

# LEAR CORP

## **FORM 8-K** (Current report filing)

Filed 02/14/18 for the Period Ending 02/14/18

Address	21557 TELEGRAPH ROAD SOUTHFIELD, MI, 48033
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Sector	Consumer Cyclical
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): February 14, 2018**

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**LEAR CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation)

**1-11311**  
(Commission File Number)

**13-3386776**  
(IRS Employer Identification Number)

**21557 Telegraph Road, Southfield, MI**  
(Address of principal executive offices)

**48033**  
(Zip Code)

**(248) 447-1500**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(e) of the Exchange Act

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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e)

On February 14, 2018, Lear Corporation (the “Company”) entered into a Second Amended and Restated Employment Agreement with Raymond E. Scott in connection with Mr. Scott’s previously disclosed appointment as President and Chief Executive Officer of the Company as the successor to Matthew J. Simoncini in that role, effective March 1, 2018 (the “Scott Agreement”).

Pursuant to the Scott Agreement, Mr. Scott will serve as the Company’s President and Chief Executive Officer. Mr. Scott will receive an initial annual base salary of \$1,160,000 and will remain eligible to participate in the Company’s Annual Incentive Plan and 2009 Long-Term Stock Incentive Plan (the “LTSIP”).

The Scott Agreement otherwise contains terms substantially similar to those of Mr. Scott’s employment agreement in effect prior to the amendment and restatement, including, but not limited to, (i) in the event that Mr. Scott’s employment is terminated by the Company other than for “cause” or “incapacity” or by Mr. Scott for “good reason” (as such terms are defined in the Scott Agreement), or due to Mr. Scott’s death, a severance package comprised of two times the sum of Mr. Scott’s annual base salary and target bonus, 24 months of continued health coverage, full vesting of time-vested LTSIP awards and pro-rata vesting of performance-based LTSIP awards (based on actual performance), and (ii) restrictive covenants relating to non-competition, confidential information, and non-solicitation of the Company’s employees and customers.

The foregoing description of the Scott Agreement is a summary only and is qualified in its entirety by reference to the full text of the Scott Agreement, which is attached hereto as Exhibit 10.1 and incorporated by reference herein.

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

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#"><u>Second Amended and Restated Employment Agreement, dated as of February 14, 2018, between the Company and Raymond E. Scott.</u></a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 14, 2018

**Lear Corporation**

By: /s/ Jeffrey H. Vanneste

Name: Jeffrey H. Vanneste

Title: Senior Vice President and Chief Financial Officer

**SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is dated as of February 14, 2018, between Lear Corporation, a Delaware corporation (the “Company”) and Raymond E. Scott (“Executive”).

WHEREAS, the Company has employed Executive as Executive Vice President and President, Seating of the Company;

WHEREAS, the Board of Directors of the Company (the “Board”) has appointed Executive to the position of President and Chief Executive Officer of the Company, effective March 1, 2018 (the “Effective Date”);

WHEREAS, the Company and Executive are currently parties to an existing amended and restated employment agreement, dated September 11, 2013 (the “Existing Agreement”), which will expire by its terms upon the effectiveness of this Agreement;

WHEREAS, the Company desires to have the benefit of Executive’s continued service and the restrictive covenants contained herein; and

WHEREAS, in recognition of Executive’s promotion to the position of President and Chief Executive Officer of the Company, the parties desire to enter into a new employment agreement reflecting the terms of Executive’s continuing employment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

- 1. Term of Agreement.** This Agreement shall commence on and as of the Effective Date and continue until Executive’s employment has terminated and the obligations of the parties hereunder have terminated or expired or have been satisfied in accordance with their terms, or if earlier, upon the execution of a new employment agreement by the parties hereto (the “Term”). The Existing Agreement shall hereby terminate as of the Effective Date, and the terms of this Agreement thereupon shall supersede the terms of the Existing Agreement in their entirety.
- 2. Terms of Employment.** During the Term, Executive agrees to be a full-time employee of the Company serving in the position of President and Chief Executive Officer of the Company. Executive agrees to devote substantially all of his working time and attention to the business and affairs of the Company, to discharge the responsibilities associated with his position with the Company, and to use his best efforts to perform faithfully and efficiently such responsibilities. Nothing herein shall prohibit Executive from devoting his time to civic and community activities, serving as a member of the Board of Directors of other corporations that do not compete with the Company, or managing personal investments, as long as the foregoing do not interfere with the performance of Executive’s duties hereunder or violate the terms of the Company’s Code of Business Conduct and Ethics, the Company’s Corporate Governance

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Guidelines, or other policies applicable to the Company's executives generally, as those policies may be amended from time to time by the Company.

### 3. Compensation.

(a) As compensation for Executive's services under this Agreement, Executive shall be entitled during the Term to receive an initial base salary the annualized amount of which shall be \$1,160,000, to be paid in accordance with existing payroll practices for executives of the Company. Increases in Executive's base salary, if any, shall be as approved by the Compensation Committee of the Board. In addition, Executive shall be eligible to receive an annual incentive compensation bonus ("Bonus") and awards under the Company's Long-Term Stock Incentive Plan or successor plan (the "LTSIP"), each to be approved from time to time by the Compensation Committee of the Board.

(b) During the Term, Executive shall be eligible for participation in the welfare, retirement, and other benefit plans, practices, policies and programs, as may be in effect from time to time, for senior executives of the Company generally.

(c) During the Term, Executive shall be eligible for prompt reimbursement for business expenses reasonably incurred by Executive in accordance with the Company's policies, as may be in effect from time to time, for its senior executives generally.

### 4. Termination of Employment.

(a) **Notice.** The employment relationship may be terminated by the Company with or without Cause or for Incapacity, or by Executive with or without Good Reason, all as defined below, by giving a Notice of Termination. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon, if any, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. All notices under this Section 4(a) shall be given in accordance with the requirements of Section 8.

(b) **Incapacity.** If the Company reasonably determines that Executive is unable at any time to perform the duties of Executive's position because of a serious illness, injury, impairment, or physical or mental condition and Executive is not eligible for or has exhausted all leave to which Executive may be entitled under the Family and Medical Leave Act ("FMLA") or, if more generous, other applicable state or local law, the Company may terminate Executive's employment for "Incapacity". In addition, at any time that Executive is on a leave of absence, the Company may temporarily reassign the duties of Executive's position to one or more other executives without creating a basis for Executive's Good Reason resignation, provided that the Company restores such duties to Executive upon Executive's return to work.

(c) **Cause.** Termination of Executive's employment for "Cause" shall mean termination upon:

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- (i) an act of fraud, embezzlement or theft by Executive in connection with Executive's duties or in the course of Executive's employment with the Company;
  - (ii) Executive's material breach of any provision of this Agreement, provided that in those instances in which Executive's material breach is capable of being cured, Executive has failed to cure within a thirty (30) day period after notice from the Company;
  - (iii) an act or omission, which is (x) willful or grossly negligent, (y) contrary to established policies or practices of the Company, and (z) materially harmful to the business or reputation of the Company, or to the business of the Company's customers or suppliers as such relate to the Company; or
  - (iv) a plea of *nolo contendere* to, or conviction for, a felony.
- (d) **Good Reason.** For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following circumstances or events:
- (i) any reduction by the Company in Executive's base salary or adverse change in the manner of computing Executive's incentive compensation opportunity, as in effect from time to time;
  - (ii) the failure by the Company to pay or provide to Executive any amounts of base salary or earned incentive compensation or any benefits which are due, owing and payable to Executive, or to pay to Executive any portion of an installment of deferred compensation due under any deferred compensation program of the Company;
  - (iii) the failure by the Company to continue to provide Executive with benefits substantially similar in the aggregate to the Company's life insurance, medical, dental, health, accident or disability plans in which Executive is participating at the date of this Agreement;
  - (iv) except on a temporary basis as described in Section 4(b), a material adverse change in Executive's responsibilities, position, reporting relationships, authority or duties. For purposes of clarification, Executive agrees that it will not be a material adverse change for the Company to reassign Executive to a position with at least substantially similar responsibilities and authority;
  - (v) the transfer of Executive's principal place of employment to a location fifty (50) or more miles from its location immediately preceding the transfer; or
  - (vi) without limiting the generality or effect of the foregoing, any material breach of this Agreement by the Company.

Notwithstanding anything else herein, Good Reason shall not exist if, with regard to the circumstances or events relied upon in Executive's Notice of Termination: (x) Executive failed to provide a Notice of Termination to the Company within sixty (60) days of the date Executive knew or should have known of such circumstances or events, (y) the circumstances or events are fully corrected by the Company prior to the Date of Termination, or (z) Executive gives Executive's express written consent to the circumstances or events.

(e) **Date of Termination.** "Date of Termination" shall mean:

- (i) if Executive's employment is terminated by reason of Executive's death, the date of Executive's death;
- (ii) if Executive's employment is terminated by the Company for any reason other than because of Executive's death, the date specified in the Notice of Termination (which shall not be prior to the date of the notice);
- (iii) if Executive's employment is terminated by Executive for any reason, the Date of Termination shall be not less than thirty (30) nor more than sixty (60) days from the date such Notice of Termination is given, or such earlier date after the date such Notice of Termination is given as may be identified by the Company.

Unless the Company instructs Executive not to do so, Executive shall continue to perform services as provided in this Agreement through the Date of Termination.

(f) **Employee Benefits.** A termination by the Company pursuant to Section 4(c) hereof or by Executive pursuant to Section 4(d) hereof shall not affect any rights which Executive may have pursuant to any other agreement, policy, plan, program or arrangement of the Company providing employee benefits, which rights shall be governed by the terms thereof and by Section 5; provided, however, that if Executive shall have received or shall be receiving benefits under Section 5(b) hereof, Executive shall not be entitled to receive benefits under any other policy, plan, program or arrangement of the Company providing severance compensation to which Executive would otherwise be entitled.

5. **Compensation Upon Termination.** Upon Executive's termination of employment, Executive shall receive:

(a) If Executive's employment shall be terminated by the Company for Incapacity or for Cause, by Executive without Good Reason, or upon Executive's death, the Company shall pay to Executive (or, in the event of Executive's death, to Executive's beneficiary or estate), when the same would otherwise have been due, the base salary and any other accrued amounts then payable through the Date of Termination and shall have no further obligations under this Agreement, other than as set forth in Section 5(c) hereof, as applicable.

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(b) If Executive's employment shall be terminated (a) by the Company, except for a termination by the Company for Cause or Incapacity (or due to Executive's death), or (b) by Executive for Good Reason, then Executive shall be entitled to the benefits provided below, in addition to the benefits provided in Section 5(c) hereof, as applicable:

(i) The Company shall pay Executive Executive's full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given (or, if greater, at the rate in effect at any time within 90 days prior to the time Notice of Termination is given), plus all other amounts to which Executive is entitled under any compensation or benefit plans of the Company, including, without limitation, any accrued amounts under any retention or incentive plan, and including incentive compensation prorated for any applicable measurement period occurring prior to the Date of Termination, at the time such payments are due, except as otherwise provided in the LTSIP for a termination of employment following a Change in Control (as defined therein) and as otherwise provided below.

(ii) an amount (the "Severance Payment") equal to two (2) times the sum of:

(A) the greater of (I) Executive's annual base salary rate in effect as of the Effective Date or (II) Executive's annual base salary rate in effect as of the Date of Termination; and

(B) the greater of (I) Executive's annual incentive Bonus target amount in effect as of the Effective Date or (II) Executive's annual incentive Bonus target amount in effect as of the Date of Termination.

The Severance Payment will be paid in a lump sum as soon as practicable following the Date of Termination.

(iii) The Company shall arrange to provide to Executive, Executive's dependents, and beneficiaries, for the two-year period beginning on the Date of Termination, benefits provided under any "welfare benefit plan" of the Company (as the term "welfare benefit plan" is defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended) ("Welfare Benefits"). If and to the extent that any such Welfare Benefits shall not or cannot be paid or provided under any policy, plan, program or arrangement of the Company (A) solely due to the fact that Executive is no longer an officer or employee of the Company or (B) as a result of the amendment or termination of any plan providing for Welfare Benefits, the Company shall then itself pay or provide for the payment of such Welfare Benefits to Executive, Executive's dependents and beneficiaries. Without otherwise limiting the purposes or effect of the no mitigation obligation in Section 5(f) hereof, Welfare Benefits payable to Executive (including Executive's dependents and beneficiaries) pursuant to this Section 5(b)(iii) shall be reduced to the extent comparable welfare benefits are actually received by Executive (including Executive's dependents and

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beneficiaries) from another employer during such period, and any such benefits actually received by Executive shall be reported by Executive to the Company.

Executive's right to receive the Severance Payment and Welfare Benefits under this Section 5(b) (collectively, the "Severance Benefits") is conditioned upon the Executive's execution of a general release agreement (a "Release") in form and substance reasonably acceptable to the Company in connection with Executive's termination of employment. Such Severance Benefits shall be payable only if Executive executes and delivers a Release (and any revocation period expires) no later than forty-five (45) calendar days after the Executive's termination of employment. Such amounts shall not become payable until forty-five (45) calendar days after the termination of employment, regardless of when the Release is returned to the Company.

(c) If Executive's employment shall be terminated by the Company for Incapacity or for any reason other than Cause, by Executive for Good Reason, or upon Executive's death, (i) any unvested awards under the LTSIP held by Executive that vest based on the passage of time shall immediately vest in their entirety upon such termination, and (ii) with respect to unvested awards under the LTSIP held by Executive that vest based on the achievement of performance criteria, Executive shall be entitled to receive a pro rata portion (based on the number of full calendar months in the performance period prior to such termination) of the amount Executive would have been entitled to receive under such awards (and at the same time) had he remained employed until the last day of the applicable performance period, except as otherwise provided in the LTSIP for a termination of employment following a Change in Control (as defined therein).

(d) The Company may not set-off or counterclaim losses, fines or damages in respect of any claim, debt or obligation against any payment to or benefit for Executive provided for in this Agreement.

(e) Without limiting Executive's rights at law or in equity, if the Company fails to make any payment or provide any benefit required to be made or provided hereunder within thirty (30) days of the date it is due, the Company will pay interest on the amount or value thereof at an annualized rate of interest equal to the "prime rate" as quoted from time to time during the relevant period in The Wall Street Journal, plus three percent. Such interest will be payable as it accrues on demand. Any change in such prime rate will be effective on and as of the date of such change.

(f) The Company acknowledges that its severance pay plans and policies applicable in general to its salaried employees do not provide for mitigation, offset or reduction of any severance payment received thereunder. Accordingly, the parties hereto expressly agree that the payment of the severance compensation by the Company to Executive in accordance with the terms of this Agreement shall be liquidated damages and that Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor shall any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of Executive hereunder or otherwise, except as expressly provided in this Section 5.

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6. **Travel.** Executive shall be required to travel to the extent reasonably necessary for the performance of Executive's responsibilities under this Agreement.

7. **Successors; Binding Agreement.** The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all the business and/or assets of the Company, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, and will assign its rights and obligations hereunder to such successor. Failure of the Company to make such an assignment and to obtain such assumption and agreement prior to the effectiveness of any such succession, unless Executive agrees otherwise in writing with the Company or the successor, shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled to hereunder if Executive terminates Executive's employment for Good Reason and the date on which any such succession becomes effective shall be deemed Executive's Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and/or legatees. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in this Section 7. Without limiting the generality of the foregoing, Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 7, the Company shall have no liability to pay to the purported assignee or transferee any amount so attempted to be assigned or transferred. The Company and Executive recognize that each party will have no adequate remedy at law for any material breach by the other of any of the agreements contained herein and, in the event of any such breach, the Company and Executive hereby agree and consent that the other shall be entitled to a decree of specific performance, mandamus or other appropriate remedy to enforce performance of this Agreement.

8. **Notices.** For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing, and shall be deemed to have been duly given when delivered by hand, or mailed by United States certified mail, return receipt requested, postage prepaid, or sent by Federal Express or similar overnight courier service, addressed to the respective addresses set forth on the signature page of this Agreement, or sent by facsimile with confirmation of receipt to the respective facsimile numbers set forth on the signature page of this Agreement, provided that all notices to the Company shall be directed to the attention of the Secretary of the Company (or, if Executive is the Secretary at the time such notice is to be given, to the Chairman of the Company's Board of Directors), or to such other address or facsimile number as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address or facsimile number shall be effective only upon receipt.

9. **Noncompetition.**

(a) From the Effective Date until the Date of Termination, Executive agrees not to engage in any Competitive Activity. For purposes of this Agreement, the term "Competitive Activity" shall mean Executive's participation as an employee or consultant, without the written consent of the Board or any authorized committee thereof, in the management of any business enterprise anywhere in the world if such enterprise is a "Significant Customer" of any product or service of the Company or engages in competition with any product or service of the Company (including without limitation any enterprise that is a supplier to an original equipment automotive vehicle manufacturer) or is planning to engage in such competition. For purposes of this Agreement, the term "Significant Customer" shall mean any customer who represents in excess of 5% of the Company's sales in any of the three calendar years prior to the date of determination. "Competitive Activity" shall not include the mere ownership of, and exercise of rights appurtenant to, securities of a publicly-traded company representing 5% or less of the total voting power and 5% or less of the total value of such an enterprise. Executive agrees that the Company is a global business and that it is appropriate for this Section 9 to apply to Competitive Activity conducted anywhere in the world.

(b) Executive agrees not to engage directly or indirectly in any Competitive Activity (i) until one (1) year after the Date of Termination if Executive is terminated by the Company for Cause, or Executive terminates Executive's employment for other than Good Reason, or (ii) until two (2) years after the Date of Termination in all other circumstances.

(c) Executive shall not directly or indirectly, either on Executive's own account or with or for anyone else, solicit or attempt to solicit any of the Company's customers, solicit or attempt to solicit for any business endeavor or hire or attempt to hire any employee of the Company, or otherwise divert or attempt to divert from the Company any business whatsoever or interfere with any business relationship between the Company and any other person, (i) until one (1) year after the Date of Termination if Executive is terminated by the Company for Cause, or Executive terminates Executive's employment for other than Good Reason, or (ii) until two (2) years after the Date of Termination in all other circumstances.

(d) Executive acknowledges and agrees that damages in the event of a breach or threatened breach of the covenants in this Section 9 will be difficult to determine and will not afford a full and adequate remedy, and therefore agree that the Company, in addition to seeking actual damages pursuant to Section 9 hereof, may seek specific enforcement of the covenant not to compete in any court of competent jurisdiction, including, without limitation, by the issuance of a temporary or permanent injunction, without the necessity of a bond. Executive and the Company agree that the provisions of this covenant not to compete are reasonable. However, should any court or arbitrator determine that any provision of this covenant not to compete is unreasonable, either in period of time, geographical area, or otherwise, the parties agree that this covenant not to compete should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable.

**10. Confidentiality and Cooperation.**

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(a) Executive shall not knowingly use, disclose or reveal to any unauthorized person, at any time after the Effective Date, any trade secret or other confidential information relating to the Company or any of its affiliates, or any of their respective businesses or principals, such as, without limitation, dealers' or distributor's lists, information regarding personnel and manufacturing processes, marketing and sales plans, pricing or cost information, and all other such information; and Executive confirms that such information is the exclusive property of the Company and its affiliates. Upon termination of Executive's employment, Executive agrees to return to the Company on demand by the Company all memoranda, books, papers, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Company and its affiliates, whether made by Executive or otherwise in Executive's possession.

(b) Any design, engineering methods, techniques, discoveries, inventions (whether patentable or not), formulae, formulations, technical and product specifications, bill of materials, equipment descriptions, plans, layouts, drawings, computer programs, assembly, quality control, installation and operating procedures, operating manuals, strategic, technical or marketing information, designs, data, secret knowledge, know-how and all other information of a confidential nature prepared or produced during the period of Executive's employment and which ideas, processes, and other materials or information relate to any of the businesses of the Company, shall be owned by the Company and its affiliates whether or not Executive should in fact execute an assignment thereof or other instrument or document which may be reasonably necessary to protect and secure such rights to the Company.

(c) Following the termination of Executive's employment, Executive agrees to make himself reasonably available to the Company to respond to periodic requests for information relating to the Company or Executive's employment which may be within Executive's knowledge. Executive further agrees to cooperate fully with the Company in connection with any and all existing or future depositions, litigation, or investigations brought by or against the Company, any entity related to the Company, or any of its (their) agents, officers, directors or employees, whether administrative, civil or criminal in nature, in which and to the extent the Company deems Executive's cooperation necessary. In the event that Executive is subpoenaed in connection with any litigation or investigation, Executive will immediately notify the Company. Executive shall not receive any additional compensation, other than reimbursement for reasonable costs and expenses incurred by Executive, in complying with the terms of this Section 10(c).

(d) For the avoidance of doubt, this Section 10 does not prohibit or restrict Executive (or Executive's attorney) from responding to any inquiry about this Agreement or its underlying facts and circumstances by the Securities and Exchange Commission, the Financial Industry Regulatory Authority, any other self-regulatory organization or governmental entity, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Executive understands and acknowledges that he does not need the prior authorization of the Company to make any such reports or disclosures and that he is not required to notify the Company that he has made such reports or disclosures.

11. **Arbitration.**

(a) Except as contemplated by Section 9(d) or Section 11(c) hereof, any dispute or controversy arising under or in connection with this Agreement that cannot be mutually resolved by the parties to this Agreement and their respective advisors and representatives shall be settled exclusively by arbitration in Southfield, Michigan, before one arbitrator of exemplary qualifications and stature, who shall be selected jointly by the Company and Executive, or if the parties cannot agree on the selection of the arbitrator, who shall be selected pursuant to the procedures of the American Arbitration Association, and such arbitration shall be conducted in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association then in effect.

(b) The parties agree to use their best efforts to (i) appoint (or, if applicable, cause the American Arbitration Association to appoint) the arbitrator within thirty (30) days of the date that a party hereto notifies the other party that a dispute or controversy exists that necessitates the appointment of an arbitrator, and (ii) cause any arbitration hearing to be held within thirty (30) days of the date of selection of the arbitrator, and, as a condition to his or her selection, such arbitrator must consent to be available for a hearing, at such time.

(c) Judgment may be entered on the arbitrator's award in any court having jurisdiction, provided that Executive shall be entitled to seek specific performance of Executive's right to be paid and to participate in benefit programs during the pendency of any dispute or controversy arising under or in connection with this Agreement. The Company and Executive hereby agree that the arbitrator shall be empowered to enter an equitable decree mandating specific performance of the terms of this Agreement. If any dispute under this Section 11 shall be pending, Executive shall continue to receive at a minimum the base salary which Executive was receiving immediately prior to the act or omission which forms the basis for the dispute. At the close of the arbitration, such continued base salary payments may be offset against any damages awarded to Executive or may be recovered from Executive if it is determined that Executive was not entitled to the continued payment of base salary under the other provisions of this Agreement.

12. **Modifications.** No provision of this Agreement may be modified, amended, waived or discharged unless such modification, amendment, waiver or discharge is agreed to in writing and signed by both Executive and such officer of the Company as may be specifically designated by the Board.

13. **No Implied Waivers.** Failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter. Waiver by either party of a breach of any obligation hereunder shall not constitute a waiver of any succeeding breach of the same obligation. Failure of either party to exercise any of its rights provided herein shall not constitute a waiver of such right.

14. **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Michigan without giving effect to any conflicts of laws rules.

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15. **Payments Net of Taxes.** Any payments provided for herein which are subject to Federal, State, local or other governmental tax or other withholding requirements or obligations, shall have such amounts withheld prior to payment, and the Company shall be considered to have fully satisfied its obligation hereunder by making such payments to Executive net of and after deduction for all applicable withholding obligations.
16. **Capacity of Parties.** The parties hereto warrant that they have the capacity and authority to execute this Agreement.
17. **Validity.** The invalidity or unenforceability of any provision of this Agreement shall not, at the option of the party for whose benefit such provision was intended, affect the validity or enforceability of any other provision of the Agreement, which shall remain in full force and effect.
18. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.
19. **Entire Agreement.** On and after the Effective Date, this Agreement shall contain the entire agreement by the parties with respect to the matters covered herein and supersedes any prior agreement (including, but not limited to, the Existing Agreement), condition, practice, custom, usage and obligation with respect to such matters insofar as any such prior agreement, condition, practice, custom, usage or obligation might have given rise to any enforceable right. No agreements, understandings or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.
20. **Legal Fees and Expenses.** It is the intent of the Company that Executive not be required to incur the expenses associated with the enforcement of Executive's rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to Executive hereunder. Accordingly, the Company shall pay or cause to be paid and be solely responsible for any and all reasonable attorneys' and related fees and expenses incurred by Executive (i) as a result of the Company's failure to perform this Agreement or any provision hereof or (ii) as a result of the Company unreasonably or maliciously contesting the validity or enforceability of this Agreement or any provision hereof as aforesaid.
21. **Code Section 409A.** Notwithstanding anything to the contrary in Section 5 hereof, and to the maximum extent permitted by law, this Agreement shall be interpreted in such a manner that all payments of Severance Benefits to Executive under this Agreement are either exempt from, or comply with, Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations and other interpretive guidance issued thereunder (collectively, "Section 409A"), including without limitation any such regulations or other guidance that may be issued after the Effective Date. For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

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The “Lear Corporation Code Section 409A Policies and Procedures” as in effect on the Effective Date are hereby incorporated by reference in this Agreement as if set forth herein, and shall supersede any conflicting provisions of this Agreement.

**22. No Excise Tax Gross-Up; Possible Reduction of Payments.**

(a) If it is determined that any amount or benefit to be paid or payable to Executive under this Agreement or otherwise in conjunction with his employment (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise in conjunction with his employment) would give rise to liability of Executive for the excise tax imposed by Section 4999 of the Code, as amended from time to time, or any successor provision (the “Excise Tax”), then the amount or benefits payable to Executive (the total value of such amounts or benefits, the “Payments”) shall be reduced by the Company to the extent necessary so that no portion of the Payments to Executive is subject to the Excise Tax; provided, however, such reduction shall be made only if it results in the Executive retaining a greater amount of Payments on an after-tax basis (taking into account the Excise Tax and applicable federal, state, and local income and payroll taxes). In the event Payments are required to be reduced pursuant to this Section 22(a), they shall be reduced in the following order of priority in a manner consistent with Section 409A: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rata among all remaining Payments and benefits.

(b) The independent public accounting firm serving as the Company’s auditing firm, or such other accounting firm, law firm or professional consulting services provider of national reputation and experience reasonably acceptable to the Company and Executive (the “Accountants”) shall make in writing in good faith all calculations and determinations under this Section 22, including the assumptions to be used in arriving at any calculations. For purposes of making the calculations and determinations under this Section 22, the Accountants and each other party may make reasonable assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Company and Executive shall furnish to the Accountants and each other such information and documents as the Accountants and each other may reasonably request to make the calculations and determinations under this Section 22. The Company shall bear all costs the Accountants incur in connection with any calculations contemplated hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

LEAR CORPORATION

By: /s/ Thomas A. DiDonato  
Name: Thomas A. DiDonato  
Title: Senior Vice President, Human Resources

EXECUTIVE:

/s/ Raymond E. Scott  
Raymond E. Scott

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax: \_\_\_\_\_