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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): February 8, 2007**

**LEAR CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**1-11311**

(Commission File Number)

**13-3386776**

(IRS Employer Identification Number)

**21557 Telegraph Road, Southfield, MI**

(Address of principal executive offices)

**48033**

(Zip Code)

**(248) 447-1500**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Section 5 — Corporate Governance and Management****Item 5.02 — Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(a) On February 8, 2007, the Compensation Committee (the “Compensation Committee”) of the Board of Directors of Lear Corporation (“Lear,” or the “Company”) determined the amount of 2006 bonuses payable to members of Lear’s management under the Lear Corporation Annual Incentive Compensation Plan. Each executive had been assigned a bonus target opportunity under the plan which was a percentage of his annual base salary. The bonus payable for 2006 was based 50% upon whether Lear’s free cash flow reached the applicable thresholds set by the Compensation Committee and 50% upon whether Lear’s operating income, excluding restructuring and other special charges, reached the applicable thresholds. Based on the satisfaction of certain thresholds and the Compensation Committee’s evaluation of certain qualitative factors, the following named executive officers will be paid 2006 bonuses as set forth below. Also, as set forth below, certain of the named executive officers have elected to defer a portion of their 2006 cash bonuses under the Management Stock Purchase Plan which is part of the Lear Corporation Long-Term Stock Incentive Plan (the “LTSIP”) and will receive the following amounts of restricted stock units (before tax withholding) based on such bonus deferrals.

<b>Named Executive Officer</b>	<b>Amount of 2006 Bonus Paid in Cash</b>	<b>Restricted Stock Units from 2006 Bonus Deferrals</b>
Robert E. Rossiter, Chairman and Chief Executive Officer	\$577,500	10,934
James H. Vandenberghe, Vice Chairman and Chief Financial Officer	\$323,756	5,851
Douglas G. DelGrosso, President and Chief Operating Officer	\$346,875	4,876
Daniel A. Ninivaggi, Executive Vice President, Secretary and General Counsel	\$192,000	5,536

(b) On February 8, 2007, the Compensation Committee also approved awards of cash-settled performance units (“Performance Units”) under the LTSIP to certain officers and key employees for the three-year period ending December 31, 2009. The following targeted awards of Performance Units to the named executive officers were approved:

<b>Named Executive Officer</b>	<b>Performance Units</b>
Robert E. Rossiter	20,250
James H. Vandenberghe	11,250
Douglas G. DelGrosso	11,250
Daniel A. Ninivaggi	8,700

Each Performance Unit has a value of \$30. The number of Performance Units actually earned will depend on the attainment of certain levels (threshold, target or superior) of the Earnings Growth performance

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measure during the three-year period ending December 31, 2009. "Earnings Growth" means the compounded annual growth rate of Lear's annual operating income (excluding special items) during the performance period. If any of the levels of performance are attained, Performance Units will be paid out after the end of the performance period. Attainment of the threshold level will result in a payout at 50% of the targeted level; attainment of the target level will result in a payout at 100% of the targeted level; and attainment of the superior level will result in a payout at 150% of the targeted level. A summary of the performance objectives for the 2007-2009 Performance Units follows:

Earnings Growth:

Threshold: 5% per year average growth

Target: 10% per year average growth

Superior: 15% per year average growth

The foregoing summary of the terms of the 2007-2009 Performance Unit awards is qualified in its entirety by reference to the form of cash-settled Performance Unit award agreement, which is attached hereto as Exhibit 10.1 and incorporated by reference herein.

## **Section 9 — Financial Statements and Exhibits**

### **Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

10.1 Form of Cash-Settled Performance Unit Award Agreement for the three-year period ending December 31, 2009

**SIGNATURE**

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

LEAR CORPORATION,  
a Delaware corporation

Date: February 14, 2007

By: /s/ Roger A. Jackson

Name: Roger A. Jackson

Title: Senior Vice President - Human  
Resources

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
10.1	Form of Cash-Settled Performance Unit Award Agreement for the three-year period ending December 31, 2009

LEAR CORPORATION  
LONG-TERM STOCK INCENTIVE PLAN  
FORM OF PERFORMANCE UNIT AWARD AGREEMENT

PERFORMANCE UNIT AWARD AGREEMENT (the "Agreement") dated as of \_\_\_\_, between Lear Corporation (the "Company") and the individual whose name appears on the signature page hereof (the "Participant"), who is a key employee of the Company or an Affiliate. Any term capitalized herein, but not defined, shall have the meaning set forth in the Lear Corporation Long-Term Stock Incentive Plan (the "Plan").

1. GRANT. In accordance with the terms of the Plan, the Company hereby grants to the Participant a Performance Unit Award subject to the terms and conditions set forth herein. Each Performance Unit shall have a notional value of \$30.00, provided, however, that no amounts will be paid or payable hereunder unless the Participant earns Performance Units pursuant to Section 5 hereof.

2. PERFORMANCE PERIOD. The Performance Period for this Award shall be the three-year period commencing on January 1, 2007 and ending on December 31, 2009.

3. PERFORMANCE MEASURE. There shall be one performance measure, Earnings Growth, as defined below.

"Earnings Growth" shall mean the compounded annual growth rate of the Company's annual operating income during the 3-year Performance Period. Operating income shall mean the Company's pretax income excluding the North American Interior business, interest expense, impairments, restructurings and other special items such as, among others: investment gains and losses; extraordinary, unusual or non-recurring items; gains or losses on the sale of assets; effects of changes in accounting principles or the application thereof; asset impairment charges; acquisitions, divestitures, or financing activities; recapitalizations, including stock splits and dividends; expenses for restructuring or productivity initiatives; and other non-operating items.

4. PERFORMANCE GOALS.

Earnings Growth:

- i. Threshold: 5% per year average growth
  - ii. Target: 10% per year average growth
  - iii. Superior: 15% per year average growth
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5. PERFORMANCE UNITS.

a. The number of Performance Units earned by a Participant with respect to the performance measure during the Performance Period shall be determined under the following chart:

<u>Performance At</u>	<u>Number of Performance Units</u> Earnings Growth
Threshold	
Target	
Superior	

b. In the event that the Company’s actual performance does not meet threshold for that performance measure, Performance Units shall not be earned with respect to that performance measure.

c. If the Company’s actual performance for a performance measure is between “threshold” and “target,” the Performance Units earned shall equal the Performance Units for threshold plus the number of Performance Units determined under the following formula:

$$(TAS - TS) \times \frac{AP - TP}{TAP - TP}$$

TAS = The Performance Units for target.

TS = The Performance Units for threshold.

AP = The Company’s actual performance.

TP = The threshold performance goal.

TAP = The target performance goal.

d. If the Company’s actual performance for a performance measure is between “target” and “superior,” the Performance Units earned shall equal the Performance Units for target plus the number of Performance Units determined under the following formula:

$$(SS - TAS) \times \frac{AP - TAP}{SP - TAP}$$

SS = The Performance Units for superior.

TAS = The Performance Units for target.  
AP = The Company's actual performance.  
TAP = The target performance goal.  
SP = The superior performance goal.

e. If the Company's actual performance for performance measure exceeds "superior," the Performance Units earned shall equal the Performance Units for superior.

6. **TIMING AND FORM OF PAYOUT.** Except as hereinafter provided, after the end of the Performance Period, the Participant shall be entitled to receive a dollar amount equal to the product of (i) the value per Performance Unit of \$30 multiplied by (ii) his or her total number of Performance Units determined under Section 5. Payment of such amount shall be made as soon as administratively feasible after the Committee certifies the actual performance of the Company during the Performance Period. Notwithstanding the foregoing, any delivery of any amount payable under this Section may be irrevocably deferred by the Participant with the Committee's consent; provided, that the Participant's election to defer occurs prior to the expiration of the second year of the Performance Period. Notwithstanding anything herein to the contrary, the Committee may defer payment of any amount hereunder to the Participant under this Section if the payment of such amount would constitute compensation to the Participant that is not deductible by the Company or an Affiliate due to the application of Code Section 162(m); provided, that such amount deferred pursuant to this sentence shall be delivered to the Participant on or before the January 15 of the first year in which the Participant is no longer a "covered employee" of the Company (within the meaning of Code Section 162(m)) following the end of the Performance Period or, if later, the deferred delivery date elected by the Participant in accordance with the preceding sentence. Notwithstanding anything in this Section 6 to the contrary, an election to defer hereunder shall comply with the requirements of Section 409A of the Code or it will not be a valid election.

7. **TERMINATION OF EMPLOYMENT DUE TO DEATH, RETIREMENT, OR DISABILITY.** If a Participant ceases to be an employee prior to the end of the Performance Period by reason of death, retirement or disability, the Participant (or in the case of the Participant's death, the Participant's beneficiary) shall be entitled to receive a cash amount equal the product of (i) the value per Performance Unit of \$30 multiplied by (ii) the number of Performance Units the Participant would have been entitled to under Section 6 if he or she had remained employed until the last day of the Performance Period multiplied by a fraction, the numerator of which shall be the number of full calendar months during the period of January 1, 2007 through the date of the Participant's employment terminated and the denominator of which shall be thirty-six. The payment of such amount shall be made as soon as administratively feasible after the end of the Performance Period, whether or not the Participant had elected under Section 6 above to defer receipt of any amount deliverable under this Award.

Any distribution made with respect to a Participant who has died shall be paid to the beneficiary designated by the Participant pursuant to Article 11 of the Plan to receive

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amounts payable under this Award. If the Participant's beneficiary predeceases the Participant or no beneficiary has been properly designated, distribution of any amounts payable to the Participant under this Award shall be made to the Participant's surviving spouse and if none, to the Participant's estate.

8. **TERMINATION OF EMPLOYMENT FOR ANY OTHER REASON.** Except as provided in Section 7, the Participant must be an employee of the Company and/or an Affiliate continuously from the date of this Award until the last day of the Performance Period to be entitled to receive any amounts with respect to any Performance Units he or she may have earned hereunder.

9. **ASSIGNMENT AND TRANSFERS.** The rights and interests of the Participant under this Award may not be assigned, encumbered or transferred except, in the event of the death of the Participant, by will or the laws of descent and distribution.

10. **WITHHOLDING TAX.** The Company and any Affiliate shall have the right to retain any amounts that are distributable to the Participant hereunder to the extent necessary to satisfy the minimum required withholding taxes, whether federal, state or local, triggered by the payment of any amounts under this Award.

11. **NO LIMITATION ON RIGHTS OF THE COMPANY.** The grant of this Award 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 AND AGREEMENT NOT A CONTRACT OF EMPLOYMENT.** Neither the Plan nor this Agreement is a contract of employment, and no terms of employment of the Participant shall be affected in any way by the Plan, this Agreement or related instruments except as specifically provided therein. Neither the establishment of the Plan nor this Agreement shall be construed as conferring any legal rights upon the Participant for a continuation of employment, nor shall it interfere with the right of the Company or any Affiliate to discharge the Participant and to treat him or her without regard to the effect that such treatment might have upon him or her as a Participant.

13. **NOTICE.** Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or, if mailed, three days after the date of deposit in the United States mail, in the case of the Company to 21557 Telegraph Road, Southfield, Michigan, 48034, Attention: General Counsel and, in the case of the Participant, to its address set forth on the signature page hereto or, in each case, to such other address as may be designated in a notice given in accordance with this Section.

14. **GOVERNING LAW.** This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Michigan, determined without regard to its conflict of law rules.

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15. PLAN DOCUMENT CONTROLS. The rights herein granted are in all respects subject to the provisions set forth in the Plan to the same extent and with the same effect as if set forth fully herein. In the event that the terms of this Agreement conflict with the terms of the Plan document, the Plan document shall control.

[signature page follows]

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IN WITNESS WHEREOF, the Company and the Participant have duly executed this Agreement as of the date first written above.

LEAR CORPORATION

By: \_\_\_\_\_  
Roger A. Jackson

Its: Senior Vice President, Human  
Resources

\_\_\_\_\_  
[Participant's Signature]

Participant's Name and Address for notices  
hereunder

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\_\_\_\_\_  
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