stockholders, and (ii) resolved to approve and adopt this Agreement and the transactions contemplated hereby and to recommend acceptance of the Offer and approval and adoption by the stockholders of the Company of this Agreement; and

WHEREAS, the Buyer and Merger Subsidiary are unwilling to enter this Agreement (and effect the consummation of the transactions contemplated hereby) unless, contemporaneously with the execution and delivery hereof, certain beneficial and record holders of Shares and their affiliates identified on Exhibit B hereto enter into an agreement, effective upon consummation of the Offer, not to compete with the Company and the Buyer (the "Noncompete Agreement"), and in order to induce the Buyer and Merger Subsidiary to enter into this Agreement, such stockholders and affiliates have agreed to execute and deliver the Noncompete Agreement.

NOW, THEREFORE, in consideration of the forgoing and the mutual premises, representations, warranties, covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

THE OFFER

SECTION 1.01 The Offer.

(a) Provided that this Agreement shall not have been terminated in accordance with Article X hereof and that none of the conditions set forth in Annex I hereto shall have occurred and be

continuing, Buyer and Merger Subsidiary shall, as promptly as practicable following the date hereof and in no event later than five business days after the public announcement of the execution and delivery of this Agreement, commence a tender offer (within the meaning of Rule 14D-2 under the Securities Exchange Act of 1934, as amended, (including the rules and regulations promulgated thereunder, the "Exchange Act")) (the "Offer") to purchase all of the outstanding shares of Class A Common Stock, $.01 par value, of the Company (the "Shares") at a price of $33.50 per Share, net to the seller in cash. The obligation of Merger Subsidiary to accept for payment and to pay for any Shares tendered in the Offer shall be subject only (i) to the condition that there shall be validly tendered prior to the expiration date of the Offer and not withdrawn a number of Shares which, together with the Shares then owned by Buyer or Merger Subsidiary, represents at least a majority of the outstanding Shares on a fully-diluted basis on the date of purchase ("on a fully-diluted basis" meaning, as of any date: the number of Shares outstanding, together with Shares the Company is then required to issue pursuant to obligations outstanding at that date under employee stock option or other benefit plans or otherwise (assuming all options and other rights to acquire Shares are fully vested and exercisable and all Shares issuable at any time have been issued), including without limitation, pursuant to the Company Stock Options, the Warrants, the Exchangeable Notes and the ASAA Preferred Stock (each as defined in Section 2.05) and pursuant to the Stock Purchase Plan (as defined in Section 4.03)) (the "Minimum Condition"), (ii) the condition (the "Financing Condition") that Buyer shall have received the Financing (as defined below) necessary to consummate the Offer and the Merger contemplated by the commitment letter dated July 7, 1995 from Chemical Bank and Chemical Securities Inc. (the "Financing Commitment Letter") pursuant to which, subject to the terms and conditions thereof, Chemical Bank has committed to provide all of the financing ("Financing") necessary to purchase all outstanding Shares pursuant to the Offer and the Merger, and (iii) to the other conditions set forth in Annex I hereto.

(b) Without the prior written consent of the Company, neither Buyer nor Merger Subsidiary shall (i) decrease the price per Share or change the form of consideration payable in the Offer, (ii) decrease the number of Shares sought in the Offer, (iii) amend

or waive satisfaction of the Minimum Condition, (iv) change or impose additional conditions to the Offer or amend any other term of the Offer in any manner adverse to the holders of Shares, or (v) extend the expiration date of the Offer (except as required by applicable law and except that Merger Subsidiary may extend the expiration date of the Offer for up to sixty days after the initial expiration date in the event that any condition to the Offer is not satisfied); provided, however, that, except as set forth above, the Merger Subsidiary may waive any other condition to the Offer in its sole discretion; and provided further, that the Offer may be extended in connection with an increase in the consideration to be paid pursuant to the Offer so as to comply with applicable rules and regulations of the United States Securities and Exchange Commission (the "SEC"). Assuming the prior satisfaction or waiver of the conditions to the Offer, upon the terms of the Offer, the Merger Subsidiary will accept for payment and purchase, as soon as permitted under the terms of the Offer, all Shares validly tendered and not withdrawn prior to the expiration of the Offer.

(c) As soon as practicable on the date of commencement of the Offer, Buyer and Merger Subsidiary shall file or cause to be filed with the SEC a Tender Offer Statement on Schedule 14D-1(the "Schedule 14D-1") with respect to the Offer which shall contain the offer to purchase and related letter of transmittal and other ancillary Offer documents and instruments pursuant to which the Offer will be made (collectively with any supplements or amendments thereto, the "Offer Documents") and shall contain (or shall be amended in a timely manner to contain) all information which is required to be included therein in accordance with the Exchange Act and the rules and regulations thereunder and any other applicable law. Each of Buyer and Merger Subsidiary, on the one hand, and the Company, on the other hand, agree promptly to correct any information provided by either of them for use in the Offer Documents if and to the extent that it shall have become false or misleading in any material respect and Merger Subsidiary further agrees to take all steps necessary to cause the Offer Documents as so corrected to be filed promptly with the SEC and to be disseminated to the stockholders of the Company, in each case as and to the extent required by applicable law. The Company and its counsel shall be given the opportunity to review the Offer

Documents and any amendments thereto prior to the filing thereof with the SEC.

SECTION 1.02 Company Action.

(a) The Company hereby consents to the Offer and represents that (i) the Company's Board of Directors (the "Board") has (x) at a meeting duly called and held unanimously approved this Agreement and the transactions contemplated hereby, including the Offer and the Merger (as defined in Section 2.01), (y) resolved to recommend acceptance of the Offer and adoption and approval of this Agreement and the Merger by the Company's stockholders and (z) unanimously determined that each of this Agreement, the Offer and the Merger are fair to and in the best interests of the stockholders of the Company, and (ii) Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ") and Robert W. Baird & Co. Incorporated ("Baird") have each delivered to the Board their respective opinion that the per Share consideration to be received by the Company's stockholders pursuant to the Offer and the Merger is fair to such stockholders from a financial point of view. The Company hereby consents to the inclusion in Buyer's and Merger Subsidiary's offering documents relating to the Offer of the recommendations referred to in this Section 1.02.

(b) The Company will promptly furnish Buyer with a list of its stockholders, mailing labels containing the names and addresses of all record holders of Shares and lists of securities positions of Shares held in stock depositories, as of the most recent practicable date, and will provide to Buyer such additional information (including, without limitation, updated lists of stockholders, mailing labels and lists of securities positions) and such other assistance as Buyer may reasonably request in connection with the Offer. Subject to the requirements of applicable law, and except for such steps as are necessary to disseminate any documents necessary to consummate the Merger or the Offer, Buyer shall hold in confidence the information contained in such labels, listings and files, shall use such information only in connection with the Merger and the Offer, and if this Agreement is terminated in accordance with Section 10.01, shall deliver to the Company all copies of such information then in its possession.

(c) Contemporaneously with the commencement of the Offer as provided for in Section 1.01, the Company will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 (the "14D-9") which shall reflect the recommendations and actions of the Board referred to above, subject to the fiduciary duties of the Board under applicable law as advised by independent legal counsel (who may be the Company's regularly engaged legal counsel). Each of the Company, on the one hand, and Buyer and Merger Subsidiary, on the other hand, agree promptly to correct any information provided by either of them for use in the 14D-9 if and to the extent that it shall have become false or misleading in any material respect, and the Company further agrees to take all steps necessary to cause the 14D-9 as so corrected to be filed with the SEC and to be disseminated to the stockholders of the Company, in each case as and to the extent required by applicable laws. Buyer, Merger Subsidiary and their counsel shall be given an opportunity to review the 14D-9 and any amendments thereto prior to filing thereof with the SEC.

SECTION 1.03 Directors.

(a) Promptly upon the purchase by Buyer or any of its subsidiaries of Shares pursuant to the Offer, and from time to time thereafter, Buyer shall be entitled to designate such number of directors, rounded up to the next whole number (but in no event more than one less than the total number of directors on the Board) as will give Buyer, subject to compliance with Section 14(f) of the Exchange Act, representation on the Board equal to the product of (x) the number of directors on the Board (giving effect to any increase in the number of directors pursuant to this Section 1.03) and (y) the percentage that such number of Shares so purchased bears to the aggregate number of Shares outstanding (such number being, the "Board Percentage"), and the Company shall, upon request by Buyer, promptly satisfy the Board Percentage by (i) increasing the size of the Board or (ii) using its best efforts to secure the resignations of such number of directors as is necessary to enable Buyer's designees to be elected to the Board and shall cause Buyer's designees promptly to be so elected. At the request of Buyer, the Company shall take, at the Company's expense, all lawful action necessary to effect any such election, including, without limitation, mailing to its stockholders the information required by

Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder, unless such information has previously been provided to the Company's stockholders in the 14D-9.

(b) Following the election or appointment of Buyer's designees pursuant to this Section 1.03 and prior to the Effective Time of the Merger, any amendment or termination of this Agreement, extension for the performance or waiver of the obligations or other acts of Buyer or Merger Subsidiary or waiver of the Company's rights thereunder, shall require the concurrence of a majority of directors of the Company then in office who are directors on the date hereof.

ARTICLE II

THE MERGER

SECTION 2.01 The Merger.

(a) At the Effective Time (as defined in Section 2.01(b)), Merger Subsidiary shall be merged (the "Merger") with and into the Company in accordance with Delaware Law and the terms and conditions of this Agreement, whereupon the separate existence of Merger Subsidiary shall cease, and the Company shall be the surviving corporation (the "Surviving Corporation") and shall be a direct wholly-owned subsidiary of Buyer. The Offer and the Merger are sometimes hereinafter referred to as the "Transaction."

(b) As soon as practicable, but in no event later than five business days, after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Merger, the Company and Merger Subsidiary will file a Certificate of Merger (or, if applicable, a Certificate of Ownership and Merger) with the Secretary of State of the State of Delaware and make all other filings required by the Delaware Law in connection with the Merger. The Merger shall become effective at such time as such Certificate of Merger (or, if applicable, Certificate of Ownership and Merger) is duly filed with the Secretary of State of the State of Delaware or at such later time as is specified in such Certificate of Merger (the "Effective Time").

(c) From and after the Effective Time, the Surviving Corporation shall succeed to all the assets, rights, privileges, powers and franchises and be subject to all of the liabilities,restrictions, disabilities and duties of the Company and Merger Subsidiary, all as provided under the Delaware Law.

SECTION 2.02 Conversion of Shares. At the Effective Time:

(a) Each Share of capital stock of the Company held by the Company as treasury stock or held by any subsidiary of the Company or owned by Buyer, Merger Subsidiary or any subsidiary of either of them immediately prior to the Effective Time shall be cancelled and retired and shall cease to exist, and no payment shall be made with respect thereto;

(b) Each share of capital stock of Merger Subsidiary outstanding immediately prior to the Effective Time shall be converted into and become one fully paid and non-assessable share of capital stock of the Surviving Corporation, par value $0.01 per share, with the same rights and privileges as the shares so converted and shall constitute the only outstanding shares of capital stock of the Surviving Corporation; and

(c) Each Share outstanding immediately prior to the Effective Time shall, except as otherwise provided in clause (a) above or as provided in Section 2.04 with respect to Shares as to which appraisal rights have been exercised, be converted into the right to receive $33.50, or any higher price per Share paid in the Offer, in cash without any interest thereon (the "Merger Consideration").

SECTION 2.03 Exchange of Shares.

(a) Prior to the Effective Time, Buyer shall appoint an agent (the "Exchange Agent") for the purpose of exchanging certificates representing Shares for the Merger Consideration. Buyer will make available to the Exchange Agent, as needed, the Merger Consideration to be paid in respect of the Shares. For purposes of determining the Merger Consideration to be made available, Buyer shall assume that no stockholder of the Company will perfect

his right to appraisal of his, her or its Shares. Promptly after the Effective Time, Buyer will send, or will cause the Exchange Agent to send, to each holder of Shares (other than as provided in Section 2.02(a)) at the Effective Time a letter of transmittal for use in such exchange.

(b) After the Effective Time, each holder of Shares that have been converted into a right to receive the Merger Consideration, upon surrender to the Exchange Agent of a certificate or certificates representing such Shares, together with a properly completed letter of transmittal covering such Shares, will be entitled to receive the Merger Consideration payable in respect of such Shares. Until so surrendered, each such certificate shall (other than as provided in Section 2.02(a) or Section 2.04), after the Effective Time, represent for all purposes only the right to receive such Merger Consideration, and shall automatically be cancelled and shall cease to exist. No interest shall be paid or accrued on such Merger Consideration.

(c) If any portion of the Merger Consideration payable in respect of any Share is to be paid to a person other than the registered holder of the Shares represented by the certificate or certificates surrendered, it shall be a condition to such payment that the certificate or certificates so surrendered shall be properly endorsed or otherwise be in proper form for transfer and that the person requesting such payment shall pay to the Exchange Agent any transfer or other taxes required as a result of such payment to a person other than the registered holder of such shares or establish to the satisfaction of the Exchange Agent that such tax has been paid or is not payable.

(d) After the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of Shares.

(e) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to paragraph (a) of this Section 2.03 that remains unclaimed by the holders of Shares entitled thereto twelve months after the Effective Time shall be returned to Buyer, upon demand, and any stockholder of the Company who has not exchanged his Shares for the Merger Consideration in

accordance with this Section 2.03 prior to that time shall thereafter look only to Buyer for payment of the Merger Consideration in respect of his Shares.

(f) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to paragraph (a) of this Section 2.03 to pay for Shares for which appraisal rights shall have been perfected shall be returned to Buyer, upon demand.

(g) None of Buyer, Merger Subsidiary nor the Company shall be liable to any holder of the Shares for any Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(h) Buyer shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Shares such amounts as Buyer is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by Buyer, suchwithheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Shares in respect of which such deduction and withholding was made by Buyer.

SECTION 2.04 Dissenting Shares. Notwithstanding any other provision of this Agreement to the contrary, Shares outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has demanded appraisal for such Shares in accordance with Delaware Law shall not be converted into a right to receive the Merger Consideration, unless such holder fails to perfect or withdraws or otherwise loses his right to appraisal. If, after the Effective Time, such holder fails to perfect or withdraws or loses his right to appraisal, such Shares shall be treated as if they had been converted as of the Effective Time into a right to receive the Merger Consideration payable in respect of such Shares pursuant to Section 2.02. The Company shall give Buyer prompt notice of any demands received by the Company for appraisal of Shares, and Buyer shall have the right to participate in all negotiations and proceedings with respect to such demands. The

Company shall not, except with the prior written consent of Buyer, make any payment with respect to, or settle or offer to settle, any such demands.

SECTION 2.05 Stock Options; Warrants; Exchangeable Notes; ASAA Preferred Stock.

(a) At the Effective Time, all outstanding options (regardless of whether or not such options have vested) ("Company Stock Options") granted pursuant to the Company's 1992 Key Employee Stock Option Plan (the "Option Plan") or granted to any director of the Company shall either (i) be cancelled and each holder of a cancelled option shall be entitled to receive, in consideration for the cancellation of such option, an amount in cash equal to the product of (x) the number of Shares previously subject to such option and (y) the excess, if any, of the Merger Consideration over the exercise price per Share previously subject to such option or (ii) if elected by such holder, and if this option is made available by Buyer, such option will convert into options or other rights to acquire shares of the common stock of the Buyer, on terms determined in good faith by the Buyer to have substantially the same value as the value of such option.

(b) At or prior to the Effective Time, the Company shall use its reasonable best efforts to cause each holder of the warrants to acquire Shares (the "Warrants") granted pursuant to those certain Note and Warrant Exchange Agreements dated as of April 30, 1992, as amended, among the Company and certain warrant holders (the "Note and Warrant Agreement") that are then outstanding to be exercised for Shares. At the Effective Time, proper provision shall be made for discharging all obligations under all outstanding unexercised Warrants by providing that each holder of a Warrant shall be entitled to solely receive, in consideration for the exercise and cancellation of such Warrant, an amount in cash equal to the product of (x) the number of Shares previously subject to such Warrant and (y) the excess, if any, of the Merger Consideration over the exercise price per Share previously subject to such Warrant.

(c) At or prior to the Effective Time, with the prior consent of Buyer, the Company shall give any required notice to

redeem, and redeem or deposit funds sufficient to redeem, all of the outstanding shares of Class A Exchangeable Preferred Stock (the "ASAA Preferred Stock") of the Company's indirect subsidiary, ASAA International, Inc. ("ASAA"), pursuant to the terms of ASAA's Certificate of Incorporation.

(d) At or prior to the Effective Time, with the prior consent of Buyer, the Company shall give any required notice to redeem, and redeem or deposit funds sufficient to redeem all of the 6.5% Exchangeable Promissory Notes having an aggregate principal amount of $4.75 million (the "Exchangeable Notes") issued July 28, 1993 by the Company's direct subsidiary, Automotive Industries, Inc. ("AII"), pursuant to the terms thereof.

ARTICLE III

THE SURVIVING CORPORATION

SECTION 3.01 Certificate of Incorporation. The Certificate of Incorporation of Merger Subsidiary in effect at the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation until amended in accordance with applicable law.

SECTION 3.02 Bylaws. The Bylaws of Merger Subsidiary in effect at the Effective Time shall be the Bylaws of the Surviving Corporation until amended in accordance with applicable law.

SECTION 3.03 Directors and Officers. Immediately after the Effective Time, until successors are duly elected or appointed in accordance with the Certificate of Incorporation and Bylaws of Merger Subsidiary and with applicable law, (i) the directors of Merger Subsidiary at the Effective Time shall be elected to serve as the directors of the Surviving Corporation, and (ii) the officers of the Company at the Effective Time shall be elected to serve as the officers of the Surviving Corporation.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Buyer and Merger Subsidiary as follows:

SECTION 4.01 Organization and Qualification; Subsidiaries.

(a) Each of the Company and each Company Subsidiary (as defined below) is a corporation, partnership or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, have a Company Material Adverse Effect (as defined below). The Company and each Company Subsidiary are duly qualified or licensed as foreign corporations to do business, and are in good standing, in each jurisdiction where the character of the properties owned, leased or operated by them or the nature of their business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing that would not, individually or in the aggregate, have a Company Material Adverse Effect. The term "Company Material Adverse Effect" means any change or effect that is or would be materially adverse to the business, results of operations or financial condition of the Company and the Company Subsidiaries (as defined below), taken as a whole.

(b) Each subsidiary of the Company (a "Company Subsidiary") that constitutes a "significant subsidiary" of the Company within the meaning of Rule 1-02(w) of Regulation S-X of the SEC is referred to herein as a "Material Subsidiary."

SECTION 4.02 Certificate of Incorporation and By-Laws. The Company has heretofore made available to Buyer a complete and correct copy of the Certificate of Incorporation and the By-Laws or

equivalent organizational documents, each as amended to date, of the Company and each Material Subsidiary. Such Certificates of Incorporation, By-Laws and equivalent organizational documents are in full force and effect. Neither the Company nor any Material Subsidiary is in violation of any provision of its Certificate of Incorporation, By-Laws or equivalent organizational documents, except for such violations that would not, individually or in the aggregate, have a Company Material Adverse Effect.

SECTION 4.03 Capitalization. The authorized capital stock of the Company consists of 100,000,000 shares of Class A Common Stock, par value $.01 per share (the "Company Common Stock"), 750,000 shares of Class B Common Stock, par value $.01 per share (the "Class B Common"), 30,000 shares of Cumulative Redeemable Exchangeable Preferred Stock, par value $.01 per share (the "Series A Preferred Shares") and 9,970,000 additional shares of Preferred Stock (the "Preferred Shares"). As of June 30, 1995, there were 17,547,796 shares of Company Common Stock outstanding. As of the date hereof, (a) there are no shares of Class B Common outstanding, (b) there are no Series A Preferred Shares outstanding, and (c) there are no Preferred Shares outstanding. All outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable and have no preemptive rights. As of the date hereof, there are 633,497 Shares reserved for issuance upon exercise of the Warrants and 790,000 Shares reserved for issuance upon exercise of the Company Stock Options (of which Company Stock Options to acquire not more than 549,940 Shares have been granted, of which Company Stock Options to acquire not more than 152,333 Shares are fully vested and exercisable on the date hereof and Company Stock Options to acquire not more than 397,607 Shares will become fully vested and exercisable upon consummation of the Offer). Except for (i) the Company's Employee Stock Discount Purchase Plan (the "Stock Purchase Plan"), (ii) the Company Stock Options, (iii) the Warrants, (iv) the Exchangeable Notes, and (v) the ASAA Preferred Stock, there are no options, warrants or other rights, agreements, arrangements or commitments of any character obligating the Company or any Company Subsidiary to issue or sell any shares of capital stock of, or other equity interests in, the Company or any Company Subsidiary. All shares of the Company Common Stock subject to issuance as aforesaid, upon issuance on the

terms and conditions specified in the instruments pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and nonassessable. As of June 30, 1995, 68,614.8 shares of ASAA Preferred Stock were issued and outstanding. Except for the ASAA Preferred Stock there are no material outstanding contractual obligations of the Company or any Company Subsidiary to repurchase, redeem or otherwise acquire any shares of the Company Common Stock or any capital stock of any Company Subsidiary, or make any material investment (in the form of a loan, capital contribution or otherwise) in any Company Subsidiary. Each outstanding share of capital stock of each Company Subsidiary is duly authorized, validly issued, fully paid and nonassessable and each such share owned by the Company or another Company Subsidiary is free and clear of all security interests, liens, claims, pledges, options, rights of first refusal, agreements, limitations on the Company's or such other Company Subsidiary's voting rights, charges and other encumbrances of any nature whatsoever.

SECTION 4.04 Authority Relative to this Agreement. The Company has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated herein (other than, with respect to the Merger, the approval and adoption of this Agreement by the holders of a majority of the then outstanding Shares and the filing of appropriate merger documents as required by Delaware Law). This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Buyer, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

SECTION 4.05 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by the Company do not, and the performance of the transactions contemplated herein by the Company will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws or equivalent organizational documents of the Company or any Company Subsidiary, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to any Company or any Company Subsidiary or by which any property or asset of the Company or any Company Subsidiary is bound or affected, or (iii) except as set forth in Section 4.05 of the Company's Disclosure Schedule attached hereto (the "Company Disclosure Schedule"), result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the loss of a material benefit under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of the Company or any Material Subsidiary pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any Material Subsidiary is a party or by which the Company or any Material Subsidiary or any property or asset of the Company or any Material Subsidiary is bound or affected, except, in the case of clauses (ii) and (iii) above, for any such conflicts, violations, breaches, defaults or other occurrences which would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent the Company from performing its obligations under this Agreement in any material respect, or would not, individually or in the aggregate, have a Company Material Adverse Effect. The Board, at a meeting duly called and held, has taken all actions necessary under the Delaware Law, including approving the transactions contemplated by this Agreement, to ensure that the restrictions on "business combinations" set forth in Section 203 of the Delaware Law do not, and will not, apply to Buyer, Merger Subsidiary, affiliates or associates of Buyer or Merger Subsidiary, the transactions contemplated by this Agreement. The Board has also taken all actions necessary so that the stockholder vote required by Article

IX of the Company's Certificate of Incorporation does not, and will not, apply to the transactions contemplated by this Agreement.

(b) The execution and delivery of this Agreement by the Company do not, and neither the performance of this Agreement by the Company nor the consummation of the transactions contemplated hereby by the Company will, require any consent, approval, authorization, order or permit of, or filing with or notification to, any governmental, administrative or regulatory authority or agency, domestic or foreign (each a "Governmental Entity"), except for (A) applicable requirements, if any, of the Exchange Act and Delaware Law, (B) the pre-merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act"), (C) filing of appropriate merger documents as required by Delaware Law, (D) applicable requirements, if any, of any non-United States competition, antitrust and investment laws including, without limitation, Council Regulation (EEC) 4064/89, the Investment Canada Act, the Competition Act (Canada), and any rules or regulations promulgated by the Secretary of State for Trade and Industry (U.K.), The Act Against Restraints of Competition (Germany) and (E) such other consents, approvals, authorizations, permits, filings or notifications not obtained or made prior to consummation of the Offer the failure of which to be obtained or made would not prevent or delay consummation of the Merger or otherwise prevent the Company from performing its obligations under this Agreement in any material respect, and which would not, individually or in the aggregate, have a Company Material Adverse Effect.

SECTION 4.06 Compliance. Except as set forth in Section 4.06 of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary is in conflict with, or in default or violation of, (a) any law, rule, regulation, order, judgment or decree (including, without limitation, laws, rules and regulations relating to franchises) applicable to the Company or any Company Subsidiary or by which any property or asset of

the Company or any Company Subsidiary is bound or affected, or (b) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any Company Subsidiary is a party or by which the Company or any Company Subsidiary or any property or asset of the Company or any Company Subsidiary is bound or affected, except for any such conflicts, defaults or violations that would not, individually or in the aggregate, have a Company Material Adverse Effect.

SECTION 4.07 SEC Filings; Financial Statements.

(a) The Company has filed all forms, reports, registration statements, proxy statements, schedules and documents required to be filed by it with the SEC since December 26, 1992 and has heretofore made available to Buyer, in the form filed with the SEC (excluding any exhibits thereto), (i) its Annual Reports on Form 10-K for the fiscal years ended December 26, 1992, January 1, 1994 and December 31, 1994, (ii) its Quarterly Reports on Form 10-Q for the period ended March 31, 1995, (iii) all proxy statements relating to the Company's meetings of stockholders (whether annual or special) held since January 1, 1993 and (iv) all other forms, reports, other registration statements and schedules (other than Quarterly Reports on Form 10-Q not referred to in clause (ii) above and preliminary materials) filed by the Company with the SEC since December 31, 1994 (the forms, reports and other documents referred to in clauses (i), (ii), (iii) and (iv) above being referred to herein, collectively, as the "Company SEC Reports"). The Company SEC Reports and any forms, reports and other documents filed by the Company with the SEC after the date of this Agreement (x) were prepared in accordance with the requirements of the Securities Act of 1933, as amended (the "Securities Act") and the Exchange Act, as the case may be, and the rules and regulations thereunder and (y) did not at the time they were filed contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of circumstances under which they were made, not misleading. No Company Subsidiary, is required to file any form, report or other document with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the Company SEC Reports was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto) and each fairly presented the financial position,

results of operations and cash flows of the Company and the consolidated Company Subsidiaries, as the case may be, as at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal and recurring year-end adjustments which were not and are not expected, individually or in the aggregate, to be material in amount).

SECTION 4.08 Disclosure Documents.

(a) Each document filed or required to be filed by the Company with the SEC in connection with the Transaction (the "Company Disclosure Documents"), including, without limitation, the 14D-9, the proxy or information statement of the Company (the "Company Proxy Statement"), if any, to be filed with the SEC in connection with the Merger, and any amendments or supplements to any thereof will comply as to form in all material respects with the applicable requirements of the Exchange Act.

(b) At the time the Company Proxy Statement or any amendment or supplement thereto is first mailed to stockholders of the Company, at the time such stockholders vote on adoption of this Agreement and at the Effective Time, the Company Proxy Statement as supplemented or amended, if applicable, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the filing with the SEC or any other governmental authority of any Company Disclosure Documents (other than the Company Proxy Statement), at the time of any distribution thereof and throughout the remaining pendency of the Offer each such Company Disclosure Document will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties contained in this subsection (b) will not apply to statements or omissions in the Company Disclosure Documents based upon information furnished in writing to the Company by Buyer or Merger Subsidiary specifically for use therein.

(c) The information with respect to the Company or any Company Subsidiary furnished by the Company or its affiliates to Buyer in writing specifically for use in the Offer and the Offer Documents shall not contain, as of the date the Offer Documents are filed, any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If any such information provided by the Company or its affiliates shall, after the filing of the Offer Documents, become false or misleading in any material respect, the Company shall promptly notify Buyer and update such information in writing.

SECTION 4.09 Brokers. Except for Hidden Creek Industries, DLJ and Baird, whose fees will be paid by the Company, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Company or any Company Subsidiary (or any director or officer thereof) who might be entitled to any fee or commission from the Company, any Company Subsidiary, Merger Subsidiary or Buyer or any of their affiliates upon consummation of the transactions contemplated by this Agreement. The fees described in this Section 4.09 shall not exceed $9.5 million in the aggregate.

SECTION 4.10. Absence of Certain Changes or Events. Since April 1, 1995 except as contemplated by this Agreement or disclosed in the Company Disclosure Schedule or any Company SEC Report filed since April 1, 1995 and prior to the date of this Agreement, the Company and the Company Subsidiaries have conducted their businesses only in the ordinary course and in a manner consistent with past

practice and, since April 1, 1995 there has not been (i) any material adverse change in the business, results of operations or financial condition of the Company and the Company Subsidiaries, taken as a whole, (ii) any damage, destruction or loss (whether or not covered by insurance) with respect to any property or asset of the Company or any Company Subsidiary having, individually or in the aggregate, a Company Material Adverse Effect, (iii) any change by the Company in its accounting methods, principles or practices, (iv) any revaluation by the Company of any asset (including, without limitation, any writing down of the value of inventory or writing off of notes or accounts receivable), other than in the ordinary course of business consistent with past practice, (v) any failure by the Company to revalue any asset in accordance with generally accepted accounting principles consistent with past practice, (vi) any entry by the Company or any Company Subsidiary into any commitment or transaction material to the Company and the Company Subsidiaries, taken as a whole, (vii) any declaration, setting aside or payment of any dividend or distribution in respect of any capital stock of the Company or any redemption, purchase or other acquisition of any of its securities, (viii) any increase in or establishment of any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, stock option (including, without limitation, the granting of stock options, stock appreciation rights, performance awards or restricted stock awards), stock purchase or other employee benefit plan, or any other increase in the compensation payable or to become payable to any officers or key employees of the Company or any Company Subsidiary, except in the ordinary course of business consistent with past practice and except as described on Section 4.10 of the Company Disclosure Schedule, or (ix) any entering into, renewal, modification or extension of, any material contract, arrangement or agreement with any other party except for contracts, arrangements or agreements in the ordinary course of business.

SECTION 4.11. Absence of Litigation. Except as set forth on Schedule 4.11 of the Company Disclosure Schedule there is no claim, action, proceeding or investigation pending or, to the knowledge of the Company, threatened in writing against the Company or any Company Subsidiary, or any property or asset of the Company or any Company Subsidiary, before any court, arbitrator or administrative, governmental or regulatory authority or body, domestic or foreign, which (i) individually or in the aggregate, is reasonably likely to have a Company Material Adverse Effect or (ii) seeks to, or is reasonably likely to, delay or prevent the consummation of the Offer or the Merger. As of the date hereof, neither the Company nor any Company Subsidiary nor any property or asset of the Company or any Company Subsidiary is subject to any order, writ, judgment, injunction, decree, determination or award having, individually or in the aggregate, a Company Material Adverse Effect.

SECTION 4.12. Employee Benefit Plans/ERISA.

(a) The term "Employee Benefit Plan" means each employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") which is maintained for, or to which contributions have been made on behalf of, employees ("Employees") of the Company or any current or former corporation, person or trade or business which is a member of a group which is under common control with the Company, who together with the Company, is treated as a single employer within the meaning of Sections 414(b)-(o) of the Internal Revenue Code of 1986, as amended (the "Code") and, if applicable, Sections 4001(a) and (b) of ERISA (an "ERISA Affiliate"). The term "Pension Plan" means any Employee Benefit Plan which is subject to title IV of ERISA.

(b) Neither the Company nor any ERISA Affiliate participates in or contributes to any multiemployer plan (as defined in Section 4001(a) of ERISA).

(c) Neither the Company nor any ERISA Affiliate has any contingent liability with respect to any post-retirement benefit under any employee benefit plan which is a welfare benefit plan as defined in Section 3(1) of ERISA (a "Welfare Plan") which would have a Company Material Adverse Effect.

(d) None of the Employee Benefit Plans is a severance plan, arrangement or program. Except as set forth in Schedule 4.12 of the Company Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not directly: (i) entitle any Employee to severance pay, unemployment compensation or any other payment or (ii) accelerate the timing of any payment or the vesting of any rights or increase the amount of any compensation due any Employee, which would have a Company Material Adverse Effect.

(e) The Company has made available or given to the Buyer true and complete copies of all the following: each Employee Benefit Plan and related trust agreement (including all amendments and commitments with respect to such Employee Benefit Plan or trust) which the Company or ERISA Affiliate maintains or is

committed to contribute to as of the date hereof and the most recent summary plan description, actuarial report, determination letter issued by the Internal Revenue Service and Form 5500 filed in respect of each such Employee Benefit Plan for calendar years 1991, 1992 and 1993.

(f) Each Employee Benefit Plan complies, in both form and operation in all material respects, with its terms, ERISA and the Code, including, without limitation, Code Section 4980B, and no condition exists or event has occurred with respect to any such plan which would result in the incurrence by the Company or any ERISA Affiliate of any liability, fine or penalty which would have a Company Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any material liability to the Pension Benefit Guaranty Corporation ("PBGC") which remains outstanding other than the payment of premiums, and there are no premiums which have become due which are unpaid. Neither the Company nor any ERISA Affiliate has engaged in any transaction which could subject it to liability under Section 4069 or Section 4212(c) of ERISA which would have a Company Material Adverse Effect. Each Employee Benefit Plan, related trust agreement, arrangement and commitment of each the Company and ERISA Affiliate is legally valid and binding in full force and effect. Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter for "TRA" (as defined in Rev. Proc. 93-39) from the IRS or has filed for such a determination letter within the remedial amendment period, and each trust related to such plan either has been determined to be exempt under, or has pending a determination of an exemption under, Section 501(a) of the Code. To the knowledge of the Company, nothing has occurred or is expected to occur that would adversely affect the qualified status of the Employee Benefit Plan or any related trust subsequent to the issuance of such determination letter. No Employee Benefit Plan is being audited or investigated by any government agency or subject to any pending or threatened claim or suit which would have a Company Material Adverse Effect.

(g) Neither the Company nor any ERISA Affiliate nor any fiduciary of any Employee Benefit Plan has engaged in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code that will have a Company Material Adverse Effect.

(h) No Termination Event has occurred or is reasonably expected to occur that will have a Company Material Adverse Effect. A "Termination Event" means any of the following:

(1) a "Reportable Event" by the Company or any ERISA Affiliate described in Section 4043 of ERISA and the regulations issued thereunder; or

(2) the withdrawal of the Company or any ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or was deemed such under Section 4068(f) of ERISA; or

(3) the distress termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan as a distress termination or the treatment of a Pension Plan amendment as a termination under Section 4041 of ERISA; or

(4) the institution of proceedings to terminate a Pension Plan by the PBGC; or

(5) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or

(6) the imposition of a lien pursuant to Section 412 of the Code or Section 302 of ERISA.

SECTION 4.13. Taxes.

(a) The Company and the Company Subsidiaries (i) have filed or caused to be filed with the appropriate taxing authorities on a timely basis all federal Tax Returns (as hereinafter defined), all required state income Tax Returns and all other Tax Returns which are required to have been filed, and such Tax Returns are true, correct and complete in all material respects, (ii) have paid on a timely basis or have made adequate provision for on their balance sheet all Taxes (as hereinafter defined) reflected as due on such Tax Returns and the periods covered thereby, and (iii) have

established reserves on their books and records adequate for the payment of all Taxes not yet due. There are no material liens for Taxes upon the assets of the Company and the Company Subsidiaries, except liens for Taxes not yet due. Except as disclosed on Schedule 4.16 of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary has received a notice of any pending audits, actions, proceedings, investigations or claims with respect to any Taxes payable by or asserted against the Company and the Company Subsidiaries. Except as disclosed on Schedule 4.16 of the Company Disclosure Schedule, no claim has ever been made by a jurisdiction where the Company or any of the Company Subsidiaries does not pay Taxes or file Tax Returns that such entity may be subject to Taxes in such jurisdiction for any period beginning after December 31, 1989. The taxable years or periods for the assessment of federal income tax of the Company and the Company Subsidiaries (including assessments relating to consolidated federal income tax returns, if any, that include the Company or any of the Company Subsidiaries) are closed either by agreement with the Internal Revenue Service or by operation of the applicable statute of limitations for all taxable periods through 1990. Except as set forth in Schedule 4.16 of the Company Disclosure Schedule, the taxable years or periods for the assessment of state and local income tax of the Company and the Company Subsidiaries (including assessments relating to consolidated, combined or unitary Tax Returns, if any, that include the Company or any Company Subsidiary) are closed either by agreement with the appropriate taxing authority or by application of the applicable statute of limitations for all periods through 1989. Except as disclosed on Schedule 4.16 of the Company Disclosure Schedule, the Company and the Company Subsidiaries are not and have not been subject to any income tax in any jurisdiction outside the United States. No agreements relating to allocation or sharing of Taxes exists among the Company and the Company Subsidiaries or among the Company and any of its stockholders. Except as disclosed on Schedule 4.16 of the Company Disclosure Schedule, there are no outstanding waivers or comparable consents or extensions given by the Company or the Company Subsidiaries regarding the application of the statute of limitations with respect to any Taxes or Tax Returns. Neither the Company nor any Company Subsidiary has made any election which would result or has resulted in an adjustment under Section 481 of the Code. Neither the Company nor any Company

Subsidiary has filed a consent pursuant to Section 341(f) of the Code or agreed to have Section 341(f)(2) of the Code apply to any disposition of a Section 341(f) asset (as such term is defined in Section 341(f)(4) of the Code). No power of attorney granted by the Company or the Company Subsidiaries with respect to Taxes is currently in force. Except as disclosed on the Company Disclosure Schedule and other than this Agreement, there is no contract, agreement, plan or arrangement that individually or collectively could give rise to the payment by the Company or the Company Subsidiaries of any amount that would not be deductible by reason of Section 280G of the Code. Neither the Company nor any Company Subsidiary has any outstanding Corporate Acquisition Indebtedness as such term is used in Code Section 279(b). For purposes of this Section 4.13, where a determination of an occurrence of a failure by the Company or any Company Subsidiary to comply with any representation herein is to be made, a failure shall only occur if such failure shall have a Company Material Adverse Effect.

(b) For purposes of this Agreement, (i) the term "Taxes" shall mean all taxes, charges, fees, levies or other like assessments, including without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, capital stock, property or other taxes, customs duties, fees, assessments or charges of any kind whatsoever, together with any interest, penalties or additional amounts attributable to Taxes imposed by any governmental authority, and (ii) the term "Tax Returns" shall mean all returns (including information returns), declarations, reports, estimates and statements regarding Taxes required to be filed under the United States federal, state or local laws or any foreign laws.

SECTION 4.14. Environmental Matters.

(a) For purposes of this Agreement, the following terms shall have the following meanings: (i) "Hazardous Substances" means (A) all substances, wastes, pollutants, contaminants and materials regulated, or defined or designated as hazardous, extremely or imminently hazardous, dangerous, or toxic under the following federal statutes and their state counterparts, as well as

these statutes' implementing regulations: the Comprehensive Environmental Response, Compensation and Liability Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Atomic Energy Act, the Resource Conservation and Recovery Act, the Clean Air Act and the Hazardous Materials Transportation Act; (B) any asbestos or asbestos-containing material, petroleum and petroleum products, including crude oil and any fractions thereof, natural gas, natural gas liquids, synthetic gas, polychlorinated biphenyls or radon; or (C) any substance with respect to which a federal, state or local agency requires environmental investigation, monitoring, reporting or remediation; and (ii) "Environmental Law" means any applicable statute, code, enactment, ordinance, rule, regulation, permit, consent, authorization, judgment, order, or other requirement having the force and effect of law whether local, state, territorial or national, to the extent enacted and in effect on or prior to the Closing Date, relating to: (A) emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances into ambient air, surface water, ground water, water courses, publicly or privately owned treatment works, drains, sewer systems, wetlands, septic systems or onto land; (B) the manufacture, handling, transport, use, treatment, storage or disposal of Hazardous Substances or materials containing Hazardous Substances; (C) the regulation of storage tanks; or (D) otherwise relating to pollution or protection of the environment or the protection of human health from environmental hazards.

(b) (i) Neither the Company nor any Company Subsidiary has violated and is in violation of any Environmental Law; (ii) the Company and each Company Subsidiary has all permits, licenses and other authorizations required under any Environmental Law and the Company and each Company Subsidiary has always been and is in compliance with their requirements; (iii) no Hazardous Substances have been used, stored, manufactured or processed on the property owned or leased by the Company or any Company Subsidiary except as reasonably necessary to conduct the business of the Company and the Company Subsidiaries, and in compliance with all laws, ordinances and regulations applicable to the use, storage or manufacture thereof; (iv) to the Company's knowledge, there has been no disposal, release or threatened release of Hazardous Substances from or to the property owned or leased by the Company or any

Company Subsidiary; (v) to the Company's knowledge, none of the properties owned or leased by the Company or any Company Subsidiary (including, without limitation, soils and surface and ground waters) are contaminated with any Hazardous Substance; (vi) to the best knowledge of the Company, neither the Company nor any Company Subsidiary is liable for any off-site contamination; and (vii) neither the Company nor any Company Subsidiary has received any written notice of violation of or liability under any Environmental Law and the Company is not aware of any circumstances that could reasonably be expected to give rise to such notice, in each case when the failure to comply with this Section 4.14 would reasonably be expected to result in a Company Material Adverse Effect.

SECTION 4.15. Opinion of Financial Advisor. The Company has received the written opinion of DLJ to the effect that the consideration to be received by the stockholders of the Company pursuant to the Offer and the Merger is fair to such shareholders from a financial point of view, a copy of which opinion will be delivered to the Buyer and included in the 14D-9, any Company Proxy Statement and the Offer Documents.

SECTION 4.16 Affiliate Transactions. All transactions between the Company or a Company Subsidiary and any of their Affiliates (other than the Company or a Company Subsidiary), shall be terminated and be of no further legal force or effect, and neither the Company nor any Company Subsidiary shall have any obligation or liability thereunder, from and after the Effective Time. The termination of such transactions is not reasonably expected to have a Company Material Adverse Effect. "Affiliate" of any person means any other person directly or indirectly controlling, controlled by or under common control with such person. A person shall be deemed to control another person if the controlling person owns 10% or more of any class of voting securities (or other ownership interests) of the controlled person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled person, whether through ownership of stock, by contract or otherwise. Without limiting the foregoing, Hidden Creek Industries, ONEX US Investments Inc. and each of their Affiliates shall be considered Affiliates of the Company and the Company Subsidiaries.

SECTION 4.17. Labor Matters. Except as disclosed on Section 4.17 of the Company Disclosure Schedule, (i) there are no controversies pending or, to the best knowledge of the Company, threatened between the Company or any Company Subsidiary and any of their respective employees; (ii) to the best knowledge of the Company, there are no activities or proceedings of any labor union to organize any non-unionized employees; (iii) neither the Company nor any Company Subsidiary has breached or otherwise failed to comply with any provision of any such agreement or contract and there are no grievances outstanding against the Company or any Company Subsidiary under any such agreement or contract; (iv) there are no unfair labor practice complaints pending against the Company or any Company Subsidiary before the National Labor Relations Board or any current union representation questions involving employees of the Company or any Company Subsidiary; and (v) there is no strike, slowdown, work stoppage or lockout, or, to the best knowledge of the Company, threat thereof, by or with respect to any employees of the Company or any Company Subsidiary, other than any events described in clauses (i) through (v) above which in the aggregate would not have a Company Material Adverse Effect.

SECTION 4.18. Real Property.

(a) The Company and the Company Subsidiaries have sufficient title to or the legal right to use all their real properties currently used in the conduct of their respective businesses, with such exceptions as, individually or in the aggregate, would not have a Company Material Adverse Effect.

(b) Except as set forth in Section 4.18 of the Company Disclosure Schedule, each parcel of real property owned or leased by the Company or any Company Subsidiary is owned or leased free and clear of all mortgages, liens, security interests, or other claims of third parties of any kind (collectively, "Liens"), other than (A) Liens for current taxes and assessments not yet past due, (B) inchoate mechanics' and materialmen's Liens for construction in progress, (C) workmen's, repairmen's, warehousemen's and carriers' Liens arising in the ordinary course of business of the Company or such Company Subsidiary consistent with past practice, and (D) all matters of record, Liens and other imperfections of title and

encumbrances which, individually or in the aggregate, would not have a Company Material Adverse Effect (collectively, "Permitted Liens").

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Company that:

SECTION 5.01 Organization and Qualification; Subsidiaries. Each of Buyer and Merger Subsidiary is a corporation, partnership or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, have a Buyer Material Adverse Effect (as defined below). Each of Buyer and Merger Subsidiary is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing that would not, individually or in the aggregate, have a Buyer Material Adverse Effect. The term "Buyer Material Adverse Effect" means any change or effect that is or would be materially adverse to the business, results of operations or financial condition of Buyer, Merger Subsidiary and each of Buyer's other subsidiaries, taken as a whole.

SECTION 5.02 Certificate of Incorporation and By-Laws. Buyer has heretofore made available to the Company a complete and correct copy of the Certificate of Incorporation and the By-Laws or equivalent organizational documents, each as amended to date, of Buyer and Merger Subsidiary. Such Certificates of Incorporation, By-Laws and equivalent organizational documents are in full force

and effect. Neither Buyer nor Merger Subsidiary is in violation of any provision of its Certificate of Incorporation, By-Laws or equivalent organizational documents, except for such violations that would not, individually or in the aggregate, have a Buyer Material Adverse Effect.

SECTION 5.03 Authority Relative to this Agreement. Each of Buyer and Merger Subsidiary has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated herein. The execution and delivery of this Agreement by Buyer and Merger Subsidiary and the consummation by Buyer and Merger Subsidiary of the transactions contemplated herein have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated herein (other than, with respect to the Merger, the filing of the appropriate merger documents as required by Delaware Law). This Agreement has been duly and validly executed and delivered by Buyer and Merger Subsidiary and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of Buyer and Merger Subsidiary, enforceable against Buyer and Merger Subsidiary in accordance with its terms.

SECTION 5.04 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by Buyer and Merger Subsidiary do not, and the performance of the transactions contemplated herein by Buyer and Merger Subsidiary will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws or equivalent organizational documents of Buyer or Merger Subsidiary, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Buyer or any Merger Subsidiary or by which any property or asset of Buyer or any Merger Subsidiary is bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the loss of a material benefit under or give to others any right of termination, amendment, acceleration or cancellation of, or result

in the creation of a lien or other encumbrance on any property or asset of Buyer or any Merger Subsidiary pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Buyer or any Merger Subsidiary is a party or by which Buyer or any Merger Subsidiary or any property or asset of Buyer or any Merger Subsidiary is bound or affected, except in the case of clauses (ii) and (iii) above, for any such conflicts, violations, breaches, defaults or other occurrences which would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent Buyer from performing its obligations under this Agreement in any material respect, or would not, individually or in the aggregate, have a Buyer Material Adverse Effect.

(b) The execution and delivery of this Agreement by Buyer and Merger Subsidiary do not, and neither the performance of this Agreement by Buyer and Merger Subsidiary nor the consummation of the transactions contemplated hereby by the Company will, require any consent, approval, authorization, order or permit of, or filing with or notification to, any Governmental Entity, except for (A) applicable requirements, if any, of the Exchange Act and Delaware Law, (B) the pre-merger notification requirements of the HSR Act, (C) filing of appropriate merger documents as required by Delaware Law, (D) applicable requirements, if any, of any non-United States competition, antitrust and investment laws including, without limitation, Council Regulation (EEC) 4064/89, the Investment Canada Act, the Competition Act (Canada), and any rules or regulations promulgated by the Secretary of State for Trade and Industry (U.K.), and (E) such other consents, approvals, authorizations or permits, filings or notifications, not obtained or made prior to consummation of the Offer the failure of which to be obtained or made would not prevent or delay consummation of the Merger, or otherwise prevent Buyer or Merger Subsidiary from performing its obligations under this Agreement in any material respect, and which would not, individually or in the aggregate, have a Buyer Material Adverse Effect.

SECTION 5.05 Documents Relating to Offer; Company Proxy Statement. The Offer Documents and the Offer will comply in all material respects with the applicable requirements of the Exchange Act, except that no representation is made by Buyer or Merger

Subsidiary with respect to information supplied in writing by the Company specifically for use in the Offer Documents. None of the information that may be supplied in writing by Buyer or its affiliates specifically for use in the Company Proxy Statement, the 14D-9 or any other document filed or to be filed with the SEC will contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If any such information provided by Buyer or its affiliates shall, after the filing of the 14D-9 or any other document filed by the Company with the SEC, become false or misleading in any material respect, the Buyer shall promptly notify the Company and update such information in writing.

SECTION 5.6 Financing. The Buyer has entered into, and furnished to the Company a copy of, the Financing Commitment Letter with Chemical Bank and Chemical Securities Inc. Subject to the terms and conditions specified therein, the Financing Commitment Letter will provide Buyer funds sufficient in amount to consummate the Offer and Merger pursuant to this Agreement. The Financing Commitment Letter is in full force and effect as of the date of this Agreement.

ARTICLE VI

COVENANTS OF THE COMPANY

SECTION 6.01 Conduct of the Company. The Company covenants and agrees that, between the date of this Agreement and the Effective Time, unless the Buyer shall have consented in writing (such consent not to be unreasonably withheld), the businesses of the Company and the Company Subsidiaries shall, in all material respects, be conducted in, and the Company and the Company Subsidiaries shall not take any material action, except in the ordinary course of business, consistent with past practice, and the Company shall, and shall cause the Company Subsidiaries to use their respective reasonable best efforts to preserve substantially intact their respective business organizations, to keep available the services of their respective current officers, employees and consultants and to preserve their respective relationships with

customers, suppliers and other persons with which it or any of the Company Subsidiaries has significant business relations as well as with officials and employees of government agencies and other entities which regulate the Company, the Company Subsidiaries and their business. By way of amplification and not limitation, except (i) as contemplated by this Agreement, (ii) as set forth on Section 6.01 of the Company Disclosure Schedule, neither the Company nor any of the Company Subsidiaries shall, between the date of this Agreement and the Effective Time, directly or indirectly do, or propose or agree to do, any of the following without the prior written consent of the Buyer (which will not be unreasonably withheld) (provided that the following restrictions shall not apply to any subsidiaries which the Company does not control):

(a) amend or otherwise change the Certificate of Incorporation or By-Laws of the Company or any Company Subsidiary;

(b) (i) issue or sell, or authorize the issuance or sale of, (I) any shares of capital stock of any class of, or any other ownership interest in, the Company or any of the Company Subsidiaries, or any options, warrants or other securities or rights convertible into, exchangeable for, evidencing the right to subscribe for or purchase, or otherwise providing for the right to acquire capital stock, or any other ownership interest (including, without limitation, any phantom interest) of the Company or any of the Company Subsidiaries (other than the issuance of shares of capital stock in connection with (A) the exercise of the Company Stock Options and the Warrants, and the redemption or exchange of the Exchangeable Notes and the ASAA Preferred Stock in accordance with the terms of such securities in effect on the date of this Agreement, or (B) the Stock Purchase Plan as in effect on the date of this Agreement) or (II) any assets of it or any of the Company Subsidiaries, except for sales in the ordinary course of business or which, individually, do not exceed $10.0 million or which, in the aggregate, do not exceed $20.0 million, or (ii) amend, waive or otherwise modify any of the terms of any option, warrant or stock option plan of the Company or any Company Subsidiary, including without limitation the Company Stock Options the Warrants, the Exchangeable Notes, the ASAA Preferred Stock and the Stock Purchase Plan;

(c) declare, set aside or pay any dividend or other actual, constructive or deemed distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock (other than a divided or distribution payable solely to the Company or a Company Subsidiary) or otherwise make any payments to stockholders in their capacity as stockholders;

(d) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock other than redemptions of the ASAA Preferred Stock, consistent with applicable securities laws;

(e) (i) acquire (for cash, shares of stock or other consideration) (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof (or a substantial portion of the assets thereof) or any other assets, except for such acquisitions which, individually, do not exceed $10.0 million or which, in the aggregate, do not exceed $25.0 million; (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances, except (A) in connection with this Agreement and the transactions contemplated hereby, or (B) borrowings under existing bank lines of credit in the ordinary course of business; or (iii) enter into or amend any contract, agreement, commitment or arrangement to effectuate any prohibited matter set forth in this Section 6.01(e);

(f) adopt or amend any bonus, profit sharing, compensation, severance, termination, stock option, pension, retirement, deferred compensation, employment or other employee benefit agreements, trusts, plans, funds or other arrangements for the benefit or welfare of any director, officer or employee that increase in any manner the compensation, retirement, welfare or fringe benefits of any director, officer or Employee, or pay any benefit not required by any existing plan or arrangement (including without limitation the granting of stock options or stock appreciation rights) or take any action or grant any benefit not expressly required under the terms of any existing agreements, trusts, plans, funds or other such arrangements or enter into any

contract, agreement, commitment or arrangement to do any of the foregoing, except for normal increases in the ordinary course of business consistent with past practice that do not result in a material increase in benefits or compensation expense to the Company or pursuant to collective bargaining agreements as presently in effect.

(g) take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures.

(h) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution of the Company or any of its Material Subsidiaries;

(i) make any tax elections or settle or compromise any material income tax liability;

(j) pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted, unasserted, contingent or otherwise), other than the payment, discharge or satisfaction in the ordinary course of business and consistent with past practice of liabilities reflected or reserved against in the consolidated financial statements of the Company;

(k) other than in the ordinary course of business and consistent with past practice, waive any rights of substantial value or make any payment, direct or indirect, of any material liability of the Company or any of the Company Subsidiaries before the same comes due in accordance with its terms;

(l) fail to maintain its existing insurance coverage of all types in effect or, in the event any such coverage shall be terminated or lapse, to the extent available at reasonable cost, procure substantially similar substitute insurance policies which in all material respects are in at least such amounts and against such risks as are currently covered by such policies;

(m) enter into any new collective bargaining agreement or any successor collective bargaining agreement (other than the

Weston Division collective bargaining agreement currently being negotiated);

(n) amend or otherwise modify the Option Plan or the Stock Purchase Plan; or

(o) enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

SECTION 6.02 Stockholders' Meeting; Proxy Material. Unless Buyer or Merger Subsidiary acquires at least 90% of the outstanding Shares, in which case Buyer shall cause the Merger to take place without a vote of the Company's stockholders as permitted under Delaware Law, if required by applicable law, the Company shall cause a special meeting of its stockholders (the "Company Stockholders Meeting") to be duly called and held as soon as reasonably practicable after the purchase of Shares pursuant to the Offer for the purpose of acting upon proposals to approve this Agreement and all actions contemplated hereby that require the approval of the Company's stockholders. The Board shall recommend approval and adoption of this Agreement by the Company's stockholders, unless otherwise required by the fiduciary duties of the Board under applicable law as advised by independent legal counsel (who may be the Company's regularly engaged legal counsel). In connection with the Company Stockholders Meeting the Company shall in accordance with applicable law and after consultation with the Buyer, prepare and file with the SEC a preliminary Company Proxy Statement relating to the matters to be considered at the Company Stockholders Meeting, respond promptly to any comments made by the SEC with respect to the preliminary Company Proxy Statement and cause a definitive Company Proxy Statement to be mailed to its stockholders.

SECTION 6.03 Access to Information. The Company will give Buyer, its counsel, financial advisors, auditors and other authorized representatives full access to the offices, properties, books and records of the Company and the Company Subsidiaries, will furnish to Buyer, its counsel, financial advisors, auditors and authorized representatives such financial and operating data and other information as such persons may reasonably request and will cause the Company's employees, counsel and financial advisors to

cooperate with Buyer in its investigation of the business of the Company and the Company Subsidiaries.

SECTION 6.04 No Solicitations. From and after the date hereof until the termination of this Agreement, the Company shall not, and shall use its best efforts to cause its officers, directors, employees, representatives, agents or affiliates (including, without limitation, any investment banker, attorney or accountant retained by the Company or any of the Company Subsidiaries) not to, directly or indirectly, invite, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to any Acquisition Proposal (as defined below), provided, however, that nothing contained in this Section 6.04 shall prohibit the Board from furnishing information to, or entering into discussions or negotiations with, any person or entity that makes an unsolicited Acquisition Proposal if, and only to the extent that, (A) the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board to comply with its fiduciary duties to stockholders under applicable law and (B) prior to taking such action, to the extent any confidential information will be disclosed, the Company receives from such person or entity an executed customary confidentiality agreement. For purposes of this Agreement, "Acquisition Proposal" shall mean any of the following (other than the transactions between the Company, the Buyer and the Merger Subsidiary contemplated hereunder) involving the Company or any of its Subsidiaries: (i) any merger, consolidation, share exchange, recapitalization, business combination, or other similar transaction; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 50% or more of the assets of the Company and the Company Subsidiaries, taken as a whole, in a single transaction or series of transactions; (iii) any tender offer or exchange offer for 50% or more of the outstanding shares of capital stock of the Company or the filing of a registration statement under the Securities Act in connection therewith; or (iv) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing. The Company

represents that neither it nor, to its knowledge without independent inquiry having been made, any of its stockholders is a party to or bound by any agreement with respect to an Acquisition Proposal. In the event that the Company receives or becomes aware of any Acquisition Proposal, the Company will promptly notify the Buyer in writing of such communication (it being understood that nothing set forth herein shall obligate the Buyer to disclose the details of any such Acquisition Proposal if the Board determines such non-disclosure is in the best interest of the Company's stockholders).

SECTION 6.05 Notices of Certain Events. The Company shall promptly notify Buyer of:

(a) any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and

(c) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting the Company or any Company Subsidiary on the date of this Agreement which could interfere with the consummation of the transactions contemplated by this Agreement or could result in a Company Material Adverse Effect; and

(d) the occurrence, or non-occurrence, of any event which would cause either (i) any representation or warranty of the Company contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date hereof to the Effective Time, (ii) any condition set forth in Annex I to be unsatisfied at any time from the date hereof to the date Buyer or Merger Subsidiary purchases Shares pursuant to the Offer, (iii) any condition set forth in Article IX hereof to be unsatisfied at any time from the date hereof to the Effective Time or (iv) any material failure by the Company

to comply with or satisfy any covenant, condition or agreement to be complied with hereunder; provided that the delivery of any notice pursuant to this Section 6.05 shall not limit or otherwise affect the remedies available hereunder to Buyer or Merger Subsidiary.

SECTION 6.06 Debt Instruments. Prior to or at the Effective Time, the Company and each Company Subsidiary shall, at the request of Buyer, use its reasonable efforts to seek waivers from the parties thereto with respect to the occurrence, as a result of the Merger, the Offer and the other transactions contemplated by this Agreement, of a change in control or any other event which constitutes a default (or an event which with notice or lapse of time or both would become a default) under any debt instrument of the Company or any Company Subsidiary.

ARTICLE VII

COVENANTS OF BUYER

SECTION 7.01 Confidentiality.

(a) All information obtained by Buyer in connection with the Transaction shall be kept confidential in accordance with the confidentiality agreement, dated April 18, 1995, between Buyer and DLJ (the "Confidentiality Agreement"); provided that any provisions of the Confidentiality Agreement that would prohibit Buyer or Merger Subsidiary from engaging in the transactions contemplated by this Agreement or by the Stockholders Agreement shall be deemed to be modified to the extent required to permit Buyer and Merger Subsidiary to engage in all such transactions; and, provided further, that the Confidentiality Agreement shall terminate and be of no further force or effect upon consummation of the Offer.

(b) From and after the time at which an Acquisition Proposal is made to the Company, Buyer and Merger Subsidiary shall not be prohibited by the Confidentiality Agreement from taking any or all of the actions described in the last paragraph of page 3 of the Confidentiality Agreement (which

paragraph contains "standstill provisions"), in which case the Confidentiality Agreement shall be deemed to be modified to the extent required to permit Buyer and Merger Subsidiary to engage in all such transactions.

(c) In the event that at any time after the date hereof and prior to the termination or expiration of the Confidentiality Agreement the Company shall enter into a confidentiality agreement or similar arrangement with a third party containing provisions more favorable to such party than the corresponding provisions of the Confidentiality Agreement are favorable to Buyer, the Confidentiality Agreement shall thereupon be deemed amended to incorporate such provisions therein for the benefit of Buyer. Without limiting the foregoing, the Company agrees that it shall not release any third party from or waive or modify any confidentiality or standstill agreement or similar arrangement to which the Company is a party.

SECTION 7.02 Obligations of Merger Subsidiary. Buyer will take all action necessary to cause Merger Subsidiary to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement.

SECTION 7.03 Voting of Shares. Buyer agrees to vote all Shares owned by Buyer, Merger Subsidiary or any of their affiliates in favor of approval and adoption of this Agreement at the Company Stockholders Meeting.

SECTION 7.04 Director and Officer Liability.

(a) The Certificate of Incorporation and By-Laws of the Surviving Corporation shall contain the provisions with respect to indemnification set forth in the Certificate of Incorporation and By-Laws of the Company on the date of this Agreement, which provisions shall not be amended, repealed or otherwise modified for a period of six years after the Effective Time in any manner that would adversely affect the rights thereunder of individuals who at any time prior to the Effective Time were directors or officers of the Company in respect of actions or omissions occurring at or prior to the Effective Time (including, without limitation, the

transactions contemplated by this Agreement), unless such modification is required by law.

(b) From and after the Effective Time, the Surviving Corporation shall indemnify, defend and hold harmless the present and former officers and directors of the Company (collectively, the "Indemnified Parties") against all losses, expenses, claims, damages, liabilities or amounts that are paid in settlement of, with the approval of the Surviving Corporation (which approval shall not unreasonably be withheld), or otherwise incurred in connection with any claim, action, suit, proceeding or investigation (a "Claim"), based in whole or in part by reason of the fact that such person is or was a director or officer of the Company and arising out of actions, events or omissions occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by this Agreement), in each case to the full extent permitted under Delaware Law (and shall pay expenses in advance of the final disposition of any such action or proceeding to each Indemnified Party to the fullest extent permitted under Delaware Law, upon receipt from the Indemnified Party to whom expenses are advanced of the undertaking to repay such advances contemplated by Section 145(e) of Delaware Law); provided, that the Surviving Corporation shall indemnify, defend and hold harmless the Indemnified Parties only to the same extent and on the same terms (including with respect to advancement of expenses) provided for in the Company's Certificate of Incorporation and By Laws in effect on the date hereof (to the extent consistent with applicable law), which rights pursuant to such provisions shall survive the Merger and continue in full force and effect after the Effective Time.

(c) without limiting the foregoing, in the event any Claim is brought against any Indemnified Party (whether arising before or after the Effective Time) after the Effective Time (i) the Indemnified Parties may retain the Company's regularly engaged independent legal counsel or other independent legal counsel satisfactory to them, provided that such other counsel shall be reasonably acceptable to the Surviving Corporation, (ii) the Surviving Corporation shall pay all reasonable fees and expenses of such counsel for the Indemnified Parties promptly as statements therefor are received and (iii) the Surviving

Corporation will use its reasonable best efforts to assist in the vigorous defense of any such matter, provided that the Surviving Corporation shall not be liable for any settlement of any Claim effected without its written consent, which consent shall not be unreasonably withheld. Any Indemnified Party wishing to claim indemnification under this Section 7.04 upon learning of any such Claim shall notify the Surviving Corporation (although the failure so to notify the Surviving Corporation shall not relieve the Surviving Corporation from any liability which the Surviving Corporation may have under this Section 7.04, except to the extent such failure materially prejudices the Surviving Corporation's position with respect to such claim), and shall deliver to the Surviving Corporation the undertaking contemplated by Section 145(e) of Delaware Law. The Indemnified Parties as a group may retain no more than one law firm (in addition to local counsel) to represent them with respect to each such matter unless there is, under applicable standards of professional conduct (as determined by counsel to the Indemnified Parties), an actual conflict between the interests of any two or more Indemnified Parties, in which event such additional counsel as may be required may be retained by the Indemnified Parties.

(d) For a period of three years after the Effective Time, the Surviving Corporation shall cause to be maintained in effect the liability insurance policies for directors and officers which are currently maintained by the Company with respect to claims arising from facts or events which occurred before the Effective Time (provided that the Buyer may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are no less advantageous in any material respect to the Indemnified Parties). Notwithstanding the foregoing, Buyer shall not be required to pay an annual premium for such insurance in excess of 225% of the last annual premium paid by the Company prior to the date hereof, but in such case shall purchase as much coverage as possible for such amount.

(e) The Company and Buyer shall have no obligation under this Section 7.04 to any Indemnified Party when and if a court of competent jurisdiction shall ultimately determine, and such determination shall have become final and non-appealable, that indemnification of such Indemnified Party in the manner

contemplated hereby is prohibited by applicable law. In the event that it shall be determined in a final and non-appealable judicial proceeding that a person who has received advance payments of expenses or putative indemnification sums pursuant to this Section 7.04 shall not be entitled to indemnification hereunder such person shall repay to Buyer or the Company, as the case may be, all such expenses and sums promptly following such determination.

(f) Each Indemnified Party shall have rights as a third party beneficiary under this Section 7.04 as separate contractual rights for his or her benefit and such right shall be enforceable by such Indemnified Party, its heirs and personal representatives and shall be binding on the Surviving Corporation and its successors and assigns.

SECTION 7.05 Employee Benefits.

(a) Except as otherwise may be provided pursuant to a collective bargaining agreement for a period ending no earlier than (i) with respect to Employee Benefit Plans which are Pension Plans or Welfare Plans (other than severance plans), the last day of the first plan year beginning after the Effective Time, (ii) with respect to Employee Benefit Plans which are cafeteria plans as defined in Section 125 of the Code, the last day of the plan year during which the Effective Time occurs and (iii) one year from the date of this Agreement with respect to any other employee benefits, Buyer shall cause the Surviving Corporation to maintain or provide the employees of the Surviving Corporation and its subsidiaries with employee benefits, or compensation which in the aggregate is, substantially comparable to the employee benefits provided by the Company and the Company Subsidiaries on the date hereof. Buyer shall cause the Surviving Corporation to honor the terms of all employment agreements of the Company and the Company Subsidiaries. Buyer shall cause the Surviving Corporation to honor all collective bargaining agreements by which the Company or any of the Company Subsidiaries is bound.

(b) The foregoing shall not constitute any commitment, contract, understanding or guarantee (express or implied) on the part of the Surviving Corporation of a post-Effective Time employment relationship of any term or duration or on any terms

other than those the Surviving Corporation may establish. Employment of any of the Employees by the Surviving Corporation shall be "at will" and may be terminated by the Surviving Corporation at any time for any reason (subject to any legally binding agreement, or any applicable laws or collective bargaining agreement, or any arrangement or commitment). No provision of this Agreement shall create any third-party beneficiary rights in any employee or former employee (including any beneficiary or dependent thereof) of the Company or any of the Company Subsidiaries in respect of continued employment or resumed employment.

ARTICLE VIII

COVENANTS OF BUYER AND THE COMPANY

SECTION 8.01 Reasonable Best Efforts.

(a) Subject to the terms and conditions of this Agreement, each party will use its commercially reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. Subject to the terms and conditions of this Agreement, if at any time prior to the Effective Time, any further action is necessary or desirable to consummate more effectively the actions contemplated by this Agreement, at the request of the other party hereto and at the expense of the party so requesting, Buyer and Merger Subsidiary, on the one hand, and the Company, on the other hand, shall execute and deliver to such requesting party such documents and take such other action as such requesting party may reasonably request. The Company shall, and shall cause the Company Subsidiaries to, cooperate with Buyer and Merger Subsidiary in obtaining the Financing and consummating the other transactions contemplated by the Financing Commitment Letter.

(b) In the event any action, suit, claim, investigation or other proceeding relating to this Agreement, the Merger or

the other transactions hereby shall be commenced, each of the parties hereto agrees (subject, in the case of the Company, to the fiduciary obligations of the Board under applicable law as advised by independent legal counsel) to cooperate with each other party hereto and to use its commercially reasonable best efforts to respond to and to defend vigorously against such proceeding.

SECTION 8.02 Certain Filings. The Company and Buyer shall cooperate with one another (a) in connection with the preparation of the Company Disclosure Documents and the Offer Documents, and (b) in determining whether any other action by or in respect of, or filing with, any governmental body, agency or official, or authority or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts in connection with the consummation of the transactions contemplated by this Agreement and (c) in seeking any such actions, consents, approvals or waivers or making any such filings, furnishing information required in connection therewith or with the Company Disclosure Documents or the Offer Documents and seeking timely to obtain any such actions, consents, approvals or waivers (including, without limitation, as may be required under the HSR Act).

SECTION 8.03 Public Announcements. Buyer and the Company will consult with each other before issuing any press release or making any public statement with respect to this Agreement and the transactions contemplated hereby and will not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law (as advised by independent counsel) or any listing agreement with any national securities exchange.

ARTICLE IX

CONDITIONS TO THE MERGER

SECTION 9.01 Conditions to the Obligations of Each Party. The obligations of the Company, Buyer and Merger Subsidiary to consummate the Merger are subject to the satisfaction of the following conditions:

(a) if required by Delaware Law, this Agreement shall have been approved and adopted by the stockholders of the Company in accordance with Delaware Law (except that this condition shall be deemed satisfied if Buyer and/or Merger Subsidiary shall have acquired 90% or more of the outstanding Shares);

(b) any applicable waiting period under the HSR Act relating to the Merger shall have expired or been terminated; and

(c) no Governmental Entity or federal or state court of competent jurisdiction shall have enacted, issued or enforced any statute, regulation, decree, injunction or other order which has become final and nonappealable and which materially restricts or prohibits the consummation of the Merger.

ARTICLE X

TERMINATION; EXPENSES

SECTION 10.1 Termination. This Agreement may be terminated and the Transaction may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of the Company):

(a) by mutual written consent of the Company and Buyer;

(b) by either Buyer or the Company, if any permanent injunction, order or action by any Governmental Entity or by any federal or state court of competent jurisdiction (other

than a temporary restraining order) preventing the consummation of the Merger shall have become final and nonappealable;

(c) by either Buyer or the Company, (i) if the Merger shall not have been consummated before November 30, 1995; provided, however, that this Agreement may be extended by written notice of either Buyer or the Company to a date not later than January 31, 1996, if the Merger shall not have been consummated as a direct result of Buyer or the Company having failed by November 30, 1995, to receive all required approvals or consents with respect to the Merger, or (ii) if the Offer is not consummated before October 31, 1995;

(d) by Buyer if, any corporation, partnership, person, other entity or group (as defined in Section 13(d)(3) of the Exchange Act) other than Buyer or the Merger Subsidiary or any of their respective subsidiaries or affiliates shall have become the beneficial owner of more than 20% of the outstanding Shares (either on a primary or a fully diluted basis) (other than the ownership by any bona fide arbitrageur for the purpose of arbitrage);

(e) by either Buyer or the Company, if the Merger shall fail to receive the requisite vote for approval and adoption by the stockholders of the Company at the Company Stockholders Meeting;

(f) by the Company, if the Board withdraws or modifies its approval or recommendation of the Offer or its recommendation referred to in Section 6.02, in each case in a manner adverse to Buyer, so long as the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board to comply with its fiduciary duties to stockholders under applicable law;

(g) by the Buyer or the Company, if the Offer terminates, expires or is withdrawn or abandoned by Buyer or

Merger Subsidiary by reason of the failure to satisfy any condition set forth in Annex I hereto;

(h) by the Buyer, if (i) the Board shall withdraw, modify or change its recommendation or approval in respect of this Agreement or the Offer; (ii) the Board shall have recommended or accepted any Acquisition Proposal other than by Buyer or the Merger Subsidiary; or (iii) the Board shall have resolved to do any of the acts referred to in (i) or (ii);

(i) by the Buyer, if the Company shall have breached its obligation to mail the 14D-9 to its stockholders or failed to include in such 14D-9 the recommendation by the Board referred to in clause (i) of paragraph (h) above (including the recommendation that the stockholders of the Company vote in favor of the Merger); or

(j) by the Company, if the Offer terminates, expires or is withdrawn or abandoned by the Buyer or Merger Subsidiary.

The right of any party hereto to terminate this Agreement pursuant to this Section 10.01 shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any party hereto, any person controlling or controlled by any such party or any of their respective officers or directors, whether prior to or after the execution of this Agreement.

SECTION 10.02 Effect of Termination. If this Agreement is terminated pursuant to Section 10.01, this Agreement shall become void and of no effect with no liability on the part of any party hereto, except that the agreements contained in Sections 7.01 and 10.03 shall survive the termination hereof, and except that no such termination shall relieve any party from liability for willful breach of this Agreement or willful failure by such party to perform its obligations hereunder.

SECTION 10.03 Fees, Expenses and Other Payments.

(a) All out-of-pocket costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred directly or indirectly by the

parties hereto in respect of the transactions contemplated hereby shall be borne by the party which has incurred such costs and expenses (with respect to such party, its "Expenses"); provided, however, that if the Merger is consummated all unpaid Expenses of the Company shall be paid by the Surviving Corporation; provided, further, that all filing fees under the HSR Act shall be borne by Buyer.

(b) The Company agrees that if this Agreement shall be terminated pursuant to (i) Section 10.01(c) hereof at any time when (I) an Acquisition Proposal shall have been made by a third party but shall not have been rejected by the Company and (II) the Company or any of the Company Subsidiaries or the Company's stockholders shall thereafter consummate or agree to consummate a transaction which would constitute an Acquisition Proposal with such third party offeror or a subsidiary or an affiliate of any such offeror, (ii) Section 10.01(e) and at the time of the Company Stockholder Meeting Buyer shall not have voting control over a sufficient number of Shares to approve the Merger and there shall exist an Acquisition Proposal, (iii) Section 10.01(f), (iv) 10.01(g) or 10.01(j) if the Minimum Condition has not been satisfied at the time of the expiration, termination or withdrawal (on or after the initial scheduled expiration date of the Offer) of the Offer and there shall exist an Acquisition Proposal, (v) 10.01(h), or (vi) 10.01(i) and there shall exist an Acquisition Proposal, then in any such event the Company shall pay to Buyer an amount equal to $19.0 million (the "Termination Fee"), payable (x) in the case of termination under clause (i) above upon the signing of a definitive agreement relating to such Acquisition Proposal referred to in clause (i) of this Section 10.03(b), or, if no such agreement is executed then at the closing (and as condition to the closing) of such Acquisition Proposal, and (y) within one business day of termination of this Agreement upon any termination of this Agreement under clauses (ii), (iii), (iv), (v) or (vi) above. The Company acknowledges that the agreements contained in this Section 10.03(b) hereof are an integral part of the transactions contemplated by this Agreement. Accordingly, if the Company shall fail to pay when due any amounts which shall become due under Section 10.03(b) hereof, the Company shall in addition thereto pay to Buyer all costs and expenses (including fees and disbursements of counsel) incurred in connecting such overdue amounts, together

with interest on such overdue amounts from the date such payment was required to be made until the date such payment is received at a rate per annum equal to the "prime rate" as announced from time to time by Chemical Bank.

(c) Any payment required to be made pursuant to Section 10.03(b) shall be made when due by wire transfer of immediately available funds to an account designated by Buyer.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 Notices. All notices, requests and other communications to any party hereunder shall be in writing including facsimile, telex or similar writing) and shall be given,

If to Buyer or Merger Subsidiary, to:

Lear Seating Corporation
21557 Telegraph Road
Southfield, Michigan 48034
Attention: Joseph F. McCarthy

with a copy to:

Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601
Attention: John L. MacCarthy

if to the Company, to:

Automotive Industries Holding, Inc.
4508 IDS Center
Minneapolis, MN 55402
Attention: Scott D. Rued

with a copy to:

Kirkland & Ellis
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Jeffrey C. Hammes

or such other address, as such party may hereafter specify for the purpose by notice to the other parties hereto. Each such notice, request or other communication shall be effective (i) if given by facsimile, upon confirmation of receipt, or (ii) if given by any other means, when delivered at the address specified in this Section 11.01.

SECTION 11.02 Survival of Representations, Warranties and Covenants. The representations and warranties contained herein shall not survive the Effective Time; provided, however, that the representations and warranties contained herein and made by the Company shall not survive the date of acceptance for payment of, and payment for, the Shares pursuant to the Offer. The covenants and agreements contained herein shall not survive the Effective Time or the termination of this Agreement except for the covenants and agreements set forth in Sections 7.01, 7.04, 7.05 and 10.03.

SECTION 11.03 Amendments; No Waivers.

(a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company, Buyer and Merger Subsidiary or in the case of a waiver, by the party against whom the waiver is to be effective; provided that after the adoption of this Agreement by the stockholders of the Company, no such amendment or waiver shall, without the further approval of such stockholders, alter or change (i) the amount or kind of consideration to be received in exchange for any shares of capital stock of the Company, (ii) any term of the Certificate of Incorporation of the Surviving Corporation or (iii) any of the terms or conditions of this Agreement if such alteration or change would adversely affect the holders of any shares of capital stock of the Company.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 11.04 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successor and assigns, provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto.

SECTION 11.05 Governing Law; Consent to Jurisdiction. This Agreement shall be construed in accordance with and governed in all respects, including validity, interpretation and effect, by the law of the State of Delaware without giving effect to the principles of conflicts of laws thereof. Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any state or federal court located in the State of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a state or federal court sitting in the State of Delaware.

SECTION 11.06 Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

SECTION 11.07 Headings. Section headings used in this Agreement are for convenience only and shall be ignored in the construction and interpretation hereof.

SECTION 11.8 No Third Party Beneficiaries. Except for Section 7.04 (which is intended to and shall confer upon such persons all rights and remedies by reason of this Agreement as if such person was a party hereto), no provision of this Agreement is intended to, or shall, confer any third party beneficiary or other rights or remedies upon any person other than the parties hereto.

SECTION 11.9 Entire Agreement. This Agreement (together with the Stockholders Agreement, the Non-Compete Agreement, the Company Disclosure Schedule, the Buyer Disclosure Schedule and the other documents delivered pursuant hereto) and the Confidentiality Agreement constitute the entire agreements of the parties and supersede all prior agreements and undertakings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof.

SECTION 11.10 Severability. If any term or other provisions of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

AUTOMOTIVE INDUSTRIES HOLDING, INC.

By: /s/ Scott D. Rued

Its: Vice President

LEAR SEATING CORPORATION

By: /s/ James H. Vandenberghe

Its: Executive Vice President

AIHI ACQUISITION CORP.

By: /s/ James H. Vandenberghe

Its: President

ANNEX I

The capitalized terms used in this Annex I have the meanings set forth in the attached Agreement, except that the term "Merger Agreement" shall be deemed to refer to the attached Agreement.

Notwithstanding any other provision of the Offer, Merger Subsidiary shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to Merger Subsidiary's obligation to pay for or return tendered Shares promptly after expiration or termination of the Offer), to pay for any Shares tendered, and, except as otherwise provided in the Merger Agreement, may postpone the acceptance for payment or, subject to the restriction referred to above, payment for any Shares tendered, and may amend or terminate the Offer (whether or not any Shares have theretofore been purchased or paid for) if (i) prior to the expiration date of the Offer, (A) the Minimum Condition or the Financing Condition shall not have been satisfied, (B) the applicable waiting period under the HSR Act shall not have expired or been terminated or (C) all regulatory and related approvals shall have not been obtained on terms reasonably satisfactory to the Buyer, except where the failure to obtain such approval would not have a Company Material Adverse Effect and would not materially restrict or prohibit consummation of the Offer, or the Merger or (ii) prior to the acceptance for payment of or payment for Shares and at any time on or after the date of the Merger Agreement, any of the following conditions shall have occurred and be continuing:

(a) Any Governmental Entity or federal or state court of competent jurisdiction shall have enacted, issued, promulgated, entered or enforced any statute, rule, executive order, regulation, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and which (1) materially restricts or prohibits consummation of the Offer or the Merger, (2) prohibits or limits materially the ownership or operation by the Company, the Buyer or any of their subsidiaries of all or any material portion of the business or assets of the Company and its subsidiaries taken as a whole, or compels the Company, the Buyer, or any of their subsidiaries to dispose of or hold separate all or any material portion of the business or assets of the Company and its subsidiaries taken as a whole, (3) imposes limitations on

the ability of the Buyer, the Merger Subsidiary or any other subsidiary of the Buyer to exercise rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by the Merger Subsidiary pursuant to the Offer or otherwise on all matters properly presented to the Company's stockholders, including, without limitation, the approval and adoption of the Merger Agreement and the transactions contemplated thereby, (4) requires divestitures of any Shares by the Buyer, the Merger Subsidiary or any other affiliate of the Buyer or (5) which would result in a Company Material Adverse Effect; provided that Buyer shall have used commercially reasonable efforts to cause any such decree, judgment, injunction or other order to be vacated or lifted

(b) there shall have been instituted or there shall be pending any action or proceeding before any Governmental Entity or federal or state court of competent jurisdiction which is reasonably likely to result, directly or indirectly, in any of the consequences set forth in clauses (1) through (5) of paragraph (a) above; provided that Buyer shall have used commercially reasonable efforts to cause any such decree, judgment, injunction or other order to be vacated or lifted;

(c) Any of the representations and warranties of the Company contained in the Agreement shall not be true and correct as of the date of consummation of the Offer as though made on and as of such date, except (i) for changes specifically permitted by the Agreement, (ii) that those representations and warranties which address matters only as of a particular date shall remain true and correct as of such date, and (iii) where, with respect to those representations and warranties which are not qualified by materiality or a similar qualification, such failures to be true and correct would not, individually or in the aggregate, have a Company Material Adverse Effect;

(d) The Company shall not have performed or complied in all material respects with all agreements and covenants required by the Agreement to be performed or complied with by the Company on or prior to the date of consummation of the Offer;

(e) There shall have occurred and be continuing for a period of two days or upon the date of any scheduled expiration of the Offer (i) any general suspension of, or

limitation or pricing for, trading in securities on any national securities exchange or in the over-the-counter market, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in United States (whether or not mandatory) (iii) from the date of this Agreement through the date of termination or expiration of the Offer, a decline of at least 25% in the Standard & Poor's 500 Index, or (iv) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;

(f) The Merger Agreement shall have been terminated in accordance with its terms;

(g) Buyer and the Company shall have agreed that Buyer shall amend the Offer to terminate the Offer or postpone the payment for Shares pursuant thereto;

(h) The Board shall have withdrawn or materially modified (in a manner adverse to the Buyer) its approval or recommendation of the Offer or the Merger;

(i) either immediately before or after giving effect to payment by the Buyer or the Merger Subsidiary for the Shares tendered pursuant to the Offer, (i) a Potential Event of Default or Event of Default (as defined in that certain Note and Warrant Exchange Agreement dated as of April 30, 1992 by and among the Company, Automotive Industries, Inc., Kemper Investors Life Insurance Company, The Northwestern Mutual Life Insurance Company and Teachers Insurance and Annuity Association of America (as amended, the "8.75% Note Agreement")) shall have occurred and be continuing, (ii) a Default or Event of Default (as defined in that certain Note Agreement dated as of December 29, 1994 by and among Automotive Industries, Inc., The North Atlantic Life Insurance Company of America, Northern Life Insurance Company, The Northwestern Mutual Life Insurance Company and Teachers Insurance and Annuity Association of America (as amended, the "8.89% Note Agreement" and together with the 8.75% Note Agreement the "Note Agreements")) shall have occurred and be continuing, or (iii) the Note Agreements shall prohibit the Company from incurring an additional dollar of Funded Debt (as defined in each of the Note Agreements); or

(j) Since April 1, 1995 there shall have been any material adverse change in the business, results of operations, financial condition or business prospects of the Company and the Company Subsidiaries, taken as a whole (other than any change resulting from a change in general economic conditions or a change in the automotive industry generally).

The foregoing conditions are for the sole benefit of the Buyer and the Merger Subsidiary and each of their affiliates and may be asserted by the Buyer or the Merger Subsidiary or may be waived by the Buyer or the Merger Subsidiary, in whole or in part, from time to time in either of their sole discretion, except as otherwise provided in the Merger Agreement. The failure by the Buyer or the Merger Subsidiary at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right and may be asserted at any time and from time to time.

EXHIBIT A

J2R Corporation

S. A. Johnson

Scott D. Rued

ONEX DHC LLC

EXHIBIT B

Hidden Creek Industries

J2R Corporation

S. A. Johnson

Scott D. Rued

EXHIBIT (c)(2)

STOCKHOLDERS AGREEMENT

AGREEMENT dated July 16, 1995, among LEAR SEATING CORPORATION, a Delaware corporation ("Buyer"), AIHI ACQUISITION CORP., a Delaware corporation and a direct wholly-owned subsidiary of Buyer ("Merger Subsidiary"), and the other parties signatory hereto (each a "Stockholder", and collectively, the "Stockholders").

W I T N E S S E T H:

WHEREAS, concurrently herewith, Buyer, Merger Subsidiary and Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), are entering into an Agreement and Plan of Merger (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein have the respective meanings ascribed to them in the Merger Agreement), pursuant to which Merger Subsidiary will be merged with and into the Company (the "Merger"); and

WHEREAS, as an inducement and a condition to entering into the Merger Agreement, Buyer has required that the Stockholders agree, and the Stockholders have agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Beneficially Own" or "Beneficial Ownership" with respect to any securities shall mean having ownership of record or "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing.

(b) "Company Common Stock" shall mean at any time the Class A Common Stock, $.01 par value, of the Company.

(c) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(d) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

2. Tender of Shares.

(a) Each Stockholder hereby agrees to validly tender (and not to withdraw) pursuant to and in accordance with the terms

of the Offer, not later than the fifth business day after commencement of the Offer pursuant to Section 1.01 of the Merger Agreement, (i) the number of shares of Company Common Stock set forth opposite such Stockholder's name on Schedule I hereto (the "Existing Shares"), and (ii) any shares of Company Common Stock acquired by such Stockholder after the date hereof and prior to the termination of this Agreement whether upon the exercise of options, warrants or rights, the conversion or exchange of convertible or exchangeable securities, or by means of purchase, dividend, distribution or otherwise (each Stockholder shall promptly provide written notice to the Buyer upon consummation of such acquisition, and such shares acquired from the date hereof shall together with the Existing Shares be referred to herein as the "Shares"). Each Stockholder hereby acknowledges and agrees that Buyer's and Merger Subsidiary's obligation to accept for payment and pay for Shares in the Offer, including the Shares Beneficially Owned by such Stockholder, is subject to the terms and conditions of the Offer. Each of the Buyer and the Merger Subsidiary agree that, without the prior written consent of each Stockholder, (i) the price per Share payable in the Offer shall not be decreased, and the form of consideration payable in the Offer shall not be changed, from that set forth in the Merger Agreement as in effect on the date hereof, and (ii) the Minimum Condition (as defined in the Merger Agreement as in effect on the date hereof) shall not be decreased or waived in respect of the Offer.

(b) Through the transfer by each Stockholder of his or its Shares to Merger Subsidiary in the Offer, Merger Subsidiary shall acquire good and marketable title to the Shares, free and clear of all claims, liens, charges, encumbrances, security interests, conditional sales agreements, or obligations relating to the sale or transfer thereof, and not subject to any adverse claim.

(c) Each Stockholder hereby agrees to, subject to the prior review of such disclosure by the applicable Stockholder or his or its legal counsel if so requested by such Stockholder, permit Buyer, Merger Subsidiary and the Company to publish and disclose in the documents relating to the Offer and the Merger (including all documents, schedules and proxy statements filed with the SEC) his or its identity and ownership of Company Common Stock and the nature of his or its commitments, arrangements and understandings under this Agreement.

3. Proxy; Provisions Concerning Company Common Stock. Each Stockholder, by this Agreement, does hereby constitute and appoint Buyer, or any nominee of Buyer, with full power of substitution, as his or its true and lawful attorney and proxy, for and in his or its name, place and stead, to vote as his or its proxy at any meeting of the holders of Company Common Stock, however called, and to sign such Stockholder's name to any written consent of the holders of Company Common Stock with respect to, the Shares held of record or Beneficially Owned by such Stockholder,

whether issued, heretofore owned or hereafter acquired, (i) in favor of the Merger, the execution and delivery by the Company of the Merger Agreement and the approval of the terms thereof and each of the other actions contemplated by the Merger Agreement and this Agreement and any actions reasonably required in furtherance thereof and hereof; (ii) against any action or agreement that would reasonably be expected to result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or this Agreement; and (iii) against the following actions or agreements (other than the Merger and the transactions contemplated by the Merger Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or its subsidiaries; (B) a sale, lease or transfer of a material amount of assets of the Company or its subsidiaries, or a reorganization, recapitalization, dissolution or liquidation of the Company or its subsidiaries; (C)(1) any change in a majority of the persons who constitute the board of directors of the Company; (2) any change in the present capitalization of the Company or any amendment of the Company's Certificate of Incorporation or Bylaws; (3) any other material change in the Company's corporate structure or business; or (4) any other action or agreement which, in the case of each of the matters referred to in clauses C(1), (2) or (3), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, discourage, or adversely affect the Merger and the transactions contemplated by this Agreement and the Merger Agreement. Such Stockholder further agrees to cause his or its Shares to be voted in accordance with the foregoing. Such Stockholder acknowledges receipt and review of a copy of the Merger Agreement.

4. Other Covenants, Representations and Warranties. Each Stockholder hereby represents and warrants to Buyer as follows:

(a) Ownership of Shares. Such Stockholder is the record and Beneficial Owner of at least the number of Shares set forth opposite such Stockholder's name on Schedule I hereto. On the date hereof, the Existing Shares set forth opposite such Stockholder's name on Schedule I hereto constitute all of the Shares owned of record or Beneficially Owned by such Stockholder. Except as set forth in the Stockholders' Agreement, dated as of May 7, 1992 (the "1992 Stockholders Agreement"), the Shares are not subject to any voting trust agreement or other contract, agreement, arrangement, commitment or understanding restricting or otherwise relating to the voting, dividend rights or disposition of the Shares, other than this Agreement. Such Stockholder has sole power with respect to the matters set forth in this Agreement with respect to all of the Existing Shares set forth opposite such Stockholder's name on Schedule I hereto, with no limitations, qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement.

(b) Power; Binding Agreement. Such Stockholder has the legal capacity, power and authority to enter into and perform all of such Stockholder's obligations under this Agreement. This Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a valid and binding agreement of such Stockholder, enforceable against such Stockholder in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally. There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which such Stockholder is trustee whose consent is required for the execution and delivery of this Agreement or the consummation by such Stockholder of the transactions contemplated hereby. Each of the Stockholders waives any rights he or it may have under that the 1992 Stockholders Agreement, to the extent the terms thereof are inconsistent with the provisions of this Agreement, including, without limitation, any notice provisions.

(c) No Conflicts. (i) No filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby other than filings required under the Exchange Act and (ii) none of the execution and delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby or compliance by such Stockholder with any of the provisions hereof shall (A) conflict with or result in any breach of any organizational documents of such Stockholder, (B) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which such Stockholder is a party or by which such Stockholder or any of such Stockholder's properties or assets may be bound, or (C) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to such Stockholder or any of such Stockholder's Shares, properties or assets, except, in the case of clauses (B) and (C) hereof, to the extent any such default, third party right of termination, cancellation, modification or acceleration, or violation, as applicable, would not, individually or in the aggregate, have an adverse effect on such Stockholder's ability to consummate the transactions contemplated hereby.

(d) No Finder's Fees. Other than existing financial advisory and investment banking arrangements and agreements of the Company with Hidden Creek Industries, Donaldson, Lufkin & Jenrette Securities Corporation and Robert W. Baird & Co., Incorporated, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial adviser's or other

similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of such Stockholder.

(e) No Solicitation. No Stockholder shall, solely in his or its capacity as such, directly or indirectly, invite, initiate, solicit or knowingly encourage (including by way of furnishing non-public information) any inquiries or the making of any proposal that constitutes, or may reasonable be expected to lead to any, Acquisition Proposal. In the event that any Stockholder receives or becomes aware of any Acquisition Proposal, then such Stockholder will promptly notify Buyer in writing of such communication.

(f) Restriction on Transfer, Proxies and Non-Interference. Except as applicable in connection with the transactions contemplated by Section 2 hereof, no Stockholder shall, directly or indirectly: (i) except for transfers to such Stockholder's family or trusts established for the benefit of members of such Stockholder's family (provided that in the case of this clause (i) the transferee of such shares agrees in writing to be bound by the terms hereof in form satisfactory to the Buyer), offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for sale, sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of such Stockholder's Shares or any interest therein; (ii) except as contemplated by this Agreement, grant any proxies or powers of attorney, deposit any Shares into a voting trust or enter into a voting agreement with respect to any Shares; or (iii) take any action that would make any representation or warranty of such Stockholder contained herein untrue or incorrect or have the effect of preventing or disabling such Stockholder from performing such Stockholder's obligations under this Agreement.

(g) Waiver of Appraisal Rights. To the extent applicable, each Stockholder hereby waives any rights of appraisal or rights to dissent from the Merger that such Stockholder may have on the terms set forth in the Merger Agreement as in effect on the date hereof with such changes which do not adversely affect such Stockholder.

(h) Further Assurances. From time to time, at the other party's request and without further consideration, each party hereto shall execute and deliver such additional documents and take all such further lawful action as may be necessary or desirable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement. Without limiting the foregoing, each Stockholder agrees, upon the written request of Buyer, to cause all certificates representing

such Stockholder's Shares to bear in a conspicuous place the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A STOCKHOLDERS AGREEMENT DATED AS OF JULY 16, 1995, A COPY OF WHICH IS ON FILE AT THE OFFICES OF THE CORPORATION AND WILL BE FURNISHED BY THE CORPORATION TO THE HOLDER HEREOF UPON WRITTEN REQUEST. SUCH STOCKHOLDERS AGREEMENT PROVIDES, AMONG OTHER THINGS, FOR THE GRANTING OF CERTAIN PROXIES TO VOTE THE SHARES REPRESENTED HEREBY AND FOR CERTAIN RESTRICTIONS ON THE SALE, TRANSFER, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE. BY ACCEPTANCE OF THIS CERTIFICATE, EACH HOLDER HEREOF AGREES TO BE BOUND BY THE PROVISIONS OF SUCH STOCKHOLDERS AGREEMENT. THE CORPORATION RESERVES THE RIGHT TO REFUSE TO TRANSFER THE SHARES REPRESENTED BY THIS CERTIFICATE UNLESS AND UNTIL THE CONDITIONS TO TRANSFER SET FORTH IN SUCH STOCKHOLDERS AGREEMENT HAVE BEEN FULFILLED.

5. Stop Transfer. Each Stockholder agrees with, and covenants to, Buyer that such Stockholder shall not request that the Company register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of such Stockholder's Shares, unless such transfer is made in compliance with this Agreement (including the provisions of Section 2 hereof). In the event of a stock dividend or distribution, or any change in the Company Common Stock by reason of any stock dividend, split-up, recapitalization, combination, exchange of shares or the like, the term "Shares" shall be deemed to refer to and include the Shares as well as all such stock dividends and distributions and any shares into which or for which any or all of the Shares may be changed or exchanged.

6. Termination. Except as otherwise provide herein, the covenants and agreements contained herein with respect to the Shares shall terminate upon the earlier to occur of (i) the purchase of the Shares pursuant to the terms of the Offer, (ii) the withdrawal, abandonment, expiration or termination of the Offer without the purchase of the Shares, and (iii) the termination of the Merger Agreement in accordance with its terms.

7. Confidentiality. The Stockholders recognize that successful consummation of the transactions contemplated by this Agreement may be dependent upon confidentiality with respect to the matters referred to herein. In this connection, pending public disclosure thereof, each Stockholder hereby agrees not to disclose or discuss such matters with anyone not a party to this Agreement (other than such Stockholder's counsel and advisors, if any) without the prior written consent of Buyer, except for filings

required pursuant to the Exchange Act and the rules and regulations thereunder or as required by law, in which event such Stockholder shall give notice of such disclosure to Buyer as promptly as practicable so as to enable Buyer to seek a protective order from a court of competent jurisdiction with respect thereto.

8. Miscellaneous.

(a) Entire Agreement. This Agreement, the Noncompete Agreement, the Merger Agreement and the agreements contemplated thereby constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(b) Certain Events. Each Stockholder agrees that this Agreement and the obligations hereunder shall attach to such Stockholder's Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, including, without limitation, such Stockholder's heirs, guardians, administrators or successors. Notwithstanding any transfer of Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(c) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party, provided that Buyer may assign, in its sole discretion, its rights and obligations hereunder to any direct or indirect wholly owned subsidiary of Buyer, but no such assignment shall relieve Buyer of its obligations hereunder.

(d) Amendments; Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, with respect to any one or more Stockholders, except upon the execution and delivery of a written agreement executed by the relevant parties hereto; provided that Schedule I hereto may be supplemented by Buyer by adding the name and other relevant information concerning any stockholder of the Company who agrees to be bound by the terms of this Agreement without the agreement of any other party hereto, and thereafter such added stockholder shall be treated as a "Stockholder" for all purposes of this Agreement.

(e) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex or telecopy, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following addresses:

If to Stockholder:	At the addresses set forth on Schedule I hereto
If to Buyer or Merger Subsidiary:	Lear Seating Corporation 21557 Telegraph Road Southfield, MI 48034 810/746-1500 (telephone) 810/746-1677 (telecopier) Attention: Joseph F. McCarthy, Esq.
copy to:	Winston & Strawn 35 West Wacker Drive Chicago, Illinois 60601 312/558-5600 (telephone) 312/558-5700 (telecopier) Attention: John L. MacCarthy, Esq.

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(f) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(g) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(h) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(i) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(j) No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of, and shall not be enforceable by, any person or entity who or which is not a party hereto.

(k) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(l) Jurisdiction. Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any state or federal court located in the State of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a state or federal court sitting in the State of Delaware.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Buyer, Merger Subsidiary and each Stockholder have caused this Agreement to be duly executed as of the day and year first above written.

LEAR SEATING CORPORATION

By: /s/ James H. Vandenberghe

Its: Executive Vice President and Chief Financial Officer

AIHI ACQUISITION CORP.

By: /s/ James H. Vandenberghe

Its: President

J2R CORPORATION

By: /s/ S.A. Johnson

Its: President

/s/ S.A. Johnson

S.A. JOHNSON

/s/ Scott D. Rued

SCOTT D. RUED

SCHEDULE I

NAME	ADDRESS	NUMBER OF SHARES
J2R	c/o Hidden Creek Industries 4508 IDS Center Minneapolis, Minnesota 55402	653,193
S.A. Johnson	c/o Hidden Creek Industries 4508 IDS Center Minneapolis, Minnesota 55402	141,170
Scott D. Rued	c/o Hidden Creek Industries 4508 IDS Center Minneapolis, Minnesota 55402	11,393

EXHIBIT (c)(3)

STOCKHOLDERS AGREEMENT

AGREEMENT dated July 16, 1995, among LEAR SEATING CORPORATION, a Delaware corporation ("Buyer"), AIHI ACQUISITION CORP., a Delaware corporation and a direct wholly-owned subsidiary of Buyer ("Merger Subsidiary"), and the other parties signatory hereto (each a "Stockholder", and collectively, the "Stockholders").

W I T N E S S E T H:

WHEREAS, concurrently herewith, Buyer, Merger Subsidiary and Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), are entering into an Agreement and Plan of Merger (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein have the respective meanings ascribed to them in the Merger Agreement), pursuant to which Merger Subsidiary will be merged with and into the Company (the "Merger"); and

WHEREAS, as an inducement and a condition to entering into the Merger Agreement, Buyer has required that the Stockholders agree, and the Stockholders have agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Beneficially Own" or "Beneficial Ownership" with respect to any securities shall mean having ownership of record or "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing.

(b) "Company Common Stock" shall mean at any time the Class A Common Stock, $.01 par value, of the Company.

(c) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(d) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

2. Tender of Shares.

(a) Each Stockholder hereby agrees to validly tender (and not to withdraw) pursuant to and in accordance with the terms

of the Offer, not later than the fifth business day after commencement of the Offer pursuant to Section 1.01 of the Merger Agreement, (i) the number of shares of Company Common Stock set forth opposite such Stockholder's name on Schedule I hereto (the "Existing Shares"), and (ii) any shares of Company Common Stock acquired by such Stockholder after the date hereof and prior to the termination of this Agreement whether upon the exercise of options, warrants or rights, the conversion or exchange of convertible or exchangeable securities, or by means of purchase, dividend, distribution or otherwise (each Stockholder shall promptly provide written notice to the Buyer upon consummation of such acquisition, and such shares acquired from the date hereof shall together with the Existing Shares be referred to herein as the "Shares"). Each Stockholder hereby acknowledges and agrees that Buyer's and Merger Subsidiary's obligation to accept for payment and pay for Shares in the Offer, including the Shares Beneficially Owned by such Stockholder, is subject to the terms and conditions of the Offer. Each of the Buyer and the Merger Subsidiary agree that, without the prior written consent of each Stockholder, (i) the price per Share payable in the Offer shall not be decreased, and the form of consideration payable in the Offer shall not be changed, from that set forth in the Merger Agreement as in effect on the date hereof, and (ii) the Minimum Condition (as defined in the Merger Agreement as in effect on the date hereof) shall not be decreased or waived in respect of the Offer.

(b) Through the transfer by each Stockholder of his or its Shares to Merger Subsidiary in the Offer, Merger Subsidiary shall acquire good and marketable title to the Shares, free and clear of all claims, liens, charges, encumbrances, security interests, conditional sales agreements, or obligations relating to the sale or transfer thereof, and not subject to any adverse claim.

(c) Each Stockholder hereby agrees to, subject to the prior review of such disclosure by the applicable Stockholder or his or its legal counsel if so requested by such Stockholder, permit Buyer, Merger Subsidiary and the Company to publish and disclose in the documents relating to the Offer and the Merger (including all documents, schedules and proxy statements filed with the SEC) his or its identity and ownership of Company Common Stock and the nature of his or its commitments, arrangements and understandings under this Agreement.

3. Proxy; Provisions Concerning Company Common Stock. Each Stockholder, by this Agreement, does hereby constitute and appoint Buyer, or any nominee of Buyer, with full power of substitution, as his or its true and lawful attorney and proxy, for and in his or its name, place and stead, to vote as his or its proxy at any meeting of the holders of Company Common Stock, however called, and to sign such Stockholder's name to any written consent of the holders of Company Common Stock with respect to, the Shares held of record or Beneficially Owned by such Stockholder,

whether issued, heretofore owned or hereafter acquired, (i) in favor of the Merger, the execution and delivery by the Company of the Merger Agreement and the approval of the terms thereof and each of the other actions contemplated by the Merger Agreement and this Agreement and any actions reasonably required in furtherance thereof and hereof; (ii) against any action or agreement that would reasonably be expected to result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or this Agreement; and (iii) against the following actions or agreements (other than the Merger and the transactions contemplated by the Merger Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or its subsidiaries; (B) a sale, lease or transfer of a material amount of assets of the Company or its subsidiaries, or a reorganization, recapitalization, dissolution or liquidation of the Company or its subsidiaries; (C)(1) any change in a majority of the persons who constitute the board of directors of the Company; (2) any change in the present capitalization of the Company or any amendment of the Company's Certificate of Incorporation or Bylaws; (3) any other material change in the Company's corporate structure or business; or (4) any other action or agreement which, in the case of each of the matters referred to in clauses C(1), (2) or (3), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, discourage, or adversely affect the Merger and the transactions contemplated by this Agreement and the Merger Agreement. Such Stockholder further agrees to cause his or its Shares to be voted in accordance with the foregoing. Such Stockholder acknowledges receipt and review of a copy of the Merger Agreement.

4. Other Covenants, Representations and Warranties. Each Stockholder hereby represents and warrants to Buyer as follows:

(a) Ownership of Shares. Such Stockholder is the record and Beneficial Owner of at least the number of Shares set forth opposite such Stockholder's name on Schedule I hereto. On the date hereof, the Existing Shares set forth opposite such Stockholder's name on Schedule I hereto constitute all of the Shares owned of record or Beneficially Owned by such Stockholder. Except as set forth in the Stockholders' Agreement, dated as of May 7, 1992 (the "1992 Stockholders Agreement"), the Shares are not subject to any voting trust agreement or other contract, agreement, arrangement, commitment or understanding restricting or otherwise relating to the voting, dividend rights or disposition of the Shares, other than this Agreement. Such Stockholder has sole power with respect to the matters set forth in this Agreement with respect to all of the Existing Shares set forth opposite such Stockholder's name on Schedule I hereto, with no limitations, qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement.

(b) Power; Binding Agreement. Such Stockholder has the legal capacity, power and authority to enter into and perform all of such Stockholder's obligations under this Agreement. This Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a valid and binding agreement of such Stockholder, enforceable against such Stockholder in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally. There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which such Stockholder is trustee whose consent is required for the execution and delivery of this Agreement or the consummation by such Stockholder of the transactions contemplated hereby. Each of the Stockholders waives any rights he or it may have under that the 1992 Stockholders Agreement, to the extent the terms thereof are inconsistent with the provisions of this Agreement, including, without limitation, any notice provisions.

(c) No Conflicts. (i) No filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby other than filings required under the Exchange Act and (ii) none of the execution and delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby or compliance by such Stockholder with any of the provisions hereof shall (A) conflict with or result in any breach of any organizational documents of such Stockholder, (B) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which such Stockholder is a party or by which such Stockholder or any of such Stockholder's properties or assets may be bound, or (C) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to such Stockholder or any of such Stockholder's Shares, properties or assets, except, in the case of clauses (B) and (C) hereof, to the extent any such default, third party right of termination, cancellation, modification or acceleration, or violation, as applicable, would not, individually or in the aggregate, have an adverse effect on such Stockholder's ability to consummate the transactions contemplated hereby.

(d) No Finder's Fees. Other than existing financial advisory and investment banking arrangements and agreements of the Company with Hidden Creek Industries, Donaldson, Lufkin & Jenrette Securities Corporation and Robert W. Baird & Co., Incorporated, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial adviser's or other

similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of such Stockholder.

(e) No Solicitation. No Stockholder shall, solely in his or its capacity as such, directly or indirectly, invite, initiate, solicit or knowingly encourage (including by way of furnishing non-public information) any inquiries or the making of any proposal that constitutes, or may reasonable be expected to lead to any, Acquisition Proposal. In the event that any Stockholder receives or becomes aware of any Acquisition Proposal, then such Stockholder will promptly notify Buyer in writing of such communication.

(f) Restriction on Transfer, Proxies and Non-Interference. Except as applicable in connection with the transactions contemplated by Section 2 hereof, no Stockholder shall, directly or indirectly: (i) except for transfers to such Stockholder's family or trusts established for the benefit of members of such Stockholder's family (provided that in the case of this clause (i) the transferee of such shares agrees in writing to be bound by the terms hereof in form satisfactory to the Buyer), offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for sale, sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of such Stockholder's Shares or any interest therein; (ii) except as contemplated by this Agreement, grant any proxies or powers of attorney, deposit any Shares into a voting trust or enter into a voting agreement with respect to any Shares; or (iii) take any action that would make any representation or warranty of such Stockholder contained herein untrue or incorrect or have the effect of preventing or disabling such Stockholder from performing such Stockholder's obligations under this Agreement.

(g) Waiver of Appraisal Rights. To the extent applicable, each Stockholder hereby waives any rights of appraisal or rights to dissent from the Merger that such Stockholder may have on the terms set forth in the Merger Agreement as in effect on the date hereof with such changes which do not adversely affect such Stockholder.

(h) Further Assurances. From time to time, at the other party's request and without further consideration, each party hereto shall execute and deliver such additional documents and take all such further lawful action as may be necessary or desirable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement. Without limiting the foregoing, each Stockholder agrees, upon the written request of Buyer, to cause all certificates representing

such Stockholder's Shares to bear in a conspicuous place the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A STOCKHOLDERS AGREEMENT DATED AS OF JULY 16, 1995, A COPY OF WHICH IS ON FILE AT THE OFFICES OF THE CORPORATION AND WILL BE FURNISHED BY THE CORPORATION TO THE HOLDER HEREOF UPON WRITTEN REQUEST. SUCH STOCKHOLDERS AGREEMENT PROVIDES, AMONG OTHER THINGS, FOR THE GRANTING OF CERTAIN PROXIES TO VOTE THE SHARES REPRESENTED HEREBY AND FOR CERTAIN RESTRICTIONS ON THE SALE, TRANSFER, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE. BY ACCEPTANCE OF THIS CERTIFICATE, EACH HOLDER HEREOF AGREES TO BE BOUND BY THE PROVISIONS OF SUCH STOCKHOLDERS AGREEMENT. THE CORPORATION RESERVES THE RIGHT TO REFUSE TO TRANSFER THE SHARES REPRESENTED BY THIS CERTIFICATE UNLESS AND UNTIL THE CONDITIONS TO TRANSFER SET FORTH IN SUCH STOCKHOLDERS AGREEMENT HAVE BEEN FULFILLED.

5. Stop Transfer. Each Stockholder agrees with, and covenants to, Buyer that such Stockholder shall not request that the Company register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of such Stockholder's Shares, unless such transfer is made in compliance with this Agreement (including the provisions of Section 2 hereof). In the event of a stock dividend or distribution, or any change in the Company Common Stock by reason of any stock dividend, split-up, recapitalization, combination, exchange of shares or the like, the term "Shares" shall be deemed to refer to and include the Shares as well as all such stock dividends and distributions and any shares into which or for which any or all of the Shares may be changed or exchanged.

6. Termination. Except as otherwise provide herein, the covenants and agreements contained herein with respect to the Shares shall terminate upon the earlier to occur of (i) the purchase of the Shares pursuant to the terms of the Offer, (ii) the withdrawal, abandonment, expiration or termination of the Offer without the purchase of the Shares, and (iii) the termination of the Merger Agreement in accordance with its terms.

7. Confidentiality. The Stockholders recognize that successful consummation of the transactions contemplated by this Agreement may be dependent upon confidentiality with respect to the matters referred to herein. In this connection, pending public disclosure thereof, each Stockholder hereby agrees not to disclose or discuss such matters with anyone not a party to this Agreement (other than such Stockholder's counsel and advisors, if any) without the prior written consent of Buyer, except for filings

required pursuant to the Exchange Act and the rules and regulations thereunder or as required by law, in which event such Stockholder shall give notice of such disclosure to Buyer as promptly as practicable so as to enable Buyer to seek a protective order from a court of competent jurisdiction with respect thereto.

8. Miscellaneous.

(a) Entire Agreement. This Agreement, the Noncompete Agreement, the Merger Agreement and the agreements contemplated thereby constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(b) Certain Events. Each Stockholder agrees that this Agreement and the obligations hereunder shall attach to such Stockholder's Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, including, without limitation, such Stockholder's heirs, guardians, administrators or successors. Notwithstanding any transfer of Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(c) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party, provided that Buyer may assign, in its sole discretion, its rights and obligations hereunder to any direct or indirect wholly owned subsidiary of Buyer, but no such assignment shall relieve Buyer of its obligations hereunder.

(d) Amendments; Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, with respect to any one or more Stockholders, except upon the execution and delivery of a written agreement executed by the relevant parties hereto; provided that Schedule I hereto may be supplemented by Buyer by adding the name and other relevant information concerning any stockholder of the Company who agrees to be bound by the terms of this Agreement without the agreement of any other party hereto, and thereafter such added stockholder shall be treated as a "Stockholder" for all purposes of this Agreement.

(e) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex or telecopy, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following addresses:

If to Stockholder:	At the addresses set forth on Schedule I hereto
If to Buyer or Merger Subsidiary:	Lear Seating Corporation 21557 Telegraph Road Southfield, MI 48034 810/746-1500 (telephone) 810/746-1677 (telecopier) Attention: Joseph F. McCarthy, Esq.
copy to:	Winston & Strawn 35 West Wacker Drive Chicago, Illinois 60601 312/558-5600 (telephone) 312/558-5700 (telecopier) Attention: John L. MacCarthy, Esq.

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(f) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(g) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(h) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(i) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(j) No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of, and shall not be enforceable by, any person or entity who or which is not a party hereto.

(k) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(l) Jurisdiction. Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any state or federal court located in the State of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a state or federal court sitting in the State of Delaware.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Buyer, Merger Subsidiary and each Stockholder have caused this Agreement to be duly executed as of the day and year first above written.

LEAR SEATING CORPORATION

By: /s/ James H. Vandenberghe

Its: Executive Vice President
and Chief Financial Officer

AIHI ACQUISITION CORP.

By: /s/ James H. Vandenberghe

Its: President

ONEX DHC LLC

By: /s/ Donald I. West

Its: Representative

SCHEDULE I

NAME	ADDRESS	NUMBER OF SHARES
ONEX DHC LLC	c/o ONEX Investment Corp. 712 Fifth Avenue, 40th Floor New York, New York 10019	3,202,762

EXHIBIT (c)(4)

NONCOMPETE AGREEMENT

AGREEMENT dated July 16, 1995, among LEAR SEATING CORPORATION, a Delaware corporation ("Buyer"), AIHI ACQUISITION CORP., a Delaware corporation and a direct wholly-owned subsidiary of Buyer ("Merger Subsidiary"), and the other parties signatory hereto (each a "Covenantor", and collectively, the "Covenantors").

W I T N E S S E T H:

WHEREAS, concurrently herewith, Buyer, Merger Subsidiary and Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), are entering into an Agreement and Plan of Merger (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein have the respective meanings ascribed to them in the Merger Agreement), pursuant to which Merger Subsidiary will be merged with and into the Company (the "Merger");

WHEREAS, each Covenantor is conversant with the affairs, operations, customers and confidential and proprietary information of the Company, all of which is vital to the ongoing operation of the Company; and

WHEREAS, the Buyer and Merger Subsidiary each wishes to assure itself of the protection of the goodwill and proprietary interests of the Company's and Buyer's business by having each Covenantor enter into this Agreement on the date hereof; and

WHEREAS, each Covenantor acknowledges that (i) he will substantially benefit, financially and otherwise, from the consummation of the transactions contemplated by the Merger Agreement, and (ii) as an inducement and a condition to entering into the Merger Agreement, Buyer has required that the Covenantors agree, and the Covenantors have agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Affiliate" shall mean (i) a corporation, partnership or other business entity which, directly or indirectly, is controlled by, controls, or is under common control with Covenantor and (ii) in the case of an individual, (x) any trust or other estate in which any Covenantor has a substantial beneficial interest or as to which any Covenantor serves as trustee or in a similar fiduciary capacity or (y) any Covenantor's spouse. "Control" means and includes, but is not necessarily limited to the

possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, partnership, joint venture or other business entity. Notwithstanding the foregoing, the following shall not be an Affiliate of any Covenantor hereunder:

(1) Onex Corporation; and

(2) Any Affiliate of Onex Corporation which is not also an Affiliate of J2R Corporation, Scott D. Rued and S.A. Johnson.

(b) "Business Conducted by the Company/Buyer" shall mean the design, development, manufacture, assembly, fabrication, marketing and sale of (i) interior seating and trim component parts or systems and (ii) blow molded products as currently produced by the Company as of the date hereof, in each case to automotive original equipment manufacturers.

(c) "Noncompete Period" shall mean the period commencing on the date on which the Offer is consummated pursuant to the terms of the Merger Agreement and ending on the third anniversary of the date on which the Offer is consummated.

2. Covenant Not to Compete. Each Covenantor agrees that during the Noncompete Period, neither such Covenantor, nor any Affiliate of such Covenantor shall, without the prior written consent of the Buyer, own, control, manage or engage in, directly or indirectly, whether as an owner, partner, shareholder (except that such Covenantor or such Affiliate may hold equity securities representing not more than five percent (5%) of the equity securities of any publicly-held enterprise and debt instruments representing not more than ten percent (10%) in value of any publicly-held enterprise provided that neither such Covenantor nor such Affiliate renders advice or assistance to such enterprise), employee, officer, director, independent contractor, consultant, advisor (such service as an advisor to be given by such Covenantor or Affiliate for pecuniary gain) or in any other capacity calling for the making of investments or the rendition of services, advice (which advice shall be given by such Covenantor or Affiliate for pecuniary gain), or acts of management, operation or control, any business which is competitive with the Business Conducted by the Company/Buyer; provided, that the terms of this Section 2 shall not prevent such Covenantor or such Covenantor's Affiliate from acquiring, directly or indirectly, all of the capital stock of, or substantially all of the assets of, a person or entity (the "Acquired Person/Entity") which conducts a business which is competitive with the Business Conducted by the Company/Buyer so long as (a) such business which is competitive with the Business Conducted by the Company/Buyer does not (i) generate gross revenues constituting greater than fifty percent (50%) of the gross revenues of the Acquired Person/Entity (such gross revenues, in each case,

to be computed for the most recently completed four quarter period) or (ii) own or use assets constituting greater than fifty percent (50%) of the total assets of the Acquired Person/Entity (such assets to be computed on a fair market value basis) and (b) the Covenantor or Affiliate of such Covenantor shall offer to sell to the Buyer such business which is competitive with the Business Conducted by the Company/Buyer. Such offer to sell shall be made by such Covenantor or such Covenantor's Affiliate within ten days after acquiring such control of the Acquired Person/Entity by written notice to the Buyer, which notice shall offer to sell to the Buyer such business which is competitive with the Business Conducted by the Company/Buyer. For a period of ninety (90) days from and after the Buyer's receipt of such notice, the Buyer may elect by written notice to such Covenantor or such Covenantor's Affiliate to purchase such business which is competitive with the Business Conducted by the Company/Buyer at a purchase price computed based on a multiple of earnings comparable to the multiple of earnings used in determining the purchase price of the Acquired Person/Entity. The closing of such purchase by the Buyer shall occur as soon as practicable following delivery by Buyer of the notice set forth in the previous sentence. The parties hereto shall take such other actions as shall be reasonably necessary to carry out the intent of the Buyer's right of purchase set forth in this Section 2.

3. Non-Solicitation -- Employees. Each Covenantor agrees that during the Noncompete Period, such Covenantor shall not, without the prior written consent of the Buyer, directly or indirectly solicit any employee of the Company or Buyer (other than non-salary or solely clerical employees) to leave such employment.

4. Confidentiality. Each Covenantor acknowledges that such Covenantor has had access to confidential information (including, but not limited to, current and prospective confidential product information, inventions, trade secrets, customer lists, supplier lists, business plans, processes and technology) concerning the business, products, customers, plans, finances, suppliers, and assets of the Company and which is not generally known outside the Company (the "Confidential Information"). Each Covenantor agrees that such Covenantor shall not, without the prior written authorization of the Buyer, directly or indirectly divulge, furnish or make accessible to any person any Confidential Information, but instead shall keep all such Confidential Information strictly and absolutely confidential, except (i) as required by law or administrative process, in which event such Covenantor shall give notice of such disclosure to Buyer as promptly as practicable so as to enable Buyer or Merger Subsidiary to seek a protective order from a court of competent jurisdiction with respect thereto and (ii) for information which becomes public other than as a result of a breach of this provision.

5. Representations and Warranties. Each Covenantor hereby represents and warrants to Buyer as follows:

(a) Power; Binding Agreement. Such Covenantor has the legal capacity, power and authority to enter into and perform all of such Covenantor's obligations under this Agreement. This Agreement has been duly and validly executed and delivered by such Covenantor and constitutes a valid and binding agreement of such Covenantor, enforceable against such Covenantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(b) No Conflicts. (i) No filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by such Covenantor and the consummation by such Covenantor of the transactions contemplated hereby and (ii) none of the execution and delivery of this Agreement by such Covenantor, the consummation by such Covenantor of the transactions contemplated hereby or compliance by such Covenantor with any of the provisions hereof shall (A) conflict with or result in any breach of any applicable organizational documents applicable to such Covenantor, (B) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which such Covenantor is a party or by which such Covenantor or any of such Covenantor's properties or assets may be bound, or (C) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to such Covenantor or any of such Covenantor's properties or assets.

(c) Reliance by Buyer. Such Covenantor understands and acknowledges that Buyer is entering into, and causing Merger Subsidiary to enter into, the Merger Agreement in reliance upon such Covenantor's execution and delivery of this Agreement.

6. Specific Performance. Each Covenantor acknowledges that such Covenantor's compliance with this Agreement is necessary to preserve and protect the proprietary rights, Confidential Information and the goodwill of the Business Conducted by the Company/Buyer as a going concern and that any failure by the Company to comply with the provisions of this Agreement will result in irreparable and continuing injury to the Business Conducted by the Company/Buyer for which there will be no adequate remedy at law. Therefore each Covenantor agrees that in the event of any such breach the Buyer and Merger Subsidiary shall be entitled to the remedy of specific performance of the covenants and agreements contained herein and injunctive and other equitable relief in

addition to any other remedy to which it may be entitled, at law or in equity.

7. Miscellaneous.

(a) Entire Agreement. This Agreement, the Stockholders Agreement, the Merger Agreement and the agreements contemplated thereby constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(b) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party, provided that Buyer may assign, in its sole discretion, its rights and obligations hereunder to any direct or indirect wholly owned subsidiary of Buyer, but no such assignment shall relieve Buyer of its obligations hereunder if such assignee does not perform such obligations.

(c) Amendments; Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, with respect to any one or more Covenantors, except upon the execution and delivery of a written agreement executed by the Covenantor affected by such amendment or other action, Buyer and Merger Subsidiary.

(d) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex or telecopy, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following addresses:

If to any Covenantor:
c/o Hidden Creek Industries
4508 IDS Center
Minneapolis, MN 55402
Attention: Scott D. Rued

with a copy to:

Kirkland & Ellis
200 East Randolph Drive
Chicago, Illinois 60601
Attn: Jeffrey C. Hammes

If to Buyer or Merger Subsidiary:
Lear Seating Corporation
21557 Telegraph Road
Southfield, MI 48034
810/746-1500 (telephone)

810/746-1677 (telecopier)
Attn: Joseph F. McCarthy, Esq.

copy to: Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601
312/558-5600 (telephone)
312/558-5700 (telecopier)
Attn: John L. MacCarthy, Esq.

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(e) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein. Without limiting the foregoing, in the event that any provision of Section 2 hereof is held by any court of competent jurisdiction to be unenforceable because it is too extensive in scope or time or territory, Section 2 hereof shall be deemed to be and shall be amended without any prior act by the parties hereto to conform to the scope and period of time and geographical area which would permit it to be enforced.

(f) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(g) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(h) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware,

without giving effect to the principles of conflicts of law thereof.

(i) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Buyer, Merger Subsidiary and each Covenantor have caused this Agreement to be duly executed as of the day and year first above written.

LEAR SEATING CORPORATION

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title: Executive Vice President
and Chief Financial Officer

AIHI ACQUISITION CORP.

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title: President

HIDDEN CREEK INDUSTRIES

By: /s/ S.A. Johnson

Name: S.A. Johnson
Title: President

J2R CORPORATION

By: /s/ S.A. Johnson

Name: S.A. Johnson
Title: President

/s/ S.A. Johnson

S.A. JOHNSON

/s/ Scott D. Rued

SCOTT D. RUED

EXHIBIT (c)(5)

April 18, 1995

Lear Seating Corporation
21557 Telegraph Road
Southfield, MI 48034

Attention: Kenneth L. Way

Gentlemen:

In connection with your consideration of a possible negotiated transaction by you or one or more of your affiliates involving Automotive Industries Holding, Inc. (the "Company") (a "Transaction"), the Company, Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ"), acting as the Company's financial advisor in connection with the proposed Transaction, and their respective advisors and agents are prepared to make available to you certain information which is non-public, confidential or proprietary in nature ("Evaluation Material").

By execution of this letter agreement (the "Agreement"), you agree to treat all Evaluation Material confidentially and to observe the terms and conditions set forth herein. For purposes of this Agreement, Evaluation Material shall include all information, regardless of the form in which it is communicated or maintained (whether prepared by the Company, DLJ or otherwise) that contains or otherwise reflects information concerning the Company that you or your Representatives (as defined below) may be provided by or on behalf of the Company or DLJ in the course of your evaluation of a possible Transaction. The term "Evaluation Material" shall also include all reports, analyses, notes or other information that are based on, contain or reflect any Evaluation Material ("Notes"). You shall not be required to maintain the confidentiality of those portions of the Evaluation Material that (i) become generally available to the public other than as result of a disclosure by you or any of your Representatives, (ii) were available to, or developed by, you on a non-confidential basis prior to the disclosure of such Evaluation Material to you pursuant to this Agreement, provided that the source of such information was not known by you or any of your Representatives, after reasonable

investigation, to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company or any of its affiliates with respect to such material or (iii) become available to, or developed by, you on a non-confidential basis from a source other than the Company or its agents, advisors or Representatives provided that the source of such information was not known by you or any of your Representatives, after reasonable investigation, to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company or any of its affiliates with respect to such material.

You agree that you will not use the Evaluation Material for any purpose other than determining whether you wish to enter into a Transaction. You agree not to disclose or allow disclosure to others of any Evaluation Material; except that, you may disclose Evaluation Material to your directors, officers, employees, partners, affiliates, agents, advisors or Representatives listed in Exhibit A and with the prior written consent of the Company such other persons identified by you to the Company (hereinafter, "Representatives"), to the extent necessary to permit such Representatives to assist you in making the determination referred to in the prior sentence, provided however, that you shall require each such Representative to be bound by the terms of this Agreement to the same extent as if they were parties hereto and you shall be responsible for any breach of this Agreement by any of your Representatives.

You agree that the Evaluation Material will be used solely for the purpose of evaluating a possible Transaction and not for any other purpose. In particular you agree that for a period of 12 months from the date of the signing of this Agreement you and your affiliates will not knowingly, as a result of knowledge or information obtained from the Evaluation Material: (i) divert or attempt to divert any business or customer of the Company or any of its affiliates; nor (ii) employ or attempt to employ or divert an employee of the Company or any of its affiliates; provided that the foregoing shall not be deemed to prohibit general solicitations of employment of persons who are not officers of the Company in your ordinary course of business not directed specifically towards employees of the Company.

In addition, you agree that neither you nor your Representatives will make any disclosure that you are having or have had discussions concerning a Transaction, that you or your Representatives have received Evaluation Material or that you are considering a possible Transaction; provided that you and your Representatives may make such disclosure if, in the reasonable opinion of counsel, you or your Representatives are required to do so under applicable law and, prior to such disclosure, you promptly advise and consult with the Company and its legal counsel concerning the information you propose to disclose.

Although the Company and DLJ have endeavored to include in the Evaluation Material information known to them which they believe to be relevant for the purpose of your investigation, you understand and agree that none of the Company, DLJ or any of their affiliates, agents, advisors or Representatives (i) have made or make any representation or warranty, expressed or implied, as to the accuracy or completeness of the Evaluation Material or (ii) shall have any liability whatsoever to you or your Representatives relating to or resulting from the use of the Evaluation Material or any errors therein or omissions therefrom.

In the event that you or anyone to whom you transmit any Evaluation Material in accordance with this Agreement are requested or required (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil investigative demand or similar process), in connection with any legal or governmental proceeding, to disclose any Evaluation Material, you will give the Company prompt written notice of such request or requirement so that the Company may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this Agreement, and you will cooperate with the Company to obtain such protective order. In the event that such protective order or other remedy is not obtained or the Company waives compliance with the relevant provisions of this Agreement, you (or such other persons to whom such request is directed) will furnish only that portion of the Evaluation Material which, in the reasonable opinion of counsel, is legally required to be disclosed and, upon the Company's request, use your best efforts to obtain assurances that confidential treatment will be accorded to such information.

If you decide that you do not wish to proceed with a Transaction, you will promptly notify DLJ of that decision. In that case, or if the Company shall elect at any time to terminate further access by you to the Evaluation Material for any reason, you will promptly redeliver to us all copies of the Evaluation Material which have not previously been destroyed, destroy all Notes and deliver to DLJ and the Company a certificate executed by one of your duly authorized officers, on behalf of the Company, indicating that, to such officer's knowledge, after due inquiry, the requirements of this sentence have been satisfied in full (including certifying as to the destruction of any Evaluation Materials). Notwithstanding the return or destruction of Evaluation Material and Notes, you and your Representatives will continue to be bound by your obligations of confidentiality and other obligations hereunder.

You hereby acknowledge that you are aware that the securities laws of the United States prohibit any person who has material, non-public information concerning the Company or a possible Transaction involving the Company from purchasing or selling securities in reliance upon such information or from communicating such information to any other person or entity under

circumstances in which it is reasonably foreseeable that such person or entity is likely to purchase or sell such securities in reliance upon such information. You agree and agree to use reasonable efforts to cause, and in any event, to advise your Representatives to comply with all respective legal obligations with respect to the aforementioned.

You agree that, for a period of the lesser of (a) two years from the date of this Agreement or (b) such shorter period of time which has been or may be granted by Company or DLJ pursuant to a confidentiality agreement having form and substance substantially similar to this Agreement, unless such shall have been specifically invited in writing by the Board of Directors of the Company, neither you nor any of your Representatives will in any manner, directly or indirectly, (a) effect or seek, offer or propose (whether publicly or otherwise) to effect, or cause or participate in or in any way assist any other person to effect or seek, offer or propose (whether publicly or otherwise) to effect or participate in, (i) any acquisition of any securities (or beneficial ownership thereof) (other than de minimis acquisitions by your Representatives in their individual capacity not to exceed 1% of the Company's outstanding securities in the aggregate) or assets of the Company or any of its subsidiaries; (ii) any tender or exchange offer or merger or other business combination involving the Company or any of its subsidiaries; (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the Company or any of its subsidiaries; or (iv) any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Securities and Exchange Commission) or consents to vote any voting securities of the Company, (b) form, join or in any way participate in a "group" (as defined under Section 13d-5 of the Securities Exchange Act of 1934, as amended, which may engage in any of the foregoing matters set forth in (a) above, (c) otherwise act, alone or in concert with others, to seek to control or influence the management, Board of Directors or policies of the Company, (d) take any action which might in the reasonable opinion of counsel force the Company to make a public announcement regarding any of the types of matters set forth in (a) above, or (e) enter into any discussions or arrangements with any third party with respect to any of the foregoing. The foregoing sentence shall apply to each Representative set forth on Exhibit A in his or her individual capacity only; provided that if a Representative discloses Evaluation Material to another person in violation of this Agreement, such other person shall be deemed a Representative for purposes of this paragraph. You also agree during any such period not to request the Company (or its directors, officers, employees or agents), directly or indirectly, to amend or waive any provision of this paragraph (including this sentence).

You understand that (i) the Company and DLJ shall conduct the process for a possible Transaction as they in their sole discretion shall determine (including, without limitation,

negotiating with any prospective buyer and entering into definitive agreements without prior notice to you or any other person), (ii) any procedures relating to such a Transaction may be changed at any time without notice to you or any other person, (iii) the Company shall have the right to reject or accept any potential buyer, proposal or offer, for any reason whatsoever, in its sole discretion, and (iv) neither you nor any of your Representatives shall have any claims whatsoever against the Company or DLJ or any of their respective directors, officers, stockholders, owners, affiliates or agents arising out of or relating to a Transaction (other than those against the parties to a definitive agreement with you in accordance with the terms thereof). You agree that unless and until a definitive written agreement between the Company and you with respect to any Transaction has been executed and delivered, neither the Company nor you will be under any legal obligation of any kind whatsoever with respect to such Transaction.

It is further understood and agreed that DLJ will arrange for appropriate contacts for due diligence purposes. It is also understood and agreed that all (i) communications regarding a possible Transaction, (ii) requests for additional information, (iii) requests for facility tours or management meetings and (iv) discussions or questions regarding procedures, will be submitted or directed exclusively to DLJ, and that neither you nor your Representatives who are aware of the Evaluation Material and/or the possibility of a Transaction will initiate or cause to be initiated any communication with any director, officer or employee of the Company concerning the Evaluation Material or a Transaction.

You agree the money damages would not be sufficient remedy for any breach of this Agreement by you or your Representatives, that in addition to all other remedies the Company shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, and you further agree to waive, and to use your best efforts to cause your Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy. In the event of litigation relating to this Agreement, if a court of competent jurisdiction in a final order determines that either party has breached this Agreement, such breaching party shall be liable and pay to the Company the reasonable legal fees incurred by such other party in connection with such litigation, including any appeal therefrom.

The Company reserves the right to assign its rights, powers and privileges under this Agreement (including, without limitation, the right to enforce the terms of this Agreement) to any person who enters into a Transaction.

All modifications of, waivers of and amendments to this Agreement or any part hereof must be in writing signed on behalf of you and the Company or by you and DLJ, as agent for the Company. You acknowledge and agree that the Company is intended to be

benefited by this Agreement and that the Company shall be entitled, either alone or together with DLJ, to enforce this Agreement and to obtain for itself the benefit any remedies that may be available for the breach hereof.

It is further understood and agreed that no failure or delay by the Company in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.

You hereby irrevocably and unconditionally submit to the jurisdiction of any State or Federal court sitting in Minneapolis, Minnesota over any suit, action or proceeding arising out of or relating to this Agreement. You hereby agree that service of any process, summons, notice or document by U.S. registered mail addressed you shall be effective service of process for any action, suit or proceeding brought against you in any such court. You hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. You agree that a final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon you and may be enforced in any other courts to whose jurisdiction you are or may be subject, by suit upon such judgment.

In the even that any provision or portion of this Agreement is determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this letter shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by applicable law.

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Minnesota.

If you are in agreement with the foregoing, please so indicate by signing, dating and returning one copy of this Agreement, which will constitute our agreement with respect to the matters set forth herein.

Very truly yours,

AUTOMOTIVE INDUSTRIES HOLDING, INC.

By:

Herald Ritch
DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
as Agent

Agreed and Accepted:
LEAR SEATING CORPORATION

By:

Title:

Date:
