

LEAR CORP  
Form DEF 14A  
April 01, 2009

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Lear Corporation**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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21557 Telegraph Road  
Southfield, Michigan 48033

April 1, 2009

Dear Fellow Stockholder:

On behalf of the Board of Directors of Lear Corporation, you are cordially invited to attend the 2009 Annual Meeting of Stockholders to be held on May 21, 2009, at 10:00 a.m. (Eastern Time) at Lear Corporation's Corporate Headquarters at 21557 Telegraph Road, Southfield, Michigan 48033.

The attached proxy statement provides you with detailed information about the annual meeting. We encourage you to read the entire proxy statement carefully. You may also obtain more information about Lear from documents we have filed with the Securities and Exchange Commission.

We are delivering our proxy statement and annual report pursuant to the Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders over the Internet. We believe that this delivery method expedites stockholders' receipt of proxy materials and lowers the cost and environmental impact of our annual meeting. On or about April 8, 2009, we will mail to our stockholders a notice containing instructions on how to access our proxy materials. In addition, the notice includes instructions on how you can receive a paper copy of our proxy materials.

You are being asked at the annual meeting to elect directors, ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm, consider two stockholder proposals (if presented at the meeting) and transact any other business properly brought before the meeting.

Whether or not you plan to attend the annual meeting, your vote is important, and we encourage you to vote promptly. You may vote your shares via a toll-free telephone number, over the Internet or by completing, dating, signing and returning your proxy card, as described in the attached proxy statement and proxy card.

Thank you in advance for your cooperation and continued support.

Sincerely,

/s/ Robert E. Rossiter  
Robert E. Rossiter  
*Chairman, Chief Executive Officer and President*

This proxy statement is dated April 1, 2009, and is first being made available to stockholders electronically via the Internet on or about April 8, 2009.

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**LEAR CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**May 21, 2009**

**10:00 a.m., Eastern Time**

To the Stockholders of Lear Corporation:

The 2009 Annual Meeting of Stockholders will be held on May 21, 2009, at 10:00 a.m. (Eastern Time) at Lear Corporation's Corporate Headquarters at 21557 Telegraph Road, Southfield, Michigan 48033. The purpose of the meeting is to:

1. elect six directors;
2. ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2009;
3. consider two stockholder proposals, if presented at the meeting; and
4. conduct any other business properly brought before the meeting or any adjournments or postponements thereof.

Voting is limited to stockholders of record at the close of business on March 27, 2009. A list of stockholders entitled to vote at the meeting, and any postponements or adjournments of the meeting, will be available for examination between the hours of 9:00 a.m. and 5:00 p.m. at our headquarters at 21557 Telegraph Road, Southfield, Michigan 48033 during the ten days prior to the meeting and also at the meeting.

Your vote is important. Whether or not you plan to attend the annual meeting, please vote your shares via the toll-free telephone number, over the Internet or by completing, signing and dating the proxy card, as described in the attached proxy statement and proxy card. Your prompt cooperation is greatly appreciated.

By Order of the Board of Directors,

/s/ Terrence B. Larkin

Terrence B. Larkin

*Senior Vice President, General Counsel and Corporate Secretary*

April 1, 2009

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**LEAR CORPORATION  
21557 Telegraph Road  
Southfield, Michigan 48033**

**SUMMARY OF THE ANNUAL MEETING**

**Annual Meeting**

The 2009 Annual Meeting of Stockholders (the Annual Meeting ) of Lear Corporation (referred to herein as the Company, Lear, we, us or our as the context requires) will be held at Lear's Corporate Headquarters at 21557 Telegraph Road, Southfield, Michigan 48033, on May 21, 2009, at 10:00 a.m. (Eastern Time).

**Record Date**

The date fixed to determine stockholders entitled to notice of and to vote at the meeting is the close of business on March 27, 2009.

**Notice of Electronic Availability of Proxy Statement and Annual Report**

As permitted by rules adopted by the United States Securities and Exchange Commission (the SEC ), we are making this proxy statement and our annual report available to stockholders electronically via the Internet. On or about April 8, 2009, we will mail to our stockholders a notice (the Notice ) containing instructions on how to access this proxy statement, the proxy card and our annual report. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice.

The SEC's rules permit us to deliver a single Notice or set of proxy materials to one address shared by two or more of our stockholders. This delivery method is referred to as householding and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one Notice to multiple stockholders who share an address, unless we received contrary instructions from the impacted stockholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the Notice and, if applicable, proxy materials, as requested, to any stockholder at the shared address to which a single copy of these documents was delivered. If you prefer to receive separate copies of the notice, proxy statement or annual report, contact Broadridge Financial Solutions, Inc. by calling 1-800-542-1061 or in writing at Broadridge, Household Department, 51 Mercedes Way, Edgewood, New York 11717.

If you currently are a stockholder who shares an address with another stockholder and would like to receive only one copy of future notices and proxy materials for your household, please contact Broadridge at the above telephone number or address or contact Lear directly at Lear Corporation, 21557 Telegraph Road, Southfield, Michigan 48033, Attention: Investor Relations.

**Agenda**

The agenda for the meeting is to:

1. elect six directors;

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2. ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2009;
3. consider two stockholder proposals, if presented at the meeting; and
4. conduct any other business properly brought before the meeting or any adjournments or postponements thereof.

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### **Proxy Solicitation**

Lear's Board of Directors (the Board) is soliciting your proxy to vote your shares at our Annual Meeting. We have engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the Annual Meeting for a fee of approximately \$5,000 plus reimbursement of reasonable out-of-pocket expenses.

### **Information about Voting**

You may vote in person at the Annual Meeting or by proxy. There are three ways to vote by proxy:

By Internet You can vote over the Internet at [www.proxyvote.com](http://www.proxyvote.com) by following the instructions on the proxy card;

By Telephone You can vote by telephone by calling 1-800-690-6903 and following the instructions on the proxy card; and

By Mail You can vote by completing, dating, signing and returning the proxy card.

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (Eastern Time) on May 20, 2009.

Your proxy will be voted in accordance with your instructions, so long as, in the case of a proxy card returned by mail, such card has been executed and dated. If you execute and return your proxy card by mail but provide no specific instructions in the proxy card, your shares will be voted FOR our Board's director nominees named on the proxy card, FOR the ratification of the appointment of our independent registered public accounting firm, and AGAINST the approval of the stockholder proposals, if presented.

We do not intend to bring any matters before the meeting except those indicated in the notice of Annual Meeting and described in this proxy statement, and we do not know of any matter which anyone else intends to present for action at the meeting. If any other matters properly come before the meeting, however, the persons named in the enclosed proxy will be authorized to vote or otherwise act in accordance with their judgment.

### **Revoking Proxies**

You may revoke your proxy at any time before it is voted at the meeting by:

delivering to Terrence B. Larkin, our Senior Vice President, General Counsel and Corporate Secretary, a signed, written revocation letter dated later than the date of your proxy;

submitting a proxy to Lear by telephone, Internet or mail that is dated later than the date of any proxy previously submitted; or

attending the meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting to revoke your proxy).

### **Outstanding Shares**

On the record date, there were approximately 77,516,479 shares of our common stock, par value \$0.01 per share, outstanding. Our common stock is the only class of our voting securities outstanding.

**Quorum**

A quorum is established when a majority of shares entitled to vote is present at the meeting, either in person or by proxy. Abstentions and broker non-votes (as described below under Required Vote ) are counted for purposes of determining whether a quorum is present.

**Voting**

Each share of common stock that you hold as of the record date entitles you to one vote, without cumulation, on each matter to be voted upon at the meeting.

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### **Required Vote**

Our directors are elected by a plurality of the votes cast by the holders of our common stock. Plurality means that the six individuals who receive the highest number of the votes will be elected as directors. Any shares not voted (whether by abstention, broker non-vote or otherwise) have no impact on the election of directors except to the extent that the failure to vote for an individual results in another individual receiving a higher number of votes.

For each other item, the affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote on the item will be required for approval.

Abstentions on any matter other than the election of directors will not be voted but will be counted for purposes of determining whether there is a quorum. Accordingly, an abstention will have the effect of a negative vote on such items.

### **Shares Held Through a Bank, Broker or Other Nominee**

If you hold your shares in street name through a bank, broker or other nominee, such bank, broker or nominee will vote those shares in accordance with your instructions. To so instruct your bank, broker or nominee, you should follow the information provided to you by such entity. Without instructions from you, a bank, broker or nominee will be permitted to exercise its own voting discretion with respect to so-called routine matters (Proposals No. 1 and 2) but may not be permitted to exercise voting discretion with respect to non-routine matters Proposals No. (3 and 4). Thus, if you do not give your bank, broker or nominee specific instructions with respect to Proposal No. 1 (election of directors) and Proposal No. 2 (ratification of auditors), your shares will be voted in such entity's discretion. If you do not give your bank, broker or nominee specific instructions with respect to the remaining proposals, if presented at the meeting, your shares will not be voted on such proposals. These shares are called broker non-votes. Shares represented by such broker non-votes will be counted in determining whether there is a quorum. Broker non-votes are not considered votes for or against any particular proposal and therefore will have no direct impact on any proposal. We urge you to provide your bank, broker or nominee with appropriate voting instructions so that all your shares may be voted at the meeting.

### **Notice to Participants in the Lear Corporation Salaried Retirement Program and Lear Corporation Hourly Retirement Savings Plan (the Plans )**

The Northern Trust Company (the Trustee ) serves as trustee under the Lear Corporation Retirement Savings Trust Salaried Plan and the Lear Corporation Retirement Savings Trust Hourly Plan. If you are a participant in one of the Plans, you have the right to direct the Trustee to vote the shares of Lear Corporation held in your account(s), subject to Part 4 of Title I of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ). The Trustee will vote shares of Lear Corporation for which no direction is received ( Undirected Shares ), in the same proportion as the shares for which direction is received, except as otherwise provided in accordance with ERISA. Under the Plans, participants are named fiduciaries to the extent of their authority to direct the voting of shares held in their accounts and their proportionate share of Undirected Shares. You may direct the Trustee to vote these shares in accordance with your instructions by voting by telephone, Internet or completing, signing and returning the proxy card, as described in this proxy statement.

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**ELECTION OF DIRECTORS  
(PROPOSAL NO. 1)**

The Board currently consists of three classes. Prior to the 2008 annual meeting of stockholders, one class of directors was elected at each annual meeting of stockholders to serve a three-year term. In July 2007, our Certificate of Incorporation was amended to begin declassifying the Board. As a result of the amendment, directors elected at each annual meeting of stockholders will hold office until their successors are elected at the next-succeeding annual meeting of stockholders. Directors not up for election this year will continue in office for the remainder of their terms, and the terms of all of our directors will expire at the annual meeting of stockholders in 2010.

The Nominating and Corporate Governance Committee has nominated Messrs. David E. Fry, Conrad L. Mallett, Jr., Robert E. Rossiter, David P. Spalding, James A. Stern and Henry D.G. Wallace to stand for election to the Board. The Board has determined that Messrs. Fry, Mallett, Spalding, Stern and Wallace are independent directors, as further described below in Directors and Beneficial Ownership Independence of Directors. Unless contrary instructions are given, the shares represented by your proxy will be voted FOR the election of all nominees.

All nominees have consented to being named in this proxy statement and to serve if elected. However, if any nominee becomes unable to serve, proxy holders will have discretion and authority to vote for another nominee proposed by our Board. Alternatively, our Board may reduce the number of directors to be elected at the meeting.

**Nominees For Terms Expiring at the 2010 Annual Meeting**

*David E. Fry*

*Age: 66*

Dr. Fry, who has been a director of Lear since August 2002, had served as the President and Chief Executive Officer of Northwood University, a university of business administration with campuses in Midland, Michigan, Dallas, Texas and Palm Beach, Florida, from 1982 until early 2006 and is now President Emeritus. Dr. Fry also serves as a director of Decker Energy International. Dr. Fry is also a director and member of the executive committee of the Automotive Hall of Fame and past Chairman of the Michigan Higher Education Facilities Authority.

*Conrad L. Mallett, Jr.*

*Age: 55*

Justice Mallett, who has been a director of Lear since August 2002, has been the President and CEO of Sinai-Grace Hospital since August 2003. Prior to his current position, Justice Mallett served as the Chief Administrative Officer of the Detroit Medical Center since March 2003. Previously, he served as President and General Counsel of Hawkins Food Group LLC from April 2002 to March 2003, and Chief Operating Officer for the City of Detroit from January 2002 to April 2002. From August 1999 to April 2002, Justice Mallett was General Counsel and Chief Administrative Officer of the Detroit Medical Center. Justice Mallett was also a Partner in the law firm of Miller, Canfield, Paddock & Stone from January 1999 to August 1999. Justice Mallett was a Justice of the Michigan Supreme Court from December 1990 to January 1999 and served a two-year term as Chief Justice beginning in 1997. Justice Mallett also serves as a General Board Member of the Metropolitan Detroit YMCA.

*Robert E. Rossiter*

*Age: 63*

Mr. Rossiter is our Chairman, Chief Executive Officer and President, a position he has held since August 2007. Mr. Rossiter has served as our Chairman since January 2003, our Chief Executive Officer since October 2000, our President since August 2007 and from 1984 until December 2002 and our Chief Operating Officer from 1988 until

April 1997 and from November 1998 until October 2000. Mr. Rossiter also served as our Chief Operating Officer International Operations from April 1997 until November 1998. Mr. Rossiter has been a director of Lear since 1988.

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*David P. Spalding*

*Age: 54*

Mr. Spalding has been a director of Lear since 1991. Mr. Spalding is the Vice President of Alumni Relations for Dartmouth College, a position he has held since October 2005. Prior to joining Dartmouth College, Mr. Spalding was a Vice Chairman of The Cypress Group L.L.C., a private equity fund manager, since 1994. Mr. Spalding also serves as a director for AMTROL Holdings, Inc., and he is the chairman of the investment committee of the Make-A-Wish Foundation of Metro New York.

*James A. Stern*

*Age: 58*

Mr. Stern has been a director of Lear since 1991. Mr. Stern is Chairman and Chief Executive Officer of The Cypress Group L.L.C., a private equity fund manager, a position he has held since 1994. He is also a director of Affinia Group Inc. and Cooper-Standard Automotive, Inc.

*Henry D.G. Wallace*

*Age: 63*

Mr. Wallace has been a director of Lear since February 2005. Mr. Wallace worked for 30 years at Ford Motor Company until his retirement in 2001 and held several executive-level operations and financial oversight positions, most recently as Group Vice President, Mazda & Asia Pacific Operations in 2001, Chief Financial Officer in 2000 and Group Vice President, Asia Pacific Operations in 1999. Mr. Wallace also serves as a director of AMBAC Financial Group, Inc., Diebold, Inc. and Hayes-Lemmerz International, Inc.

**YOUR BOARD RECOMMENDS A VOTE FOR THE ELECTION OF EACH NOMINEE.**

**PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE VOTED FOR THE PROPOSAL  
UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.**



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**DIRECTORS AND BENEFICIAL OWNERSHIP**

**Directors**

Set forth below is a description of the business experience of each of our directors other than Messrs. Fry, Mallett, Rossiter, Spalding, Stern and Wallace, whose biographies are set forth above in Election of Directors (Proposal No. 1), and Messrs. James H. Vandenberghe and Vincent J. Intrieri. Mr. Vandenberghe retired as our Vice Chairman in May 2008, and Mr. Intrieri resigned from our Board in November 2008. The terms of all our directors will expire at the annual meeting in 2010 as a result of the declassification of our Board.

*Larry W. McCurdy*

*Age: 73*

Mr. McCurdy has been a director of Lear since 1988. In July 2000, Mr. McCurdy retired from Dana Corporation, a motor vehicle parts manufacturer and aftermarket supplier, where he served as President, Dana Automotive Aftermarket Group, since July 1998. Mr. McCurdy was Chairman of the Board, President and Chief Executive Officer of Echlin, a motor vehicle parts manufacturer, from March 1997 until July 1998 when it was merged into Dana Corporation. Prior to this, Mr. McCurdy was Executive Vice President, Operations of Cooper Industries, a diversified manufacturing company, from April 1994 to March 1997. Mr. McCurdy also serves as a director of General Parts Inc. and Mohawk Industries, Inc., as well as the non-executive Chairman of Affinia Group Inc., a privately-held supplier of aftermarket motor vehicle parts.

*Roy E. Parrott*

*Age: 68*

Mr. Parrott has been a director of Lear since February 1997. In January 2003, Mr. Parrott retired from Metaldyne Corporation where he served as President of Business Operations since December 2000. Metaldyne Corporation, an integrated metal solutions supplier, purchased Simpson Industries, Inc. in December 2000. Previously, Mr. Parrott was the Chief Executive Officer of Simpson Industries, Inc. from 1994 to December 2000 and Chairman of Simpson Industries, Inc. from November 1997 to December 2000. In January 2007, Mr. Parrott completed his term as Chairman of the Board of Michigan Biotechnology Institute (M.B.I.), a non-profit corporation dedicated to the research and commercial development of physical science technologies, a position which he held since June 2005. Mr. Parrott continues to serve as a director of M.B.I.

*Richard F. Wallman*

*Age: 57*

Mr. Wallman has been a director of Lear since November 2003. Mr. Wallman has more than 25 years of executive-level operations and financial oversight experience, most recently as Senior Vice President and Chief Financial Officer of Honeywell International, Inc. from 1999 to 2003 and of its predecessor, AlliedSignal, Inc., from 1995 to 1999. He has also held positions with International Business Machines Corporation, Chrysler Corporation and Ford Motor Company. In addition, Mr. Wallman serves as a director of Hayes-Lemmerz International, Inc., Ariba, Inc., Roper Industries, Inc. and Convergys Corporation.

**Board Information**

***Corporate Governance***

The Board has approved Corporate Governance Guidelines and a Code of Business Conduct and Ethics. All of our corporate governance documents, including the Corporate Governance Guidelines, the Code of Business Conduct and

Ethics and committee charters, are available on our website at [www.lear.com](http://www.lear.com) or in printed form upon request by contacting Lear Corporation at 21557 Telegraph Road, Southfield, Michigan 48033, Attention: Investor Relations. The Board regularly reviews corporate governance developments and modifies these documents as warranted. Any modifications will be reflected on our website.

***Board Meetings***

In 2008, our full Board held seven meetings and executed one written consent. In addition to our full Board meetings, our directors attend meetings of committees established by our Board. Each director participated in at

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least 75% of the total number of meetings of our Board and the committees on which he serves. Our directors are encouraged to attend all annual and special meetings of our stockholders. In 2008, our annual meeting of stockholders was held on May 8, 2008, and all of our directors attended.

### ***Meetings of Non-Employee Directors***

In accordance with our Corporate Governance Guidelines and the listing standards of the NYSE, our non-management directors meet regularly in executive sessions of the Board without management present. Our non-management directors have elected Larry W. McCurdy as the Presiding Director of such non-management sessions of our Board.

### ***Communications to the Board***

Stockholders and interested parties can contact the Board (including the Presiding Director and non-management directors) through written communication sent to Lear Corporation, 21557 Telegraph Road, Southfield, Michigan 48033, Attention: Terrence B. Larkin, Senior Vice President, General Counsel and Corporate Secretary. Our General Counsel reviews all written communications and forwards to the Board a summary and/or copies of any such correspondence that is directed to the Board or that, in the opinion of the General Counsel, deals with the functions of the Board or Board Committees or that he otherwise determines requires the Board's or any Board Committee's attention. Concerns relating to accounting, internal accounting controls or auditing matters are immediately brought to the attention of our internal audit department and handled in accordance with procedures established by the Audit Committee with respect to such matters. From time to time, the Board may change the process by which stockholders may communicate with the Board. Any such changes will be reflected in our Corporate Governance Guidelines, which are posted on our website at [www.lear.com](http://www.lear.com).

Communications of a confidential nature can be made directly to our non-management directors or the Chairman of the Audit Committee regarding any matter, including any accounting, internal accounting control or auditing matter, by submitting such concerns to the Audit Committee or the Presiding Director. Any submissions to the Audit Committee or the Presiding Director should be marked confidential and addressed to the Chairman of the Audit Committee or the Presiding Director, as the case may be, c/o Lear Corporation, P.O. Box 604, Southfield, Michigan 48037. In addition, confidential communications may be submitted in accordance with other procedures set forth from time to time in our Corporate Governance Guidelines, which are posted on our website at [www.lear.com](http://www.lear.com). Any submission should contain, to the extent possible, a full and complete description of the matter, the parties involved, the date of the occurrence or, if the matter is ongoing, the date the matter was initiated and any other information that the reporting party believes would assist the Audit Committee or the Presiding Director in the investigation of such matter.

### ***Audit Committee***

In 2008, the Audit Committee, which held ten meetings during the year, consisted of Messrs. McCurdy, Stern, Wallace and Wallman, all of whom were non-employee directors and currently remain members of the committee. Mr. Wallace served in 2008, and continues to serve, as the Chairman of the Audit Committee. The Board has determined that all of the members of the Audit Committee are independent as defined in the listing standards of the NYSE and that all such members are financially literate. In addition, the Board has determined that Messrs. McCurdy, Wallace and Wallman are audit committee financial experts, as defined in Item 407(d) of Regulation S-K under the Securities Exchange Act of 1934, as amended, and have accounting or related financial management expertise. Our Corporate Governance Guidelines limit the number of public company audit committees on which an Audit Committee member can serve to three or less audit committees (including the Company's Audit Committee) without approval of the Board. For a description of the Audit Committee's responsibilities and findings, see Audit Committee Report on page 53. The Audit Committee operates under a written charter setting forth its functions and

responsibilities. A copy of the current charter is available on our website at [www.lear.com](http://www.lear.com) or in printed form upon request.

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### ***Compensation Committee***

In 2008, the Compensation Committee, which held five meetings during the year, consisted of Messrs. Mallett, Parrott, Spalding and Wallman, all of whom were non-employee directors and currently remain members of the committee. Mr. Spalding served in 2008, and continues to serve, as the Chairman of the Compensation Committee. The Board has determined that all of the current members of the Compensation Committee are independent as defined in the listing standards of the NYSE. The Compensation Committee has overall responsibility for approving and evaluating director and officer compensation plans, policies and programs of the Company and reviewing the disclosure of such plans, policies and programs to our stockholders in the annual proxy statement. The Compensation Committee operates under a written charter setting forth its functions and responsibilities. A copy of the current charter is available on our website at [www.lear.com](http://www.lear.com) or in printed form upon request.

In consultation with the Company's management, the Compensation Committee establishes the general policies relating to senior management compensation and oversees the development and administration of such compensation programs. Our human resources executives and staff support the Compensation Committee in its work. These members of management work with compensation consultants whose engagements have been approved by the committee, accountants and legal counsel, as necessary, to implement the Compensation Committee's decisions, to monitor evolving competitive practices and to make compensation recommendations to the Compensation Committee. Our human resources management develops specific compensation recommendations for senior executives, which are first reviewed by senior management and then presented to the Compensation Committee and its independent compensation consultant. The committee has final authority to approve, modify or reject the recommendations and to make its decisions in executive session. The Compensation Committee approves all awards to executive officers. Under our equity award policy, an aggregate equity award pool to non-executives may be approved by the Compensation Committee and allocated to individuals by a committee consisting of the CEO and the Chairman of the Compensation Committee.

The Compensation Committee has retained Towers Perrin as its independent compensation consultant. The consultant reports directly to the committee as requested, including with respect to management's recommendations of compensation programs and awards. The Compensation Committee has the sole authority to approve the scope and terms of the engagement of such compensation consultant and to terminate such engagement. The mandate of the consultant is to serve the Company and work for the Compensation Committee in its review of executive compensation practices, including the competitiveness of pay levels, design issues, market trends and technical considerations. Towers Perrin has assisted the committee with the development of competitive market data and a related assessment of the Company's executive compensation levels, evaluation of long-term incentive grant strategy and compilation and review of total compensation data and tally sheets (including data for certain termination and change in control scenarios) for certain of the Company's Named Executive Officers (as defined in Compensation Discussion and Analysis). As part of this process, the committee also reviewed a comprehensive global survey of peer group companies which was compiled by Towers Perrin in 2008 and is generally compiled every two years. In 2007, Towers Perrin also prepared a survey of peer group companies with respect to executive officer compensation amounts and trends. See, Compensation Discussion and Analysis Benchmarking beginning on page 19.

### ***Nominating and Corporate Governance Committee***

In 2008, the Nominating and Corporate Governance Committee, which held three meetings during the year, consisted of Messrs. Fry, Intrieri, McCurdy and Stern, all of whom, other than Mr. Intrieri, currently remain members of the committee. Mr. Stern served in 2008, and continues to serve, as the Chairman of the Nominating and Corporate Governance Committee. Mr. Intrieri served on the Nominating and Corporate Governance Committee until his resignation from the Board in November 2008. The Board of Directors has determined that the current members of the Nominating and Corporate Governance Committee are independent as defined in the listing standards of the NYSE.

The Nominating and Corporate Governance Committee is responsible for, among other things: (i) identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board; (ii) recommending to the Board director nominees for the next annual meeting of the stockholders of Lear; (iii) in the event

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of a vacancy on or an increase in the size of the Board, recommending to the Board director nominees to fill such vacancy or newly established Board seat; (iv) recommending to the Board director nominees for each committee of the Board; (v) establishing and reviewing annually our Corporate Governance Guidelines and Code of Business Conduct and Ethics; and (vi) reviewing potential conflicts of interest involving our executive officers. The Nominating and Corporate Governance Committee operates under a written charter setting forth its functions and responsibilities. A copy of the current charter is available on our website at [www.lear.com](http://www.lear.com) or in printed form upon request.

### ***Executive Committee***

In 2008, the Executive Committee, which held one meeting and executed one written consent during the year, consisted of Messrs. McCurdy, Rossiter, Spalding, Stern and Wallace, all of whom currently remain members of the committee. Mr. Stern served in 2008, and continues to serve, as Chairman of the Executive Committee. The Executive Committee meets, as needed, during intervals between meetings of our Board and may exercise certain powers of our Board relating to the general supervision and control of the business and affairs of the Company.

### ***Recommendation of Directors by Stockholders***

In accordance with its charter, the Nominating and Corporate Governance Committee will consider candidates for election as a director of the Company recommended by any Lear stockholder, provided that the recommending stockholder follows the procedures set forth in Section 2.3 of Lear's By-Laws for nominations by stockholders of persons to serve as directors.

Pursuant to Section 2.3 of the By-Laws, nominations of persons for election to the Board at a meeting of stockholders may be made by any stockholder of the Company entitled to vote for the election of directors at the meeting who sends a timely notice in writing to our Corporate Secretary. To be timely, a stockholder's notice must be delivered to, or mailed and received by, our Corporate Secretary at the Company's principal executive offices not less than 60 nor more than 90 days prior to the meeting; provided, however, that if Lear has not publicly disclosed the date of the meeting at least 70 days prior to the meeting date, notice may be timely made by a stockholder if received by our Corporate Secretary not later than the close of business on the tenth day following the day on which Lear publicly disclosed the meeting date. For purposes of the By-Laws, publicly disclosed or public disclosure means disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by us with the SEC.

The stockholder's notice or recommendation is required to contain certain prescribed information about each person whom the stockholder proposes to recommend for election as a director, the stockholder giving notice and the beneficial owner, if any, on whose behalf notice is given. The stockholder's notice must also include the consent of the person proposed to be nominated and to serve as a director if elected. Recommendations or notices relating to director nominations should be sent to Lear Corporation, 21557 Telegraph Road, Southfield, Michigan 48033; Attention: Terrence B. Larkin, Senior Vice President, General Counsel and Corporate Secretary.

A copy of our By-Laws, as amended, has been filed as an exhibit to our Current Report on Form 8-K filed with the SEC on February 17, 2009.

### ***Criteria for Selection of Directors***

The following are the general criteria for the selection of Lear's directors that the Nominating and Corporate Governance Committee utilizes in evaluating candidates for Board membership. None of the following criteria should be construed as minimum qualifications for director selection nor is it expected that director nominees will possess all

of the criteria identified. Rather, they represent the range of complementary talents, backgrounds and experiences that the Nominating and Corporate Governance Committee believes would contribute to the effective functioning of our Board. The general criteria set forth below are not listed in any particular order of importance:

Strong automotive background, with an understanding of Lear's customers and markets;

Extensive general business background with a record of achievement;



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Financial and accounting expertise;

Gender, racial and geographic diversity;

Strong international experience, particularly in those regions in which Lear seeks to conduct business;

Understands the potential role of technology in the development of Lear's business;

Marketing or sales background in the automotive industry;

Schedule is sufficiently flexible to permit attendance at Board meetings at regularly scheduled times;

A contributor but accepting of opinions of others and supportive of decisions that are in the stockholders' best interests;

Able to assimilate complex business problems and analyze them in the context of Lear's strategic goals; and

A team player yet possessing independence to appropriately question and challenge corporate strategy, as required.

The Nominating and Corporate Governance Committee is responsible for, subject to approval by the Board, establishing and periodically reviewing the criteria for Board membership and selection of new directors, including independence standards. The Nominating and Corporate Governance Committee may also recommend to the Board changes to the portfolio of director skills, experience, perspective and background required for the effective functioning of the Board considering Lear's strategy and its regulatory, geographic and market environments. Any such changes to the director selection criteria must be approved by the Board.

The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and other Board members, as well as management and stockholders. Once a potential candidate has been identified, the Nominating and Corporate Governance Committee evaluates the potential candidate based on the Board's criteria for selection of directors (described above) and the composition and needs of the Board at the time.

If a director candidate were to be recommended by a stockholder in accordance with the procedures set forth under Recommendation of Directors by Stockholders above, the Nominating and Corporate Governance Committee would evaluate such candidate in the same manner in which it evaluates other director candidates considered by the committee.

The Nominating and Corporate Governance Committee has approved the retention of Russell Reynolds Associates, Inc., a third-party search firm, to assist the committee with its search for qualified director candidates. The firm has the task of identifying potential director candidates based on the criteria for the selection of Lear's directors approved by the Board of Directors.

**Independence of Directors**

The Board has adopted Corporate Governance Guidelines to address significant issues of corporate governance, including Board and Board Committee composition and responsibilities, compensation of directors, executive selection and succession planning and director tenure. The Nominating and Corporate Governance Committee is responsible for overseeing and reviewing the Corporate Governance Guidelines and reporting and recommending to

the Board any changes to the Guidelines.

Our Corporate Governance Guidelines provide that a majority of the members of the Board, and each member of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, must meet the criteria for independence set forth under applicable law and the NYSE listing standards. No director qualifies as independent unless the Board determines that the director has no direct or indirect material relationship with the Company. The Board has established guidelines to assist in determining director independence. These guidelines are part of our Corporate Governance Guidelines, available on our website at [www.lear.com](http://www.lear.com), and are set forth in Annex A to this proxy statement. In addition to applying these director independence guidelines and the NYSE independence guidelines, the Board will consider all relevant facts and circumstances of which it is aware in making an independence determination with respect to any director.

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Based on our director independence guidelines and the NYSE independence guidelines, the Board has affirmatively determined that (i) Messrs. Fry, Intrieri, Mallett, McCurdy, Parrott, Spalding, Stern and Wallman (A) have only immaterial relationships with us, (B) meet our director independence guidelines and the NYSE independence guidelines with respect to such relationships and (C) are independent, (ii) Mr. Wallace (A) has only immaterial relationships with us, (B) meets our director independence guidelines with respect to such relationships, other than the relationship relating to his brother discussed below, (C) meets the NYSE independence guidelines with respect to all such relationships and (D) is independent and (iii) Messrs. Rossiter and Vandenberghe are not independent. Mr. Rossiter is our Chairman, Chief Executive Officer and President, and Mr. Vandenberghe was our Vice Chairman until May 2008. In making its independence determinations, the Board also considered the additional factors described below.

In making its determination with respect to Mr. Intrieri, the Board considered that Mr. Intrieri is employed by, and/or a director of, various entities controlled by Mr. Carl Icahn, whose affiliates beneficially owned up to approximately 16% of our outstanding common stock during a portion of 2008. Since November 2008, affiliates of Mr. Icahn have owned less than 5% of our outstanding common stock. Lear's business with any of such entities, other than Federal-Mogul Corporation, was inconsequential in each of the last three years. The Board also considered the fact that Lear has done business for the past several years with Federal-Mogul Corporation for which Mr. Intrieri serves as a director and affiliates of Mr. Icahn hold a controlling interest. The Board noted that (i) Lear's business with Federal-Mogul was significantly less than the thresholds contained in the NYSE's guidelines and Lear's independence guidelines, (ii) Lear's business relationship with Federal-Mogul predates Mr. Icahn's holding a significant equity interest in Lear, and (iii) Mr. Intrieri has had no involvement in Lear's business with Federal-Mogul. The Board also considered the fact that Mr. Intrieri is a director of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises, L.P. (formerly known as American Real Estate Partners, L.P.). In 2007, Lear paid certain amounts to a subsidiary of Icahn Enterprises, L.P. in connection with the termination of the merger agreement between Lear and subsidiaries of Icahn Enterprises, L.P. The Board considered that (i) such amounts were less than the thresholds contained in the NYSE's guidelines, (ii) the merger agreement was negotiated on an arm's-length basis and (iii) Mr. Intrieri recused himself from participation in Lear's discussions and negotiations with respect to the merger agreement. The Board has concluded that these relationships are not material and that Mr. Intrieri is independent.

In making its determination with respect to Mr. McCurdy, the Board considered the fact that Mr. McCurdy serves as the non-executive chairman of the board of directors of a company (i) for which Mr. Stern is an invest