

AS FILED WITH THE COMMISSION ON MAY 9, 1996
REGISTRATION NO. 33-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LEAR CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

13-3386776
(I.R.S. Employer
Identification No.)

21557 TELEGRAPH ROAD
Southfield, Michigan
(Address of principal executive offices)

48034
(zip code)

LEAR CORPORATION 1996 STOCK OPTION PLAN

(Full title of the Plan)

JAMES H. VANDENBERGHE
Executive Vice President
Lear Corporation
21557 Telegraph Road
Southfield, Michigan 48034
(Name and address of agent for service)
(810) 746-1500

(Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED(1)	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2)	AMOUNT OF REGISTRATION FEE
Common Stock, \$.01 par value	1,000,000 shares	\$34.3125	\$34,312,500	\$11,831.90

(1) Pursuant to Rule 416, this Registration Statement shall be deemed to cover any additional shares of Common Stock, par value \$.01 per share, which may be issuable pursuant to the Lear Corporation 1996 Stock Option Plan.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) on the basis of the average high and low prices reported on the New York Stock Exchange Composite Tape on May 3, 1996.

PART I

INFORMATION REQUIRED IN SECTION 10(A) PROSPECTUS

The document(s) containing the information specified in Part I of Form S-8 will be sent or given to participating employees as specified by Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act"). Such documents are not being filed with or included in this Form S-8 (by incorporation by reference or otherwise) in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"). These documents and the documents incorporated by reference into this Registration Statement pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

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PART II

INFORMATION REQUIRED IN THIS REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

Lear Corporation (the "Registrant") hereby incorporates the following documents herein by reference:

(a) The Registrant's annual report on Form 10-K for the fiscal year ended December 31, 1995 filed with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act");

(b) All other reports filed by the Registrant and the Plan pursuant to Sections 13(a) or 15(d) of the Exchange Act, on or after December 31, 1995; and

(c) The description of the Registrant's Common Stock, \$.01 par value per share, contained in the Registrant's registration statement on Form 8-A filed pursuant to Section 12(b) of the Exchange Act filed on April 1, 1994, as amended by Amendment No. 1 on Form 8-A/A filed on April 5, 1994, including any subsequent amendment or any report or other filing with the SEC updating such description.

In addition, all documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all such securities then remaining unsold shall be deemed to be incorporated herein by reference and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES

Not Applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

None.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

As authorized by Section 145 of the General Corporation Law of the State of Delaware (the "Delaware Corporation Law"), each director and officer of the Registrant may be indemnified by the Registrant against expenses (including attorney's fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred in connection with the defense or settlement of any threatened, pending or completed legal proceedings in which he is involved by reason of the fact that he is or was a director or officer of the Registrant if he acted in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe that his conduct was unlawful.

Article Five of the Registrant's Restated Certificate of Incorporation, as amended, provides that no director of the Registrant shall be personally liable to the Registrant or its stockholders for monetary damages for any breach of his fiduciary duty as a director; provided, however, that such clause shall not apply to any liability of a director (1) for any breach of his duty of loyalty to the Registrant or its stockholders, (2) for acts or omissions that are not in good faith or involve intentional misconduct or a knowing violation of the law,

(3) under Section 174 of the Delaware Corporation Law or (4) for any transaction from which the director derived an improper personal benefit. In addition, Article Six of the Registrant's Restated Certificate of Incorporation, as amended, and Article Eight of the Amended and Restated By-Laws of the Registrant provide for the indemnification of the Registrant's directors and officers.

The Registrant maintains directors and officers liability insurance that insures the directors and officers of the Registrant against certain liabilities. In addition, Lehman Brothers Inc. has agreed to indemnify Jeffrey P. Hughes, David P. Spalding, James A. Stern, Eliot M. Fried and Alan H. Washkowitz, each being a director of the Registrant, in connection with their service as directors of the Registrant.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not Applicable.

ITEM 8. EXHIBITS

- 4.1 Lear Corporation 1996 Stock Option Plan
- 4.2 Form of certificate for the Registrant's Common Stock, par value \$.01 per share (filed as Exhibit 4.5 to the Registrant's Registration Statement on Form S-8 (No. 33-55783) and incorporated herein by reference)
- 5.1 Opinion of Winston & Strawn as to the legality of the securities being registered
- 23.1 Consent of Arthur Andersen LLP
- 23.2 Consent of Winston & Strawn (included in their opinion filed as Exhibit 5.1)
- 24.1 Powers of Attorney (included on the signature page hereof)

ITEM 9. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made of the securities registered hereby, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby further undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of the annual report of the employee benefit plans pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Southfield, Michigan on the 9th day of May, 1996.

LEAR CORPORATION

By: /s/ KENNETH L. WAY

 Kenneth L. Way
 Chairman of the Board and
 Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Kenneth L. Way, Robert E. Rossiter and James H. Vandenberghe and each of them (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents, or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	DATE ----
/s/ KENNETH L. WAY ----- Kenneth L. Way	Chairman of the Board and Chief Executive Officer	May 9, 1996
/s/ ROBERT E. ROSSITER ----- Robert E. Rossiter	Director, President and Chief Operating Officer	May 9, 1996
/s/ JAMES H. VANDENBERGHE ----- James H. Vandenberghe	Director, Executive Vice President and Chief Financial Officer (Principal Financial and Principal Accounting Officer)	May 9, 1996
/s/ LARRY W. MCCURDY ----- Larry W. McCurdy	Director	May 9, 1996
/s/ GIAN ANDREA BOTTA ----- Gian Andrea Botta	Director	May 9, 1996
/s/ ELIOT M. FRIED ----- Eliot M. Fried	Director	May 9, 1996

SIGNATURE

TITLE

DATE

/s/ ROBERT W. SHOWER

Director

May 9, 1996

Robert W. Shower

/s/ JEFFREY P. HUGHES

Director

May 9, 1996

Jeffrey P. Hughes

/s/ DAVID P. SPALDING

Director

May 9, 1996

David P. Spalding

/s/ JAMES A. STERN

Director

May 9, 1996

James A. Stern

/s/ ALAN H. WASHKOWITZ

Director

May 9, 1996

Alan H. Washkowitz

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----	SEQUENTIAL PAGE NUMBER -----
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24.1	Powers of Attorney (included on the signature page hereof)	

LEAR CORPORATION

1996 STOCK OPTION PLAN

1. Purpose. The purposes of the Lear Corporation 1996 Stock Option Plan (the "Plan") are, in general, to give Lear Corporation (the "Company") a significant advantage in retaining employees, officers and directors and to provide an incentive to selected key employees, officers and Eligible Directors (as defined in Section 6(a)) of the Company, its subsidiaries and any parent ("Affiliates"), within the meaning of Section 424(f) of the Internal Revenue Code of 1986, as amended ("Code"), and consultants and advisors whom the Committee (as defined in Section 3) determines provide substantial and important services to the Company (as limited in Section 6(a)), to acquire a proprietary interest in the Company, to continue as employees, officers and directors or in their other capacities, and to increase their efforts on behalf of the Company.

2. The Plan. Two types of stock options may be granted under the Plan: incentive stock options as defined in Code Section 422 and the regulations promulgated thereunder ("ISOs") and options that do not qualify as incentive stock options ("NQSOS"). All options shall be exercisable to purchase shares of common stock, \$.01 par value (the "Common Stock"), of the Company. Collectively, ISOs and NQSOS are referred to herein as "Options".

Subject to Sections 3 and 6(a), ISOs may be awarded to key employees of the Company and its Affiliates, including employees who are officers and Eligible Directors (as defined in Section 6(a)), but shall not be awarded to Eligible Directors (as defined in Section 6(a)) or others who are not employees.

Subject to Sections 3 and 6(a), NQSOS may be awarded to employees, Eligible Directors (as defined in Section 6(a)) and consultants and advisors whom the Committee (as defined in Section 3) determines provide substantial and important services to the Company (as limited in Section 6(a)).

To the extent that any Option is not designated as an ISO, or even if so designated it does not qualify as an ISO, it shall be treated as a NQSO.

3. Administration. The Plan shall be administered by the Compensation Committee of the Board of Directors of the Company or any other committee appointed by the Board of Directors, which committee, for purposes of this Plan, shall be treated as the Compensation Committee (the "Committee"). The Committee shall act by a majority of its members at the time in office and eligible to vote on any particular matter, and such action may be taken either by a vote at a meeting or in writing without a meeting. Subject to the provisions of the Plan, the Committee shall from time to time and at its discretion: (i) grant Options; (ii) determine which key employees, officers and Eligible Directors (as defined in Section 6(a)) and consultants and advisors performing substantial and important services (as limited in Section 6(a)) may be granted such Options under the Plan ("Grantees"); (iii) determine whether any Option shall be an ISO or NQSO; (iv) determine the number of shares subject to each Option; (v) determine the term of each Option granted under the Plan; (vi) determine the date or dates on which the Option shall vest and become exercisable; (vii) determine the exercise price of any Option; (viii) determine the fair market value of the Common Stock subject to the Options; (ix) determine the terms of any agreement pursuant to which Options are granted; (x) amend any such agreement with the consent of the Grantee; and (xi) determine any other matters specifically delegated to it under the Plan or necessary for the proper administration of the Plan.

The Committee shall also have the sole and complete authority and discretion to interpret and construe the terms of the Plan, of any agreement pursuant to which Options are granted, and of any Option. Such interpretation and construction by the Committee shall be final, binding and conclusive upon all persons including, without limitation, the Company, stockholders of the Company, the Plan and all persons claiming an interest under the Plan. Notwithstanding anything contained in this Section to the contrary, no term of the Plan relating to ISOs shall be interpreted, nor shall any discretion or authority of the Committee be exercised, so as to disqualify the Plan under Code Section 422 or, without the consent of the Grantee, to disqualify any ISO held by a Grantee under Code Section 422.

No member of the Committee or any director, officer, employee or agent of the Company shall be liable for any action, interpretation or construction made in good faith with respect to the Plan or any Option granted hereunder.

4. Effectiveness and Termination of Plan. This Plan shall terminate on the earliest of:

- a. The tenth anniversary of the effective date of the Plan as determined under this Section 4;
- b. The date when all shares of the Common Stock reserved for issuance under the Plan shall have been acquired through exercise of Options granted under the Plan; or
- c. The date determined by the Company's Board of Directors or the Committee.

This Plan shall become effective as of the date this Plan is approved by the stockholders. Any Option outstanding under the Plan when the Plan terminates shall remain in effect in accordance with the respective terms and conditions of the Option and the Plan.

5. The Stock. The aggregate number of shares of Common Stock that may be issued under the Plan shall be 1,000,000 shares; provided, however, that the maximum number of shares of Common Stock available with respect to the Options granted by the Committee to any one Grantee under the Plan shall not exceed 100,000. Such number of shares may be set aside out of the authorized but unissued shares of Common Stock not reserved for any other purpose, or shares of Common Stock held in or acquired for the treasury of the Company. If any Option terminates or expires unexercised, in whole or in part, the shares thereby released may again be made subject to Options granted hereunder.

6. Grant, Terms and Conditions of Options. Options may be granted by the Committee at any time and from time to time prior to the termination of the Plan. Each Option granted under the Plan shall be evidenced by an agreement in substantially the form attached hereto as Exhibit A. The terms and conditions of such Option agreement need not be identical with respect to each Grantee. The Committee shall set forth in each such agreement: (i) the exercise price of the Option; (ii) the number of shares of Common Stock subject to, and the expiration date of, the Option; (iii) the manner, time and rate of exercise or vesting of the Option; and (iv) whether the Option is an ISO or NQSO. For purposes of this Section, an Option shall be deemed granted on the date the Committee selects an individual to be a Grantee, determines the number of shares to be issued pursuant to such Option and specifies the terms and conditions of the Option. Except as hereinafter provided, Options granted pursuant to the Plan shall be subject to the following terms and conditions:

- a. Grantee. Subject to Section 2 hereof, the Grantees of any Options hereunder shall be such key employees, officers and Eligible Directors of the Company and its Affiliates, as determined by the Committee, and consultants and advisors whom the Committee determines provide substantial and important services to the Company. Notwithstanding the foregoing, the substantial and important services provided by a consultant or an advisor may not be in connection with the offer or sale of securities in a capital raising transaction. An "Eligible Director" is any director of the Company who is an employee of the Company or an Affiliate, or an Independent Director (as defined in Section 6(k)).

- b. Price and Exercise. The exercise price of the shares of Common Stock upon exercise of an Option shall be no less than the fair market value of the shares at the time of the grant of an Option. If an ISO is granted to an employee owning shares of the Company possessing more than 10% of the total combined voting power of all classes of shares of the Company as defined in Code Section 422 ("10% Stockholder"), the exercise price shall be no less than 110% of the fair market value of the shares at the time of the grant of the ISO. The fair market value of the Common Stock shall be:

- (i) the closing price of publicly traded Common Stock on the national securities exchange on which the Common Stock is listed (if the Common Stock is so listed) or on the NASDAQ National Market System (if the Common Stock is regularly quoted on the NASDAQ National Market System);

- (ii) if not so listed or regularly quoted, the mean between the closing bid and asked prices of publicly traded Common Stock in the over-the-counter market; or

(iii) if such bid and asked prices are not available, as reported by any nationally recognized quotation service selected by the Company or as determined by the Committee in a manner consistent with the provisions of the Code.

The notice of the exercise of any Option shall be accompanied by payment in full of the exercise price. Except as hereinafter provided, the exercise price shall be paid in United States dollars and in cash or by certified or cashier's check payable to the order of the Company at the time of purchase. At the discretion of the Committee, the exercise price, or any portion thereof, may be paid with: (i) Common Stock acquired through the exercise of an option granted by the Company which Common Stock has been held by the Grantee for at least one year, or any other Common Stock already owned by, and in the possession of, the Grantee; or (ii) any combination of cash, certified or cashier's check, and Common Stock meeting the requirements of clause (i) above. Any withholding tax, up to the minimum withholding requirement for supplemental wages, shall be paid with shares of Common Stock issuable to the Grantee upon exercise of the Option, with a fair market value equal to the minimum required withholding tax. Shares of Common Stock used to satisfy the exercise price of an Option and/or any required minimum withholding tax shall be valued at their fair market value as determined by the Committee as of the date of exercise.

c. Vesting. Options shall vest in accordance with the schedule established for each Grantee; provided, however, that all Options awarded to a Grantee shall vest immediately upon said Grantee's death or disability as defined herein.

d. Forfeiture. Notwithstanding anything contained herein to the contrary, the right (whether or not vested) of a Grantee to exercise his or her outstanding Options, if any, shall be forfeited if the Committee determines, in its sole discretion, that (i) the Grantee has entered into a business or employment which is detrimentally competitive with the Company or substantially injurious to the Company's financial interests; (ii) the Grantee has been discharged from employment with the Company or an Affiliate for Cause; or (iii) the Grantee performed acts of willful malfeasance or gross negligence in a matter of material importance to the Company or an Affiliate. For purposes of this Section 6(d), "Cause" shall have the meaning set forth in any unexpired employment or severance agreement between the Grantee and the Company and/or an Affiliate, and, in the absence of any such agreement, shall mean (i) the willful and continued failure of the Grantee to substantially perform his or her duties with or for the Company or an Affiliate, (ii) the engaging by the Grantee in conduct which is significantly injurious to the Company or an Affiliate, monetarily or otherwise, (iii) the Grantee's conviction of a felony, (iv) the Grantee's abuse of illegal drugs or other controlled substances or (v) the Grantee's habitual intoxication. For purposes of this Section 6(d), unless otherwise defined in the Grantee's employment or severance agreement, an act or omission is "willful" if such act or omission was knowingly done, or knowingly omitted to be done, by the Grantee not in good faith and without reasonable belief that such act or omission was in the best interest of the Company or an Affiliate.

e. Additional Restrictions on Exercise of an ISO. The aggregate fair market value of Common Stock (determined at the time an ISO is granted) with respect to which an ISO is exercisable for the first time by a Grantee during any calendar year (under all incentive stock option plans, as defined in Code Section 422, of the Company and its Affiliates) shall not exceed \$100,000. To the extent options are granted in excess of this limitation, they shall be treated as NQSOs.

f. Duration of Options. Options may be granted for terms of up to but not exceeding ten years from the effective date the particular Option is granted. Notwithstanding the foregoing, ISOs granted to a 10% Stockholder may be for a term of up to but not exceeding five years from the effective date the particular ISO is granted.

g. Termination of Employment. A Grantee's right to exercise an Option after the termination of his or her employment shall be only as follows:

(i) Retirement. If the Grantee has a termination of employment by reason of retirement, he or she may within thirteen months following such termination (but not later than the date on which the

Option would otherwise expire), exercise any Option that had vested and was exercisable on the date of his or her retirement. However, in the event of his or her death prior to the end of the thirteen-month period after his or her retirement, his or her estate shall have the right to exercise any Option that had vested and was exercisable on the date the Grantee retired within thirteen months following the Grantee's termination of employment (but not later than the date on which the Option would otherwise expire). If the Grantee has a termination of employment by reason of retirement, and if such termination of employment does not constitute a vesting event under an Option, such Grantee shall forfeit such Option to the extent that it was not vested and exercisable on the date of his or her termination of employment.

(ii) Death. If a Grantee dies while employed by the Company or an Affiliate, the Option shall vest and become exercisable upon death and his or her estate shall have the right for a period of thirteen months following the date of such death (but not later than the date on which the Option would otherwise expire) to exercise the Option.

(iii) Disability. If a Grantee has a termination of employment due to disability, as defined in Code Section 22(e)(3), the Option shall vest and become exercisable upon his or her termination of employment due to disability and he or she shall have the right for a period of thirteen months following the date of such termination of employment (but not later than the date on which the Option would otherwise expire) to exercise the Option.

(iv) Other Reasons. Except as provided under Section 6(d) hereof, if a Grantee has a termination of employment due to any reason other than those provided above under "Retirement", "Death", or "Disability", the Grantee or his or her estate (in the event of his or her death after such termination) (a) may exercise any Option to the extent that it was vested and exercisable on the date of his or her termination of employment within the 30-day period following such termination (but not later than the date on which the Option would otherwise expire), and (b) shall forfeit any Option to the extent that it was not vested and exercisable on the date of his or her termination of employment.

(v) Independent Directors. An Option received by an Independent Director shall vest and become exercisable solely in accordance with its terms.

For purposes of this Section 6(g):

(A) "Termination of employment" shall mean the termination of a Grantee's employment with the Company or an Affiliate. A Grantee employed by a subsidiary shall also be deemed to have a termination of employment if the subsidiary ceases to be an Affiliate of the Company, and the Grantee does not immediately thereafter become an employee of the Company or another Affiliate. A Grantee who is a consultant or advisor shall be considered to have terminated employment when substantial and important services, as determined by the Committee, are no longer provided to the Company by the Grantee.

(B) "Retirement" shall mean termination of employment on or after attaining the age established by the Company as the normal retirement age in any unexpired employment agreement between the Grantee and the Company and/or an Affiliate, or, in the absence of such an agreement, the normal retirement age under the defined benefit tax-qualified retirement plan or, if none, the defined contribution tax-qualified retirement plan, sponsored by the Company or an Affiliate in which the Grantee participates.

(C) A Grantee's "estate" shall mean his or her legal representatives upon his or her death or any person who acquires the right to exercise an Option by reason of the Grantee's death. The Committee may in its discretion require the transferee of a Grantee to supply it with written notice of the Grantee's death, a copy of the will or such other evidence as the Committee deems necessary to establish the validity of the transfer of an Option.

h. Transferability of Option and Stock Acquired Upon Exercise of Option. Options shall be transferable only by will or the laws of descent and distribution. Options shall be exercisable during the Grantee's lifetime only by the Grantee, or by the guardian or legal representative of the Grantee. The

Committee may, in its discretion, require a Grantee's guardian or legal representative to supply it with such evidence as the Committee deems necessary to establish the authority of the guardian or legal representative to exercise the Option on behalf of the Grantee. Except as limited by applicable securities laws and the provisions of Section 8 hereof, shares of Common Stock acquired upon exercise of Options hereunder shall be freely transferable.

i. Modifications, Extension and Renewal of Options. Subject to the terms and conditions and within the limitations of the Plan, the Committee may modify, extend or renew outstanding Options granted under the Plan, or accept the surrender of outstanding Options (to the extent not theretofore exercised) and grant new Options in substitution therefor (to the extent not theretofore exercised). The Committee shall not, however, modify any outstanding ISO so as to specify a lower exercise price. Notwithstanding the foregoing, no modification of an Option shall, without the consent of the Grantee, alter or impair any rights or obligations under any Option theretofore granted under the Plan or adversely affect the status of an ISO under Code Section 422.

j. Other Terms and Conditions. Options may contain such other provisions, which shall not be inconsistent with any of the foregoing terms, as the Committee shall deem appropriate.

k. Independent Directors Grants. An Option under the Plan for 1,250 shares of Common Stock shall be granted each year to each person who is serving as an Independent Director on the date of the first Board of Directors meeting following the annual stockholders meeting. The exercise price for an Option granted under this Section shall be equal to the fair market value of the shares of Common Stock subject to the Option on the date of grant. Any Options granted to an Independent Director pursuant to this Section 6(k) shall vest and become exercisable, regardless of such Independent Director's continued service as a member of the Board of Directors of the Company, upon the earlier of (i) such Grantee's death or disability, as defined herein, or (ii) three years from the effective date of the grant. For purposes hereof, "Independent Directors" shall mean any member of the Company's Board of Directors who during his or her entire term as a director was not employed by Lehman Brothers Inc., The Cypress Group L.L.C., FIMA Finance Management Inc., or the Company or any of their respective affiliates.

7. Adjustment for Changes in the Stock.

a. In the event the shares of Common Stock, as presently constituted, shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation (whether by reason of merger, consolidation, recapitalization, reclassification, split, reverse split, combination of shares, or otherwise) or if the number of such shares of Common Stock shall be increased through the payment of a stock dividend, then there shall be substituted for or added to each share of Common Stock theretofore appropriated or thereafter subject or which may become subject to an Option under this Plan, the number and kind of shares of stock or other securities into which each outstanding share of Common Stock shall be so changed, or for which each such share shall be exchanged, or to which each such share shall be entitled, as the case may be. Outstanding Options shall also be appropriately amended as to price and other terms as may be necessary to reflect the foregoing events. In the event there shall be any other change in the number or kind of the outstanding shares of the Common Stock, or of any stock or other securities into which such Common Stock shall have been changed, or for which it shall have been exchanged, then, if the Committee shall, in its sole discretion, determine that such change equitably requires an adjustment in any Option theretofore granted or which may be granted under the Plan, such adjustments shall be made in accordance with such determination.

b. Fractional shares resulting from any adjustment in Options pursuant to Section 7 may be settled in cash or otherwise as the Committee shall determine. Notice of any adjustment shall be given by the Company to each holder of an Option which shall have been so adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

8. Securities Law Requirements. If required by the Company, the notice of exercise of an Option shall be accompanied by the Grantee's written representation: (i) that the stock being acquired is purchased for investment and not for resale or with a view to the distribution thereof; (ii) acknowledging that such stock has not been registered under the Securities Act of 1933, as amended (the "1933 Act"); and (iii) agreeing that such stock may not be sold or transferred unless either there is an effective Registration Statement for it under

the 1933 Act, or in the opinion of counsel for the Company, such sale or transfer is not in violation of the 1933 Act.

No Option granted pursuant to this Plan shall be exercisable in whole or in part, nor shall the Company be obligated to sell any shares of Common Stock subject to any such Option, if such exercise and sale may, in the opinion of counsel for the Company, violate the 1933 Act (or other federal or state statutes having similar requirements), as it may be in effect at that time.

Each Option shall be subject to the further requirement that, if at any time the Committee shall determine in its discretion that the listing or qualification of the shares of Common Stock subject to such Option under any securities exchange requirements or under any applicable law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the granting of such Option or the issuance of shares thereunder, such Option may not be exercised in whole or in part, unless such listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

No person who acquires shares of Common Stock under the Plan may, during any period of time that such person is an affiliate of the Company, within the meaning of the rules and regulations of the Securities and Exchange Commission under the 1933 Act, sell such shares of Common Stock, unless such offer and sale is made pursuant to (i) an effective registration statement under the 1933 Act, which is current and includes the shares to be sold, or (ii) an appropriate exemption from the registration requirements of the 1933 Act, such as that set forth in Rule 144 promulgated under the 1933 Act.

With respect to individuals subject to Section 16 of the Securities and Exchange Act of 1934, as amended (the "1934 Act"), transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3, or its successors under the 1934 Act. To the extent any provision of the Plan or action by the Committee fails to so comply, the Committee may determine, to the extent permitted by law, that such provision or action shall be null and void.

9. Amendment of the Plan. The Committee may amend the Plan at any time; provided, however, that approval of the holders of a majority of the outstanding voting stock of the Company is required for amendments which:

- (i) decrease the minimum exercise price for Options;
- (ii) extend the term of the Plan beyond ten years;
- (iii) extend the maximum terms of the Options granted hereunder beyond ten years;
- (iv) change the class of eligible employees, officers, directors and other Grantees; or
- (v) increase the aggregate number of shares of Common Stock which may be issued pursuant to the provisions of the Plan.

Notwithstanding the foregoing, the Board of Directors may, without the need for stockholders' approval, amend the Plan in any respect necessary to qualify ISOs as incentive stock options under Code Section 422.

Notwithstanding the foregoing, Section 6(k) may only be amended once every six months, unless the amendment is necessary to conform to changes in the Code, or regulations thereunder.

10. No Obligation to Exercise Option. The granting of an Option shall impose no obligation upon the Grantee (or upon a transferee of a Grantee) to exercise such Option.

11. No Limitation on Rights of the Company. The grant of any Option shall not in any way affect the right or power of the Company to make adjustments, reclassification, or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets.

12. Plan Not a Contract of Employment. The Plan is not a contract of employment, and the terms of employment of any Grantee shall not be affected in any way by the Plan or related instruments except as specifically provided therein. The establishment of the Plan shall not be construed as conferring any legal

rights upon any Grantee for a continuation of employment, nor shall it interfere with the right of the Company or an Affiliate to discharge any Grantee and to treat him or her without regard to the effect which such treatment might have upon him or her as a Grantee.

13. Expenses of the Plan. All of the expenses of the Plan shall be paid by the Company.

14. Effect Upon Other Compensation. Nothing contained herein shall prevent the Company or any Affiliate from adopting other or additional compensation arrangements for its employees or directors.

15. Grantee to Have No Rights as a Stockholder. No Grantee of any Option shall have any rights as a stockholder with respect to any shares subject to his or her Option prior to the date on which he or she is recorded as the holder of such shares on the records of the Company. No Grantee of any Option shall have the rights of a stockholder until he or she has paid in full the exercise price.

16. Notice. Notice to the Committee shall be deemed given if in writing, and delivered personally or mailed to the Secretary of the Company at its principal executive offices by certified, registered or express mail at the then principal office of the Company.

17. Governing Law. This Plan and all Option agreements entered into pursuant thereto shall be construed and enforced in accordance with, and governed by, the laws of the State of Delaware, determined without regard to its conflicts of law rules.

May 9, 1996

Lear Corporation
21557 Telegraph Road
Southfield, MI 48034

Re: Registration Statement on Form S-8 of Lear
Corporation (the "Registration Statement")

Ladies and Gentlemen:

We have acted as special counsel for Lear Corporation, a Delaware corporation (the "Company"), in connection with the registration on Form S-8 of the offer and sale of up to 1,000,000 shares (the "Shares") of the Company's Common Stock, par value \$.01 per share ("Common Stock"), issuable upon exercise of certain stock options ("Options") that may be issued pursuant to the Lear Corporation 1996 Stock Option Plan (collectively, the "Stock Option Plan").

This opinion is delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Act").

In connection with this opinion, we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of: (i) the Registration Statement, as filed with the Securities and Exchange Commission (the "Commission") under the Act; (ii) the Restated Certificate of Incorporation of the Company, as currently in effect; (iii) the Amended and Restated By-Laws of the Company, as currently in effect; and (iv) resolutions of the Board of Directors of the Company relating to, among other things, the issuance of the Common Stock and the filing of the Registration Statement. We have also examined such other documents as we have deemed necessary or appropriate as a basis for the opinion set forth below.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as certified or photostatic of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such latter documents. We have also assumed that the Company's Board of Directors, or a duly authorized committee thereof, will have approved the issuance of each Option prior to the issuance thereof. As to any facts material to this opinion which we did not independently establish or verify, we have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

Based upon and subject to the foregoing, we are of the opinion that all Shares issued pursuant to the Stock Option Plan will be, upon payment of the specified exercise price therefor, legally issued, fully paid and non-assessable shares of Common Stock of the Company.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. In giving such consent, we do not concede that we are experts within the meaning of the Act or the rules and regulations thereunder or that this consent is required by Section 7 of the Act.

Very truly yours,

/s/ WINSTON & STRAWN

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated February 6, 1996 included in Lear Corporation's (formerly known as Lear Seating Corporation) Form 10-K for the year ended December 31, 1995, and to all references to our firm included in this registration statement.

Arthur Andersen LLP

Detroit, Michigan
May 6, 1996