

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

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

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

DELAWARE (State or other jurisdiction of incorporation or organization) 21557 TELEGRAPH ROAD SOUTHFIELD, MICHIGAN (Address of principal executive offices)	13-3386776 (I.R.S. Employer Identification No.) 48034 (zip code)
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AUTOMOTIVE INDUSTRIES HOLDING, INC. 1992 KEY EMPLOYEE STOCK OPTION PLAN
 (Full title of the Plan)

JAMES H. VANDENBERGHE
 EXECUTIVE VICE PRESIDENT
 LEAR SEATING 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.....	693,825 shares	\$27.25	\$18,906,731	\$6,519.56

(1) Pursuant to Rule 416, this Registration Statement shall be deemed to cover any additional shares of Common Stock which may be issuable pursuant to the antidilution provisions of the Automotive Industries Holding, Inc. 1992 Key Employee 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 August 7, 1995.

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 Seating 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, 1994 filed with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act");

(b) The Registrant's quarterly report on Form 10-Q for the quarter ended April 1, 1995 filed with the SEC pursuant to Section 13(a) of the Exchange Act;

(c) The Registrant's quarterly report on Form 10-Q for the quarter ended July 1, 1995 filed with the SEC pursuant to Section 13(a) of the Exchange Act;

(d) The Registrant's current report on Form 8-K dated December 15, 1994, as amended by its Form 8-K/A filed on February 28, 1995;

(e) 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, 1994; and

(f) The description of the Registrant's Common Stock, \$.01 par value, 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 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. If the legal proceeding, however, is by or in the right of the Registrant, the director or officer may not be indemnified in respect to any claim, issue or matters as to which he shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Registrant unless a court determines otherwise.

Article Five of the Restated Certificate of Incorporation of the Registrant 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 Restated Certificate of Incorporation of the Registrant and Article VIII 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 Automotive Industries Holding, Inc. 1992 Key Employee Stock Option Plan
- 4.2 Form of Option Assumption Agreement
- 4.3 Form of Option Cancellation Agreement
- 4.4 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 Arthur Andersen & Co., s.a.s.
- 23.3 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 10th day of August, 1995.

LEAR SEATING 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	----- August 10, 1995
----- /S/ ROBERT E. ROSSITER ----- Robert E. Rossiter	----- Director, President and Chief Operating Officer	----- August 10, 1995
----- /S/ JAMES H. VANDENBERGHE ----- James H. Vandenberghe	----- Executive Vice President and Chief Financial Officer (Principal Financial and Principal Accounting Officer)	----- August 10, 1995
----- /S/ LARRY W. MCCURDY ----- Larry W. McCurdy	----- Director	----- August 10, 1995
----- /S/ GIAN ANDREA BOTTA ----- Gian Andrea Botta	----- Director	----- August 10, 1995
----- ----- Eliot M. Fried	----- Director	
----- /S/ ROBERT W. SHOWER ----- Robert W. Shower	----- Director	----- August 10, 1995

SIGNATURE	TITLE	DATE
----- /S/ JEFFREY P. HUGHES ----- Jeffrey P. Hughes	Director	August 10, 1995
----- /S/ DAVID P. SPALDING ----- David P. Spalding	Director	August 10, 1995
----- /S/ JAMES A. STERN ----- James A. Stern	Director	August 10, 1995
----- /S/ ALAN WASHKOWITZ ----- Alan Washkowitz	Director	August 10, 1995

EXHIBIT INDEX

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

AUTOMOTIVE INDUSTRIES HOLDING, INC.

1992 KEY EMPLOYEE STOCK OPTION PLAN

ARTICLE 1

IDENTIFICATION OF THE PLAN

1.1 Title. The plan described herein shall be known as the Automotive Industries Holding, Inc. 1992 Key Employee Stock Option Plan (the "Plan").

1.2 Purpose. The purpose of this Plan is (i) to compensate Key Employees of Automotive Industries Holding, Inc. (the "Company") and its Subsidiaries for services rendered by such persons after the date of adoption of this Plan by the Company's stockholders; (ii) to provide Key Employees of the Company and its Subsidiaries with significant additional incentive to promote the financial success of the Company; and (iii) to provide an incentive which may be used to induce able persons to enter into or remain in the employment of the Company or any Subsidiary.

1.3 Effective Date. The Plan shall become effective on March 17, 1992 (the "Effective Date"). The Plan, however, is subject to approval by the stockholders of the Company. If stockholder approval is not granted within twelve (12) months from the date of its adoption by the Board, the Plan shall thereupon terminate. Grants of Options may be made prior to stockholder approval, but any such options granted shall not be exercisable prior to stockholder approval and shall terminate if stockholder approval is not given.

1.4 Defined Terms. Certain capitalized terms used herein have the meanings as set forth in Section 10.1 of the Plan.

ARTICLE 2

ADMINISTRATION OF THE PLAN

2.1 Committee's Powers. This Plan shall be administered by a committee (the "Committee") composed of persons appointed by the Board of Directors in accordance with the provisions of Section 2.2. The Committee shall have full power and authority to prescribe, amend and rescind rules and procedures governing administration of this Plan. The Committee shall have full power and authority (i) to interpret the terms of this Plan, the terms of the Options and the rules and procedures established by the Committee and (ii) to determine the meaning of or requirements imposed by or rights of any person under this Plan, any Option or any rule or procedure established by the Committee. Each action of the Committee which is within the scope of the authority delegated

to the Committee by this Plan or by the Board shall be binding on all persons.

2.2 Committee Membership. The Committee shall be composed of non-management members of the Board. The Board shall have the power to determine the number of members which the Committee shall have and to change the number of membership positions on the Committee from time to time. The Board shall appoint all members of the Committee. The Board may from time to time appoint members to the Committee in substitution for, or in addition to, members previously appointed and may fill vacancies, however caused, on the Committee. Any member of the Committee may be removed from the Committee by the Board at any time with or without cause. If at any time no special committee has been constituted by the Board especially for the purposes of this Plan, then the entire Board shall have all powers and rights delegated to the "Committee" under this Plan. Notwithstanding anything to the contrary in this Section 2.2, the Committee shall not grant an Option to a Section 16 Holder unless the Committee is constituted so as to comply with Securities and Exchange Commission Rule 16b-3, as amended, or any successor rules or government pronouncements.

2.3 Committee Procedures. The Committee shall hold its meetings at such times and places as it may determine. The Committee may make such rules and regulations for the conduct of its business as it shall deem advisable. Unless the Board or the Committee expressly decides to the contrary, a majority of the members of the Committee shall constitute a quorum and any action taken by a majority of the Committee members in attendance at a meeting at which a quorum of Committee members are present shall be deemed an act of the Committee.

2.4 Indemnification. No member of the Committee shall be liable, in the absence of bad faith, for any act or omission with respect to his or her service on the Committee under this Plan. Service on the Committee shall constitute service as a director of the Company so that the members of the Committee shall be entitled to indemnification and reimbursements as directors of the Company for any action or any failure to act in connection with service on the Committee to the full extent provided for at any time in the Company's Certificate of Incorporation and By-Laws, or in any insurance policy or other agreement intended for the benefit of the Company's directors.

ARTICLE 3

EMPLOYEES ELIGIBLE TO RECEIVE OPTIONS

A person shall be eligible to be granted an Option only if on the proposed Granting Date for such Option such person is a full-time, salaried employee of the Company or any Subsidiary,

excluding non-management directors of the Company. A person eligible to be granted an Option is herein called a "Key Employee."

ARTICLE 4

GRANT OF OPTIONS

4.1 Power to Grant Options. The Committee shall have the right and the power to grant at any time to any Key Employee an option entitling such person to purchase Class A Common Stock from the Company in such quantity, at such price, on such terms and subject to such conditions consistent with the provisions of this Plan as may be established by the Committee on or prior to the Granting Date for such option. Each option to purchase Class A Common Stock which shall be granted by the Committee pursuant to the provisions of this Plan is herein called an "Option."

4.2 Granting Date. An Option shall be deemed to have been granted under this Plan on the date (the "Granting Date") which the Committee designates as the Granting Date at the time it approves such Option, provided that the Committee may not designate a Granting Date with respect to any Option which is earlier than the date on which the granting of such Option is approved by the Committee.

4.3 Option Terms Which the Committee May Determine. The Committee shall have the power to determine the Key Employees to whom Options are granted, the number of Shares subject to each Option, the number of Options awarded to each Key Employee and the time at which each Option is granted. Except as otherwise expressly provided in this Plan, the Committee shall also have the power to determine, at the time of the grant of each Option, all terms and conditions governing the rights and obligations of the holder with respect to such Option, including but not limited to: (a) the purchase price per Share or the method by which the purchase price per Share will be determined; (b) the length of the period during which the Option may be exercised and any limitations on the number of Shares purchasable with the Option at any given time during such period; (c) the times at which the Option may be exercised; (d) any conditions precedent to be satisfied before the Option may be exercised; (e) any restrictions on resale of any Shares purchased upon exercise of the Option; and (f) whether the Option will constitute an Incentive Stock Option.

4.4 Option Agreement. No person shall have any rights under any Option unless and until the Company and the person to whom such Option is granted have executed and delivered an agreement expressly granting the Option to such person and containing provisions setting forth the terms of the Option (an "Option Agreement").

ARTICLE 5

OPTION TERMS

5.1 Plan Provisions Control Option Terms. The terms of this Plan shall govern all the Options. In the event any provision of any Option Agreement conflicts with any term in this Plan as constituted on the Granting Date of such Option, the term in this Plan as constituted on the Granting Date of the Option shall control. Except as provided in Article 8, the terms of any Option may not be changed after the Granting Date of such Option without the express approval of the Option Holder.

5.2 Price Limitation. Subject to Article 8, the price at which each Share may be purchased upon the exercise of any Option may not be less than the Per Share Market Value on the Granting Date for an Option; provided that if an Incentive Stock Option is granted to a person who owns, on the Granting Date of such Incentive Stock Option, stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company (or of any parent or Subsidiary of the Company in existence on the Granting Date of such Option), the price at which each Share may be purchased upon exercise of such Incentive Stock Option may not be less than 110% of the Per Share Market Value on the Granting Date for such Option.

5.3 Term Limitation. No Incentive Stock Option may be granted under this Plan which is exercisable more than ten years after its Granting Date. This Section 5.3 shall not be deemed to limit the term which the Committee may specify for any Options granted under the Plan which are not intended to be Incentive Stock Options.

5.4 Transfer Limitations. No Incentive Stock Option or other Option granted to any Section 16 Holder shall be (i) transferable other than by will or the laws of descent and distribution or (ii) exercisable during the lifetime of the person to whom the Option is initially granted by anyone other than the initial grantee. Notwithstanding the terms of the Option Agreement, if any Option (other than an Incentive Stock Option) is issued to a Holder who is not a Section 16 Holder on the Granting Date and such Holder becomes a Section 16 Holder before such Holder has fully exercised such Option, then such Option shall not be (i) transferable other than by will or the laws of descent and distribution or (ii) exercisable during the lifetime of the initial grantee by anyone other than the initial grantee. Subject to the preceding sentence, Options (other than Incentive Stock Options) which are not granted to Section 16 Holders may be transferred to any members of the initial grantee's immediate family or to any inter vivos trust solely for the benefit of any members of the initial grantee's immediate family or as a result of the death of the initial grantee, testate or intestate. Nothing in the

preceding three sentences shall be construed as making an Option transferable if the Option Agreement provides otherwise. It shall be a condition precedent to any transfer of any Option that the transferee executes and delivers an agreement acknowledging such Option has been acquired for investment and not for distribution and is and shall remain subject to this Plan and the Option Agreement. The "Holder" of any Option shall mean (i) the initial grantee of such Option or (ii) the person or trust, if any, to whom the Option is transferred by any Holder who is not a Section 16 Holder.

5.5 \$100,000 Per Year Limit on Incentive Stock Options. No Key Employee may be granted Incentive Stock Options if the value of the Shares subject to those options which first become exercisable in any given calendar year (and the value of the Shares subject to any other Incentive Stock Options issued to the Key Employee under the Plan or any other plan of the Company or its Subsidiaries which first become exercisable in such year) exceeds \$100,000. For this purpose, the value of Shares shall be determined on the Granting Date. Any Incentive Stock Options issued in excess of the \$100,000 limit shall be treated as Options that are not Incentive Stock Options. Incentive Stock Options shall be taken into account in the order in which they were granted.

5.6 No Right to Employment Conferred. Nothing in this Plan or (in the absence of an express provision to the contrary) in any Option Agreement (i) confers any right or obligation on any person to continue in the employ of the Company or any Subsidiary or (ii) affects or shall affect in any way any person's right or the right of the Company or any Subsidiary to terminate such person's employment with the Company or any Subsidiary at any time, for any reason, with or without cause.

ARTICLE 6

OPTION EXERCISE

6.1 Normal Option Term. Except as otherwise provided in Sections 6.3, 6.5 or 6.7 or in the Option Agreement, the right to exercise any Option shall terminate at the earlier of the following dates: (i) the Termination Date of the initial grantee of the Option or (ii) the Expiration Date of the Option.

6.2 Exercise Time. No Option granted to a Section 16 Holder shall become exercisable within six months of the applicable Granting Date, except in the case of the death or disability of the Holder. Notwithstanding the terms of the Option Agreement, if any Option is issued to a Holder who is not a Section 16 Holder on the Granting Date and such Holder becomes a Section 16 Holder before such Holder exercises such Option, then such Option shall not

become exercisable within six months of the applicable Granting Date, except in the case of the death or disability of the Holder. Subject to the preceding two sentences, each Option shall become exercisable at the time provided in the Option Agreement, provided that the Committee in its sole discretion shall have the right (but shall not in any case be obligated) to permit the exercise of such Option prior to such time.

6.3 Extension of Exercise Time. The Committee in its sole discretion shall have the right (but shall not in any case be obligated) to permit any Option to be exercised after the Termination Date of the Holder of such Option. Notwithstanding the preceding sentence, but subject to Section 6.7, the Committee shall not have the right to permit the exercise of any Option after its Expiration Date.

6.4 Exercise Procedures. Each Option shall be exercised by written notice to the Company. Any Holder of any Option shall be required, as a condition to such Holder's right to purchase securities with such Option, to supply the Committee at such person's expense with such evidence, representations, agreements or assurances (including, but not limited to, opinions of counsel satisfactory to the Committee) as the Committee may deem necessary or desirable in order to establish to the satisfaction of the Committee the right of such person to exercise such Option and of the propriety of the sale of securities by reason of such exercise under the Securities Act and any other laws or requirements of any governmental authority specified by the Committee. The Company shall not be obligated to sell any Shares subject to such Option until all evidence, representations, agreements and assurances required by the Committee have been supplied. An Option Holder shall not have any rights as a stockholder with respect to Shares issuable under any Option until and unless such Shares are sold and delivered to such Option Holder. The purchase price of Shares purchased upon the exercise of an Option shall be paid in full in cash or by check by the Option Holder at the time of the delivery of such Shares, provided that the Committee may (but need not) permit payment to be made by (i) delivery to the Company of outstanding Shares, (ii) retention by the Company of Shares which would otherwise be transferred to the Option Holder upon exercise of the Option or (iii) any combination of cash, check, the Holder's delivery of outstanding Shares and retention by the Company of Shares which would otherwise be transferred to the Option Holder upon exercise of the Option, and provided further that no portion of the purchase price of Shares purchased on the exercise of an Incentive Stock Option may be paid by retention of Shares by the Company. In the event an Incentive Stock Option is granted, the Committee may (but need not) permit payment to be made by (i) cash or check or (ii) delivery to the Company of outstanding Shares. In the event any Class A Common Stock is delivered to or retained by the Company to satisfy all or any part of the purchase price, the part of the purchase price deemed to have been satisfied by such

Class A Common Stock shall be equal to the product derived by multiplying (i) the Per Share Market Value as of the date of exercise by (ii) the number of Shares delivered to or retained by the Company. The number of Shares delivered to or retained by the Company in satisfaction of the purchase price shall not be a number which when multiplied by the Per Share Market Value as of the date of exercise would result in a product greater than the purchase price. No fractional Shares shall be delivered to or retained by the Company in satisfaction of the purchase price. To the extent such fractional share would result, the Option Holder shall make up such difference in cash. Any part of the purchase price paid in cash or by check upon the exercise of any Option shall be added to the general funds of the Company and may be used for any proper corporate purpose. Notwithstanding Article 7, unless the Board shall otherwise determine, for each Share delivered to or retained by the Company as payment of all or part of the purchase price upon the exercise of any Option, the aggregate number of Shares subject to this Plan shall be increased by one Share.

6.5 Death, Permanent Disability or Termination Without Cause of Option Holder.

(a) Except as otherwise provided in the Option Agreement, if the Holder of an Option dies while such Option Holder is still employed by the Company or any Subsidiary, then the right to exercise all unexpired installments of such Option shall be accelerated and shall accrue as of the date of death. Except as otherwise provided in the Option Agreement and subject to Section 6.7, if the Holder of an Option dies and such Option is exercisable at the date of death (for any reason including acceleration pursuant to the preceding sentence), then the Holder's estate or the person or persons to whom the Holder's rights under the Option shall pass by reason of the Holder's death shall have the right to exercise the Option for 90 days after the date of death and the Option shall expire at the end of such 90 day period.

(b) Except as otherwise provided in the Option Agreement, if the Holder of an Option suffers a Permanent Disability while such Holder is still employed by the Company or any Subsidiary, then the right to exercise all unexpired installments of such Option shall be accelerated and shall accrue as of the later of the date of such Permanent Disability or the date of discovery of such Permanent Disability (the "Permanent Disability Date"). Except as otherwise provided in the Option Agreement and subject to Section 6.7, if the Holder of an Option suffers a Permanent Disability and such Option is exercisable at the Permanent Disability Date (for any reason including acceleration pursuant to the preceding sentence), then such Holder shall have the right to exercise such Option for 90 days after the Permanent Disability Date and the Option shall expire at the end of such 90 day period.

(c) Except as otherwise provided in the Option Agreement and subject to Section 7, if the Holder of an Option is terminated without Cause and such Option is currently exercisable at the time of such termination, then such Holder shall have the right to exercise such Option for 30 days after the date of such termination, and the Option shall expire at the end of such 30 day period.

6.6 Taxes. The Company or any Subsidiary shall be entitled, if the Committee deems it necessary or desirable, to withhold from an Option Holder's salary or other compensation (or to secure payment from the Option Holder in lieu of withholding) all or any portion of any withholding or other tax due from the Company or any Subsidiary with respect to any Shares deliverable under such Holder's Option or the Committee may (but need not) permit payment of such withholding by the Company's retention of Shares which would otherwise be transferred to the Option Holder upon exercise of the Option. In the event any Class A Common Stock is retained by the Company to satisfy all or any part of the withholding, the part of the withholding deemed to have been satisfied by such Class A Common Stock shall be equal to the product derived by multiplying the Per Share Market Value as of the date of exercise by the number of Shares retained by the Company. The number of Shares retained by the Company in satisfaction of withholding shall not be a number which when multiplied by the Per Share Market Value as of the date of exercise would result in a product greater than the withholding amount. No fractional Shares shall be retained by the Company in satisfaction of withholding. Notwithstanding Article 7, unless the Board shall otherwise determine, for each Share retained by the Company in satisfaction of all or any part of the withholding amount, the aggregate number of Shares subject to this Plan shall be increased by one Share. The Company may defer delivery under a Holder's Option until indemnified to its satisfaction with respect to such withholding or other taxes.

6.7 Securities Law Compliance. Each Option shall be subject to the condition that such Option may not be exercised if and to the extent the Committee determines that the sale of securities upon exercise of the Option may violate the Securities Act or any other law or requirement of any governmental authority. The Company shall not be deemed by any reason of the granting of any Option to have any obligation to register the Shares subject to such Option under the Securities Act or to maintain in effect any registration of such Shares which may be made at any time under the Securities Act. An Option shall not be exercisable if the Committee or the Board determines there is non-public information material to the decision of the Holder to exercise such Option which the Company cannot for any reason communicate to such Holder. Notwithstanding Sections 6.1, 6.3 and 6.5 and the terms of the Option Agreement, if (i) any Holder makes a bona fide request to exercise any Option which complies with Section 6.4, (ii) the

Committee or the Board determines such Option cannot be exercised for a period of time pursuant to this Section 6.7 and (iii) such Option expires during such period, then the term of such Option shall be extended until the end of such period; provided, however, that the term of an Incentive Stock Option cannot be extended beyond ten years after its Granting Date.

ARTICLE 7

SHARES SUBJECT TO THE PLAN

Except as provided in Sections 6.4 and 6.6 and Article 8, an aggregate of 790,000 shares of Class A Common Stock shall be subject to this Plan. Except as provided in Sections 6.4 and 6.6 and Article 8, the Options shall be limited so that the sum of the following shall not as of any given time exceed 790,000 Shares: (i) all Shares subject to Options outstanding under this Plan at the given time and (ii) all Shares which shall have been sold by the Company by reason of the exercise at or prior to the given time of any of the Options. The Class A Common Stock issued under the Plan may be either authorized and unissued shares, shares reacquired and held in the treasury of the Corporation, or both, all as from time to time determined by the Board. In the event any Option shall expire or be terminated before it is fully exercised, then all Shares formerly subject to such Option as to which such Option was not exercised shall be available for any Option subsequently granted in accordance with the provisions of this Plan.

ARTICLE 8

ADJUSTMENTS TO REFLECT ORGANIC CHANGES

The Board shall appropriately and proportionately adjust the number and kind of Shares subject to outstanding Options, the price for which Shares may be purchased upon the exercise of outstanding Options, and the number and kind of Shares available for Options subsequently granted under this Plan to reflect any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other change in the capitalization of the Company which the Board determines to be similar, in its substantive effect upon this Plan or the Options, to any of the changes expressly indicated in this sentence. The Board may (but shall not be required to) make any appropriate adjustment to the number and kind of Shares subject to outstanding Options, the price for which Shares may be purchased upon the exercise of outstanding Options, and the number and kind of Shares available for Options subsequently granted under this Plan to reflect any spin-off, spin-out or other distribution of assets to stockholders or any acquisition of the Company's stock or assets or other change which the Board determines to be similar, in its substantive effect upon

this Plan or the Options, to any of the changes expressly indicated in this sentence. The Committee shall have the power to determine the amount of the adjustment to be made in each case described in the preceding two sentences, but no adjustment approved by the Committee shall be effective until and unless it is approved by the Board. In the event of any reorganization, reclassification, consolidation, merger or sale of all or substantially all of the Company's assets which is effected in such a way that holders of Class A Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Class A Common Stock, the Board may (but shall not be required to) substitute the per share amount of such stock, securities or assets for Shares upon any subsequent exercise of any Option. If any fractional Share becomes subject to any Option as a result of any change made under this Article 8, then (i) such Option may not be exercised with respect to such fractional Share until and unless such Option is exercised as to all other Shares subject to such Option and (ii) if such Option is exercised with respect to such fractional Share, the Company shall have the right to deliver to the Holder in lieu of such fractional Share cash in an amount equal to the product derived by multiplying the fraction representing the portion of a full Share represented by such fractional Share times the Per Share Market Value on the exercise date of the Option with respect to such fractional Share established as prescribed in this Plan.

ARTICLE 9

AMENDMENT AND TERMINATION OF THE PLAN

9.1 Amendment. Except as provided in the following two sentences, the Board shall have complete power and authority to amend this Plan at any time and no approval by the Company's stockholders or by any other person, committee or other entity of any kind shall be required to make any amendment approved by the Board effective. The Board shall not, without the affirmative approval of the Company's stockholders, amend the Plan in any manner which would cause any outstanding Incentive Stock Options to no longer qualify as Incentive Stock Options. If any Section 16 Holder holds any Option, the Board shall not, without the affirmative vote of the holders of a majority of the securities of the Company present, or represented, and entitled to vote at a meeting duly held in accordance with applicable law, make any amendment to this Plan which materially (a) increases the benefits accruing to participants under this Plan, (b) increases the number of securities issuable under this Plan or (c) modifies the requirements as to eligibility for participation in this Plan. No termination or amendment of this Plan may, without the consent of the Holder of any Option prior to termination or the adoption of such amendment, materially and adversely affect the rights of such Holder under such Option.

9.2 Termination. The Board shall have the right and the power to terminate this Plan at any time, provided that no Incentive Stock Options may be granted after the tenth anniversary of the adoption of this Plan. No Option shall be granted under this Plan after the termination of this Plan, but the termination of this Plan shall not have any other effect. Any Option outstanding at the time of the termination of this Plan may be exercised after termination of this Plan at any time prior to the Expiration Date of such Option to the same extent such Option would have been exercisable had this Plan not terminated.

ARTICLE 10

INTERPRETATION OF THE PLAN

10.1 Definitions. Each term defined in this Section 10.1 has the meaning indicated in this Section 10.1 whenever such term is used in this Plan:

"Board of Directors" and "Board" both mean the Board of Directors of the Company as constituted at the time the term is applied.

"Class A Common Stock" means the issued or issuable Class A Common Stock, par value \$.01 per share, of the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" has the meaning such term is given in Section 2.1 of this Plan.

"Company" as applied as of any given time shall mean Automotive Industries Holding, Inc., a Delaware Corporation, except that if prior to the given time any corporation or other entity has acquired all or a substantial part of the assets of the Company (as herein defined) and has agreed to assume the obligations of the Company under this Plan, or is the survivor in a merger or consolidation to which the Company was a party, such corporation or other entity shall be deemed to be the Company at the given time.

"Expiration Date" as applied to any Option means the date specified in the Option Agreement between the Company and the Holder as the expiration date of such Option. If no expiration date is specified in the Option Agreement relating to any Option, then the Expiration Date of such Option shall be the day prior to the seventh anniversary of the Granting Date of such Option. Notwithstanding the preceding sentences, if the person to whom any Incentive Stock Option is granted owns, on the Granting Date of such Option, stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company (or of

any parent or Subsidiary of the Company in existence on the Granting Date of such Option), and if no expiration date is specified in the Option Agreement relating to such Option, then the Expiration Date of such Option shall be the day prior to the fifth anniversary of the Granting Date of such Option.

"Granting Date" has the meaning such term is given in Section 4.2 of this Plan.

"Holder" has the meaning such term is given in Section 5.4 of this Plan.

"Incentive Stock Option" means an incentive stock option, as defined in Code Section 422, which is granted pursuant to this Plan.

"Key Employee" has the meaning such term is given in Article 3 of this Plan.

"Option" has the meaning such term is given in Section 4.1 of this Plan.

"Option Agreement" has the meaning such term is given in Section 4.4 of this Plan.

"Permanent Disability" shall mean a physical or mental disability suffered by an initial grantee of an Option which the Committee determines in its sole discretion will permanently prevent such initial grantee from working for the Company in the same or a substantially similar position as such initial grantee occupied prior to suffering such disability.

"Permanent Disability Date" has the meaning such term is given in Section 6.5 of this Plan.

"Per Share Market Value" on any given date shall be the fair market value of one Share on the given date determined in such manner as shall be prescribed in good faith by the Committee.

"Plan" has the meaning such term is given in Section 1.1 of this Plan.

"Section 16 Holder" refers to any person who, with respect to the Company, is subject to Section 16 of the Securities Exchange Act of 1934, as amended, at any time or any law or statute which succeeds Section 16.

"Securities Act" at any given time shall consist of: (i) the Securities Act of 1933 as constituted at the given time; (ii) any other law or laws promulgated prior to the given time by the United States Government which are in effect at the given time and which regulate or govern any matters at any time regulated or

governed by the Securities Act of 1933; (iii) all regulations, rules, registration forms and other governmental pronouncements issued under the laws specified in clauses (i) and (ii) of this sentence which are in effect at the given time; and (iv) all interpretations by any governmental agency or authority of the things specified in clause (i), (ii) or (iii) of this sentence which are in effect at the given time. Whenever any provision of this Plan requires that any action be taken in compliance with any provision of the Securities Act, such provision shall be deemed to require compliance with the Securities Act as constituted at the time such action takes place.

"Share" means a share of Class A Common Stock.

"Subsidiary" means any corporation in which the Company owns, directly or indirectly, 50% or more of the total combined voting power of all classes of securities of such corporation.

"Termination Date" as applied to the initial grantee of any Option means the first date on which such initial grantee is not employed by either the Company or any Subsidiary for any reason (including, but not limited to, voluntary or involuntary termination of employment with the Company or any Subsidiary) other than death or Permanent Disability. The Committee may specify in the original terms of an Option (or if not so specified, shall determine) whether an authorized leave of absence or absence on military or government service or absence for any other reason shall constitute a termination of employment with the Company or any Subsidiary for the purposes of this Plan.

10.2 Headings. Section headings used in this Plan are for convenience only, do not constitute a part of this Plan and shall not be deemed to limit, characterize or affect in any way any provisions of this Plan. All provisions in this Plan shall be construed as if no headings had been used in this Plan.

10.3 Severability.

(a) General. Whenever possible, each provision in this Plan and in every Option at any time granted under this Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Plan or any Option at any time granted under this Plan is held to be prohibited by or invalid under applicable law, then (i) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law and (ii) all other provisions of this Plan and every Option at any time granted under this Plan shall remain in full force and effect.

(b) Incentive Stock Options. Whenever possible, each provision in this Plan and in every Option at any time granted under this Plan which is evidenced by an Option Agreement which

expressly states such Option is intended to constitute an Incentive Stock Option under Code Section 422 (an "intended ISO") shall be interpreted in such manner as to entitle such intended ISO to the tax treatment afforded by the Code to Options which do constitute Incentive Stock Options under Code Section 422, but if any provision of this Plan or any intended ISO at any time granted under this Plan is held to be contrary to the requirements necessary to entitle such intended ISO to the tax treatment afforded by the Code to Options which do constitute Incentive Stock Options under Code Section 422, then (i) such provision shall be deemed to have contained from the outset such language as shall be necessary to entitle such intended ISO to the tax treatment afforded by the Code to Options which do constitute Incentive Stock Options under Code Section 422, and (ii) all other provisions of this Plan and such intended ISO shall remain in full force and effect. If any Option Agreement covering an intended ISO granted under this Plan does not explicitly include any terms required to entitle such intended ISO to the tax treatment afforded by the Code to Options which do constitute Incentive Stock Options under Code Section 422, then all such terms shall be deemed implicit in the intention to afford such treatment to such Option and such Option shall be deemed to have been granted subject to all such terms.

10.4 No Strict Construction. No rule of strict construction shall be applied against the Company, the Committee or any other person in the interpretation of any of the terms of this Plan, any Option or any rule or procedure established by the Committee.

10.5 Choice of Law. This Plan and all documents contemplated hereby, and all remedies in connection therewith and all questions or transactions relating thereto, shall be construed in accordance with and governed by the laws of the State of Delaware.

FORM OF
OPTION ASSUMPTION AGREEMENT

THIS OPTION ASSUMPTION AGREEMENT (this "Agreement") is made as of August __, 1995 by and between Lear Seating Corporation ("Lear") and the optionee (the "Optionee") whose name is set forth on the signature page hereto.

WHEREAS, Lear, Automotive Industries Holding, Inc. ("AIH") and AIHI Acquisition Corp. ("Acquisition Corp.") have entered into that certain Agreement and Plan of Merger (the "Merger Agreement") dated as of July 16, 1995, whereby, among other things, Lear and Acquisition Corp. have offered to purchase all of the outstanding shares of AIH's Class A Common Stock (the "AIH Shares") at a price of \$33.50 per share. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Merger Agreement; and

WHEREAS, in connection with the transactions contemplated under the Merger Agreement, Lear has agreed to assume AIH's obligations under the AIH 1992 Key Employee Stock Option Plan (the "Stock Option Plan") upon consummation of the merger of Acquisition Corp. into AIH in accordance with the terms of the Merger Agreement (the "Merger"); and

WHEREAS, in connection with Lear's assumption of AIH's obligations under the Stock Option Plan, Lear has agreed, if the Optionee so desires, to assume upon consummation of the Merger AIH's obligations under each stock option agreement entered into between AIH and the Optionee under the Stock Option Plan, it being understood that AIH's grant to the Optionee of the right to purchase AIH Shares has been evidenced by one or more of the following agreements: (i) the stock option agreement dated July 25, 1992 between AIH and the Optionee (the "1992 Option Agreement"); (ii) the stock option agreement dated August 6, 1993 between AIH and the Optionee (the "1993 Option Agreement"); and (iii) the stock option agreement dated August 8, 1994 between AIH and the Optionee (the "1994 Option Agreement, and together with the 1992 Option Agreement, the 1993 Option Agreement, and any replacement stock option agreements, the "Option Agreements"); and

WHEREAS, the Optionee desires to convert: (i) the Optionee's right to purchase the number of AIH Shares set forth on the signature page hereto under the caption "Number of AIH Option Shares to be converted into Lear Options" opposite the number of shares granted pursuant to the 1992 Stock Option Agreement (the "1992 AIH Option Shares") into the right to purchase (the "1992 Lear Option") shares of Lear's Common Stock, \$.01 par value per share ("Lear Shares") as set forth in this agreement; (ii) the Optionee's right to purchase the number of AIH Shares set forth on the signature page hereto under the caption "Number of AIH Option Shares to be Converted into Lear Options" opposite the number of shares granted pursuant to the 1993 Stock Option Agreement (the "1993 AIH Option Shares") into the right to purchase (the "1993 Lear Option") Lear Shares as set forth in this Agreement; and (iii) the Optionee's right to purchase the number of AIH Shares set forth on the signature page hereto under the caption "Number of AIH Option Shares to be Converted into Lear Options" opposite the number of shares granted pursuant to the 1994 Stock Option Agreement (the "1994 Option Shares") into

the right to purchase (the "1994 Lear Option") Lear Shares, as set forth in this Agreement (the 1994 Lear Options, together with the 1992 Lear Option and the 1993 Lear Option, shall hereinafter be referred to collectively as the "Lear Options").

NOW THEREFORE, the parties agree as follows:

1. Consummation of Merger. The obligations of Lear under this Agreement are conditioned upon the consummation of the Merger. Upon the consummation of the Merger, this Agreement shall entitle the Optionee to purchase Lear Shares, subject to the terms and conditions of this Agreement, the Stock Option Plan and the Stock Option Agreements. In the event that the Merger is not consummated, neither Lear nor the Optionee shall have any rights, obligations or remedies under this Agreement.

2. Conversion. Upon consummation of the Merger, the right of the Optionee to purchase those AIH Option Shares set forth on the signature page hereto under the caption "Number of AIH Option Shares to be converted into Lear Options" shall be converted into the right to purchase that number of Lear Shares determined in accordance with Section 4 below at a price per Lear Share determined in accordance with Section 3 below. Upon the effectiveness of this Agreement, the Optionee shall have no right to receive those AIH Option Shares set forth on the signature page hereto under the caption "Number of AIH Option Shares to be converted into Lear Options" under any Option Agreement, and shall, with respect to those AIH Option Shares set forth on the signature page hereto under the caption "Number of AIH Option Shares to be converted into Lear Options", have the right to receive only those number of Lear Shares determined in accordance with Section 4 below at a price per Lear Share determined in accordance with Section 3 below.

3. Exercise Price of Lear Shares under the Lear Options. The exercise price of the Lear Shares shall be determined under this Section 3 as follows:

(a) 1992 Exercise Price. The exercise price per share of Lear Shares issuable under the 1992 Lear Option shall be the product of (i) the average closing price of Lear Shares as reported on the New York Stock Exchange for the period of the twenty (20) consecutive business days ending on the date of the consummation of the Merger (the "Lear Market Price") multiplied by (ii) the quotient of (x) \$16.875 divided by (y) \$33.50.

(b) 1993 Exercise Price. The exercise price per share of Lear Shares issuable under the 1993 Lear Option shall be the product of (i) the Lear Market Price multiplied by (ii) the quotient of (x) \$24.50 divided by (y) \$33.50.

(c) 1994 Exercise Price. The exercise price per share of Lear Shares issuable under the 1994 Lear Option shall be the product of (i) the Lear Market Price multiplied by (ii) the quotient of (x) \$27.75 divided by (y) \$33.50.

Notwithstanding the foregoing, the exercise price per Lear Share determined in accordance with this Section 3 shall be rounded to the nearest whole cent.

4. Number of Lear Shares Issuable. The number of Lear Shares issuable shall be determined under this Section 4 as follows:

(a) 1992 Lear Option. With respect to the 1992 Lear Option, the Optionee shall have the right to receive that number of Lear Shares equal to the quotient of (i) the product of (x) the number of 1992 AIH Option Shares multiplied by (y) 16.625, divided by (ii) the difference of (1) the Lear Market Price minus (2) the 1992 Exercise Price.

(b) 1993 Lear Option. With respect to the 1993 Lear Option, the Optionee shall have the right to receive that number of Lear Shares equal to the quotient of (i) the product of (x) the number of 1993 AIH Option Shares multiplied by (y) 9.00, divided by (ii) the difference of (1) the Lear Market Price minus (2) the 1993 Exercise Price.

(c) 1994 Lear Option. With respect to the 1994 Lear Option, the Optionee shall have the right to receive that number of Lear Shares equal to the quotient of (i) the product of (x) the number of 1994 AIH Option Shares multiplied by (y) 5.75, divided by (ii) the difference of (y) the Lear Market Price minus (2) the 1994 Exercise Price.

Notwithstanding the foregoing, the number of Lear Shares to be received by the Optionee in accordance with this Section 4 shall be rounded to the nearest whole Lear Share.

5. Vesting. Notwithstanding anything else to the contrary contained in the Stock Option Plan or any Option Agreement, the Lear Options received by the Optionee pursuant to this Agreement shall be automatically vested, and the Optionee may exercise the option to purchase Lear Shares hereunder at any time.

6. Ratification. This Agreement is limited as specified herein. Except as expressly set forth in this Agreement, the Stock Option Plan and each Option Agreement are hereby ratified and confirmed in all respects.

7. General Provisions.

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

(b) Complete Agreement. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Optionee, Lear and their respective successors and assigns; provided that the rights and obligations of the Optionee and Lear under this Agreement shall not be assignable without the prior written consent of the other party.

(e) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of Lear and the Optionee.

(f) Headings. Section and subsection headings are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purposes or be given substantive effect.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Option Assumption Agreement on the date first written above.

LEAR SEATING CORPORATION

By _____

Its _____

OPTIONEE:

[Optionee]

Number of AIH Option
Shares Granted

Number of AIH Option
Shares to be converted
into Lear Options

1992 AIH Option Shares

1993 AIH Option Shares

1994 AIH Option Shares

FORM OF OPTION CANCELLATION AGREEMENT

THIS AGREEMENT is made as of August __, 1995 by and between Automotive Industries Holding, Inc., a Delaware corporation (the "Company"), and the individual whose name appears on the signature page hereto (the "Optionee").

Pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement") dated as of July 16, 1995 by and among the Company, Lear Seating Corporation, a Delaware corporation ("Buyer"), and AIHI Acquisition Corp., a Delaware Corporation ("Merger Subsidiary"), Buyer and Merger Subsidiary have agreed to purchase all of the shares of the Company's Class A Common Stock (the "Shares") at a price of \$33.50 per share in cash (as such price may be increased pursuant to the Merger Agreement (the "Offer Price")). Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Merger Agreement.

In connection with the transactions contemplated under the Merger Agreement and as contemplated under the 1992 Key Employee Stock Option Plan, the Optionee desires to cancel the Optionee's stock options to purchase (i) the number of Shares set forth on the signature page hereto under the caption "Number of Option Shares to be Cancelled" (the "Cancelled 1992 Option Shares") opposite the number of Shares granted at an exercise price equal to \$16.875 (the "1992 Exercise Price") pursuant to that certain stock option agreement dated July 25, 1992 (the "1992 Options"), (ii) the number of Shares set forth on the signature page hereto under the caption "Number of Option Shares to be Cancelled" (the "Cancelled 1993 Option Shares") opposite the number of Shares granted at an exercise price equal to \$24.50 (the "1993 Exercise Price") pursuant to that certain stock option agreement dated August 6, 1993 (the "1993 Options") and (iii) the number of Shares set forth on the signature page hereto under the caption "Number of Option Shares to be Cancelled" (the "Cancelled 1994 Option Shares") opposite the number of Shares granted at an exercise price equal to \$27.75 (the "1994 Exercise Price") pursuant to that certain stock option agreement dated August 8, 1994 (the "1994 Options"). The 1992 Options, 1993 Options and 1994 Options, as well as any replacement stock option agreements, if any, are referred to collectively herein as the "Options." The Cancelled 1992 Option Shares, Cancelled 1993 Option Shares and Cancelled 1994 Option Shares are referred to collectively herein as the "Cancelled Option Shares."

In connection with such cancellations, the Company desires to pay to the Optionee an amount equal to (i) the number of Cancelled 1992 Option Shares multiplied by the excess of (a) the Offer Price over (b) the 1992 Exercise Price, plus (ii) the number of Cancelled 1993 Option Shares multiplied by the excess of (a) the Offer Price over (b) the 1993 Exercise Price plus (iii) the number of Cancelled 1994 Option Shares multiplied by the excess of (a) the Offer Price over (b) the 1994 Exercise Price (collectively, the "Cancellation Payment") in consideration for such cancellation.

NOW, THEREFORE, the parties agree as follows:

1. Cancellation. The Optionee hereby agrees to cancel and surrender all of the Optionee's rights under the Options which relate solely to the Cancelled Option Shares effective on the date of the consummation of the Merger, and the Company hereby agrees to pay to the Optionee on the date of the consummation of the Merger, or as soon as practicable thereafter, the Cancellation Payment. Notwithstanding the foregoing, the

Company shall be entitled to withhold from the Optionee the amount of any withholding or other tax due in connection with such cancellation.

2. Optionee's Representation and Warranties. As a material inducement to the Company to enter into this Agreement and make the Cancellation Payment, the Optionee hereby represents and warrants to the Company that:

(a) Capital Stock and Related Matters. Other than pursuant to the Options, the Optionee has no right, title or interest in any stock or securities convertible or exchangeable for any shares of the Company's capital stock and the Optionee does not have any right title or interest in any rights or options to subscribe for or to purchase the Company's capital stock or any stock or securities convertible into or exchangeable for the Company's capital stock. To the best of the knowledge of the Optionee, all of the Options are duly authorized and validly issued. The Optionee has good, marketable and unencumbered title to the Options, free and clear of all pledges, security interests, liens, claims, encumbrances, agreements, rights of first refusal, and options of any kind whatsoever.

(b) Authorization; No Breach. This Agreement has been duly executed and delivered by the Optionee. This Agreement constitutes a valid and binding obligation of the Optionee, enforceable in accordance with its terms. The execution and delivery by the Optionee of this Agreement and compliance with the terms hereof by the Optionee, do not and shall not (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in a violation of, or (iv) require any authorization, consent, approval, exemption or other action by or notice to any court or administrative or governmental body pursuant to, any law, statute, rule or regulation to which the Optionee is subject, or any agreement, instrument, order, judgment or decree to which the Optionee is a party or by which it is bound.

3. The Optionee shall indemnify, defend and hold harmless from and against any and all claims, losses, liabilities, costs, expenses, obligations and damages incurred or paid by the Company that would not have been sustained, incurred or paid if all of the representations and warranties set forth in Section 2 hereof had been true and correct; provided, however that the Optionee shall not be obligated to indemnify the Company for any amounts in excess of the Cancellation Payment.

4. Each of the Company and the Optionee does hereby forever release, discharge and acquit the other party from all claims, demands, obligations and liabilities, whensoever arising out of, connected with or relating to the Cancelled Option Shares and the cancellation thereof (except pursuant to Section 3 hereof).

5. General Provisions.

(a) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if 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 any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(b) Complete Agreement. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Optionee, the Company and their respective successors and assigns; provided that the rights and obligations of the Optionee and the Company under this Agreement shall not be assignable without the prior written consent of the other party.

(e) Choice of Law. The corporate law of the State of Delaware will govern all questions concerning the relative rights of the Company and the Optionee. All other questions concerning the construction, validity and interpretation of this Agreement will be governed by and construed in accordance with the internal laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois.

(f) Remedies. Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorneys' fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(g) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Optionee.

IN WITNESS WHEREOF, the parties hereto have executed this Option Cancellation Agreement on the date first written above.

AUTOMOTIVE INDUSTRIES HOLDING, INC.

By _____

Its _____

OPTIONEE:

[Optionee]

The number of Shares granted to [Optionee] pursuant to the Options, and the number of Shares elected to be cancelled:

	Number of Option Shares Granted -----	Number of Option Shares to be Cancelled -----
Shares granted pursuant to the 1992 Options:	[_____]	_____
Shares granted pursuant to the 1993 Options:	[_____]	_____
Shares granted pursuant to the 1994 Options:	[_____]	_____

August 10, 1995

Lear Seating Corporation
21557 Telegraph Road
Southfield, MI 48034

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

Ladies and Gentlemen:

We have acted as special counsel for Lear Seating Corporation, a Delaware corporation (the "Company"), in connection with the registration on Form S-8 of the offer and sale of up to 693,825 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 Automotive Industries Holding, Inc. 1992 Key Employee Stock Option Plan (collectively, the "AIH Stock Option Plan") after the AIH Stock Option Plan is assumed by the Company.

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 (the "By-Laws"); and (iv) resolutions of the Executive Committee 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.

Lear Seating Corporation
August 10, 1995
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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 AIH Stock Option Plan will be, upon payment of the specified exercise price therefor, legally issued, fully paid and nonassessable 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 15, 1995 included in Lear Seating Corporation's Form 10-K for the year ended December 31, 1994, and to all references to our firm included in this registration statement.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Detroit, Michigan
August 8, 1995

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 November 30, 1994 included in Lear Seating Corporation's Form 8-K/A filed on February 28, 1995, and to all references to our firm included in this registration statement.

/s/ Arthur Andersen & Co., s.a.s.

ARTHUR ANDERSEN & CO., s.a.s.

Turin, Italy
August 1, 1995