LEAR CORP
Form DEF 14A
March 28, 2019
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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.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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21557 Telegraph Road

Southfield, Michigan 48033

March 28, 2019

Dear Stockholder:

On behalf of the Board of Directors of Lear Corporation, you are cordially invited to attend the 2019 Annual Meeting of Stockholders (the Annual Meeting) to be held on May 16, 2019, at 9:00 a.m. (Eastern Time) at Lear Corporation s Corporate Headquarters, 21557 Telegraph Road, Southfield, Michigan 48033.

We have included with this letter a proxy statement that 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 Corporation 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 March 29, 2019, 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 named in this proxy statement, to ratify the retention of Ernst & Young LLP as our independent registered public accounting firm, to provide an advisory vote to approve our executive compensation, to vote to approve the Lear Corporation 2019 Long-Term Stock Incentive Plan and to 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 through one of the methods described in the enclosed proxy statement. **We strongly urge you to read the accompanying proxy statement carefully and to vote FOR the nominees proposed by the Board of Directors and in accordance with the recommendations of the Board of Directors on the other proposals by following the voting instructions contained in the proxy statement.**

Sincerely,

Henry D.G. Wallace	Raymond E. Scott
Non-Executive Chairman	*President, Chief Executive Officer,*
	Interim President, E-Systems and Director

This proxy statement is dated March 28, 2019, and is first being made available to stockholders via the Internet on or about March 29, 2019.

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21557 Telegraph Road

Southfield, Michigan 48033

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time and Date:	Thursday, May 16, 2019, at 9:00 a.m. (Eastern Time)
Place:	Lear Corporation s Corporate Headquarters 21557 Telegraph Road Southfield, Michigan 48033
Record Date:	March 21, 2019
Items of Business:	1. To elect the following nine nominees to the Board of Directors: Thomas P. Capo, Mei-Wei Cheng, Jonathan F. Foster, Mary Lou Jepsen, Kathleen A. Ligocki, Conrad L. Mallett, Jr., Raymond E. Scott, Gregory C. Smith and Henry D.G. Wallace; 2. To ratify the retention of Ernst & Young LLP as the Company s registered public accounting firm for 2019; 3. To approve, in a non-binding advisory vote, executive compensation; 4. To approve the Lear Corporation 2019 Long-Term Stock Incentive Plan (the 2019 LTSIP); and 5. To conduct any other business properly brought before the Annual Meeting or any postponement thereof.
Proxy Voting:	**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR SHARES OVER THE TELEPHONE, VIA THE INTERNET OR BY COMPLETING, DATING, SIGNING AND RETURNING A PROXY CARD, AS DESCRIBED IN THE PROXY STATEMENT. YOUR PROMPT COOPERATION IS GREATLY APPRECIATED.**

By Order of the Board of Directors,

Terrence B. Larkin

Executive Vice President, Business Development,

General Counsel and Corporate Secretary

March 28, 2019

Notice of Internet Availability of Proxy Materials

We are making this proxy statement and our annual report available to stockholders electronically via the Internet. On or about March 29, 2019, we will mail to most of our stockholders a notice containing instructions on how to access this proxy statement and our annual report and to vote via the Internet or by telephone. Other stockholders, in accordance with their prior requests, will receive e-mail notification of how to access our proxy materials and vote via the Internet or by telephone, or will be mailed paper copies of our proxy materials and a proxy card on or about March 29, 2019.

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LEAR CORPORATION

2019 PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in the proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding the Company s 2018 performance, please review our 2018 Annual Report on Form 10-K.

2019 Annual Meeting of Stockholders

Date and Time: May 16, 2019, 9:00 a.m. (Eastern Time)
Location: Lear Corporation s Corporate Headquarters, 21557 Telegraph Road, Southfield, Michigan 48033
Record Date: March 21, 2019
Voting: Stockholders as of the close of business on the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for the other proposals to be voted on.
Shares of Common Stock Outstanding (as of the record date): 62,415,363
Stock Symbol: LEA
Exchange: NYSE
Registrar & Transfer Agent: Computershare Trust Company, N.A.
Principal Executive Office: 21557 Telegraph Road, Southfield, Michigan 48033
Corporate Website: lear.com
Investor Relations Website: ir.lear.com

Items to be Voted on

Proposal	Our Board s Recommendation
Election of Directors (page 6)	FOR
Ratification of Retention of Independent Registered Public Accounting Firm (page 67)	FOR
Advisory Vote to Approve Executive Compensation (page 68)	FOR
Vote to Approve the 2019 LTSIP (page 69)	FOR

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR SHARES OVER THE TELEPHONE, VIA THE INTERNET OR BY COMPLETING, DATING, SIGNING AND RETURNING A PROXY CARD, AS DESCRIBED IN THE PROXY STATEMENT. YOUR PROMPT COOPERATION IS GREATLY APPRECIATED.

Director Nominees

Name	Director Since	Independent	Board Committees Audit	 Comp	 Nominating
Thomas P. Capo	2009	X	**X**	**C**	
Mei-Wei Cheng	2019	X			
Jonathan F. Foster	2009	X	**C**		**X**
Mary Lou Jepsen	2016	X		**X**	**X**
Kathleen A. Ligocki	2012	X		**X**	**C**
Conrad L. Mallett, Jr.	2002	X		**X**	**X**
Raymond E. Scott	2018				
Gregory C. Smith	2009	X	**X**		**X**
Henry D.G. Wallace	2005	X	**E**	**E**	**E**

C = Chair of Committee

X = Member of Committee

E = Ex Officio Member

Director Term: One Year

Board Meetings in 2018: 6

Standard Board Committee Meetings in 2018: Audit (9), Compensation (4), Nominating (4)

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PROXY SUMMARY

2018 Performance and Business Highlights

(1) Reflects estimated net sales for 2019-2021 from formally awarded new programs, less lost and discontinued programs. Excludes sales backlog at non-consolidated joint ventures.

(2) Core operating earnings, adjusted earnings per share and free cash flow are financial measures that are not calculated in accordance with accounting principles generally accepted in the United States (GAAP). For more information regarding our non-GAAP financial measures and reconciliations to the most directly comparable GAAP financial measures, see Appendix A. Reconciliation of Non-GAAP Financial Measures.

(1) Reflects estimated net sales for 2019-2021 from formally awarded new programs, less lost and discontinued programs. Excludes sales backlog at non-consolidated joint ventures.

(2) Core operating earnings, adjusted earnings per share and free cash flow are financial measures that are not calculated in accordance with GAAP. For more information regarding our non-GAAP financial measures and reconciliations to the most directly comparable GAAP financial measures, see Appendix A, Reconciliation of Non-GAAP Financial Measures.

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PROXY SUMMARY

Executive Compensation Highlights

WHAT WE DO:

Pay Program Aligned with Business Strategy: Our incentive plan performance measures are well aligned with our business strategy, correlative to total stockholder return and generally consistent with those used by our peer companies.

High Percentage of Performance-Based Pay: All of the annual incentive opportunity and the majority (75%) of the long-term incentive opportunity that we offer our named executive officers are determined based on the achievement of specific performance measures.

Balanced Mix of Performance Measures: We use four complementary performance measures in our incentive compensation programs (Adjusted Operating Income, Free Cash Flow, Adjusted Return on Invested Capital (ROIC) and Cumulative Adjusted Pre-Tax Income), which were selected to drive profitable growth with efficient capital management. (See pages 35 and 38 in the Compensation Discussion and Analysis for definitions of these performance measures.)

Clawback of Incentive Compensation: Our clawback policy applies to all incentive-based cash and equity compensation granted to current and former executive officers. In the event that we are required to prepare an accounting restatement due to any such executive officer s intentional misconduct, we will recover from him or her the amount, if any, of incentive compensation in excess of what would have been paid under the accounting restatement.

Independent Compensation Consultant for Compensation Committee: Since 2010, our Compensation Committee has engaged Pay Governance LLC as its independent compensation consultant.

Equity Retention Requirement: Until an executive satisfies the applicable stock ownership guideline, he or she must hold 50% of the net shares acquired upon the vesting of equity awards.

Annual Market Practices and Compensation Risk Review: We assess on an annual basis the key elements of our executive compensation programs as compared to market practices and emerging trends. We also complete annually a comprehensive risk assessment of our employee compensation policies and practices.

Relative TSR Performance Modifier Starting with 2019 Performance Share Grants: Starting with awards of performance shares granted in 2019, we have added a performance modifier that may cause payouts to be adjusted upwards or downwards based on our relative total stockholder return, as compared to an auto supplier peer group, over the performance period.

Robust Stock Ownership Guidelines: We have adopted management stock ownership guidelines that are applicable to all executive officers, including our named executive officers. The stock ownership guideline for our CEO is six times his annual base salary.

Holding Period for Career Shares: As part of our long-term incentive package, certain executives (including our CEO) receive awards of time-vesting Career Share RSUs. The units underlying the Career Shares must be held until the earlier of age 62 or three years after retirement.

WHAT WE DON T DO:

No Single-Trigger Change in Control Vesting of Equity Awards: All equity awards are subject to double trigger vesting upon a change in control, which protects our employees in the event of a change in control transaction and helps ensure an orderly transition of leadership.

No Single-Trigger Change in Control Severance Benefits: Our executives are not eligible to receive severance benefits solely upon the occurrence of a change in control. This is intended to ensure that members of senior management are not influenced by their personal situations and are able to be objective in evaluating a potential change in control transaction.

No Hedging or Pledging of Company Stock: We maintain a formal policy prohibiting our officers and directors from entering into hedging transactions involving Company stock and pledging Company stock as collateral for loans.

No Excise Tax Gross-Ups: None of the employment agreements with our executive officers contains an excise tax gross-up provision.

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Corporate Social Responsibility Highlights

Social Responsibility

We actively support human and animal rights.

We have a global reporting channel for any ethical concerns or violations for employees and our supply chain.

We are committed to partnering with our industry and society in driving change through implementation of the United Nations Sustainable Development Goals.

Community outreach and giving are engrained in Lear s core values.

We have developed a global distracted driving awareness initiative.

Environmental, Health and Safety

We work to integrate Environmental, Health and Safety (EHS), as well as Sustainability, into overall business strategy and supply chain management.

We reduce EHS risks by minimizing environmental impact and eliminating health and safety hazards.

We develop and utilize environmentally acceptable, safe, sustainable and efficient production methods and processes.

We implement efficient uses of energy, reduction of greenhouse gas emissions and supporting climate change initiatives.

We work to reduce our use of chemicals and raw materials, as well as to reduce waste generation.

People

Together We Win is our global employee engagement initiative focused on promoting and sustaining a positive culture in our operational environments using four key elements: Leadership, Work Environment, Employee Involvement and Teams.

Diversity and inclusion is deeply integrated into our organizational framework and hiring and promotional practices.

Developing talent is a priority across all levels of the organization and includes a CEO Academy, Leadership Model and Assessments, Emerging Leaders Development Program and One Lear Mindset training.

We communicate our policies and expectations to all our employees, customers, suppliers, other stakeholders and the public.

Corporate Governance Highlights

All of our director nominees are independent, except our President, Chief Executive Officer and Interim President, E-Systems.	All of our Audit, Compensation and Nominating and Corporate Governance Committee (the Nominating Committee) members are independent.
We have a non-executive Chairman of the Board of Directors.	All directors are elected annually.
We have a majority voting standard with director resignation policy for uncontested director elections.	Executive sessions of independent directors are held at regularly scheduled Board meetings.
We have robust stock ownership guidelines.	Excellent track record of attendance at all Board and committee meetings in 2018.
Diversity is reflected in Board composition.	Annual Board and committee self-evaluations.
Risk oversight by full Board and committees.	

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ELECTION OF DIRECTORS

(PROPOSAL NO. 1)

Richard H. Bott, who has served on our Board of Directors (the Board) since 2013, will not be standing for re-election when his current term expires, as he has reached the Company s mandatory retirement age. The Board would like to thank Mr. Bott for his years of dedicated service to the Company. On January 23, 2019, the Board resolved to increase its size to ten members and appoint Mei-Wei Cheng to the Board. Subsequently, the Board resolved to decrease its size to nine members effective upon the expiration of the current term of the members of the Board. Our Board determined that to assist the Company in the orderly transition of Board members, including the resignation of Mr. Simoncini and the departure of Mr. Runkle in 2018, the retirement of Mr. Bott following the Annual Meeting and the additions of Mr. Scott in 2018 and Mr. Cheng in 2019, it would waive the Company s mandatory retirement age for Mr. Wallace in order for him to continue serving as Non-Executive Chairman of our Board through the Company s 2020 annual meeting.

Upon the recommendation of our Nominating Committee, the Board has nominated the nine individuals listed below to stand

for election to the Board for a one-year term ending at the annual meeting of stockholders in 2020 or until their successors, if any, are elected or appointed. Our Amended and Restated Certificate of Incorporation and Bylaws provide for the annual election of directors. Each director nominee must receive the affirmative vote of a majority of the votes cast to be elected (i.e., the number of shares voted for a director nominee must exceed the number of votes cast against that nominee). Unless contrary instructions are given, the shares represented by your proxy will be voted FOR the election of all director nominees. In addition, our Corporate Governance Guidelines contain a resignation policy which provides that in the event an incumbent director fails to receive a majority of the votes cast in an uncontested election, such director shall promptly tender his or her resignation to the Board for consideration. The Board has determined that each director nominee, other than Mr. Scott, if elected, would be an independent director, as further described below in Directors and Corporate Governance Independence of Directors.

All of the director nominees listed below 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 Annual Meeting.

Name	Position
Thomas P. Capo	Director
Mei-Wei Cheng	Director
Jonathan F. Foster	Director
Mary Lou Jepsen	Director
Kathleen A. Ligocki	Director
Conrad L. Mallett, Jr.	Director

Raymond E. Scott	Director, President, Chief Executive Officer and Interim President, E-Systems
Gregory C. Smith	Director
Henry D.G. Wallace	Director, Non-Executive Chairman

Biographical information relating to each of the director nominees is set forth below under Directors and Corporate Governance and incorporated by reference herein.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF LEAR S DIRECTOR NOMINEES NAMED IN THIS PROXY STATEMENT.

PROXIES SOLICITED BY THE BOARD WILL BE VOTED FOR THE ELECTION OF EACH OF LEAR S DIRECTOR NOMINEES NAMED IN THIS PROXY STATEMENT UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.

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DIRECTORS AND CORPORATE GOVERNANCE

Director Biographical Information and Qualifications

Set forth below is a description of the business experience of each director nominee, as well as the specific qualifications, skills and experiences considered by the Nominating Committee and the Board in recommending our slate of director nominees. Each director nominee listed below is nominated for election to the Board for a term expiring at the annual meeting of stockholders in 2020. See Election of Directors (Proposal No. 1).

Thomas P. Capo Age: 68 Lear Committees:

Audit

Compensation (Chair)

Biography

Mr. Capo has been a director of the Company since November 2009. Mr. Capo was Chairman of Dollar Thrifty Automotive Group, Inc. from October 2003 until November 2010. Mr. Capo was a Senior Vice President and the Treasurer of DaimlerChrysler Corporation from November 1998 to August 2000, Vice President and Treasurer of Chrysler Corporation from 1993 to 1998 and Treasurer of Chrysler Corporation from 1991 to 1993. Prior to holding these positions, Mr. Capo served as Vice President and Controller of Chrysler Financial Corporation. Mr. Capo also serves as the Non-Executive Chairman of Cooper Tire & Rubber Company. Previously, Mr. Capo served as a director of Dollar Thrifty Automotive Group, Inc. from its initial public offering in 1997 until its sale to Hertz Corporation in 2012, JLG Industries, Inc. until its sale to Oshkosh Corp. in 2006, Sonic Automotive, Inc. and Microheat, Inc. Mr. Capo has a bachelor s degree in Finance, an MBA and a master s degree in Economics from the University of Detroit Mercy.

Skills and Qualifications

Executive management and leadership experience, with extensive knowledge of the automotive industry

Public company directorship and committee experience, including at board chairman level

Extensive experience in global finance, treasury, investment management and capital markets

Core leadership and management experience in mergers, acquisitions and divestitures, strategy development and capital restructuring

Extensive experience in financial analysis, financial reporting, compliance and internal controls

Independent of management

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DIRECTORS AND CORPORATE GOVERNANCE

Mei-Wei Cheng Age: 69

Biography

Mr. Cheng has been a director of the Company since January 2019. Additionally, Mr. Cheng is a member of the Board of Directors of both Interplex Holdings Pte. Ltd. and NIU Technologies. Mr. Cheng also serves as the Non-Executive Chairman of HCP Packaging, a Baring Private Equity Asia portfolio company, a role he has held since August 2018. Mr. Cheng has served as an Advisory Board member of (i) CareSyntax, a technology and services platform for hospitals, since May 2018 and (ii) Lumileds, a lighting company, since April 2018. Additionally, Mr. Cheng is a Senior Advisor of Iconiq Motors, a new energy vehicle company, a position he has held since September 2017, and a Senior Venture Partner of Fontinalis Capital Partners II, a position he has held since December 2014. From July 2012 to October 2018, Mr. Cheng served as a member of the Audit and Finance Committee of the Board of Directors for Seagate Technology (Nasdaq: STX), a data storage company. From February 2015 to January 2017, Mr. Cheng served as the Chairman of the Board of Directors of Pactera Technology International Ltd., a portfolio company of Blackstone Group. From July 2010 to April 2014, Mr. Cheng served as the Chief Executive Officer of Siemens Northeast Asia and as President and Chief Executive Officer of Siemens China. Prior to joining Siemens, Mr. Cheng served as the Chairman and Chief Executive Officer of Ford Motor (China) Ltd. and as Group Vice President of Ford Motor Company from 2009 to 2010. Before joining Ford, Mr. Cheng held various senior executive positions at General Electric Corporation and AT&T. Mr. Cheng also served as a member of the Audit Committee of the Board of Directors of Diebold Nixdorf, Inc. (NYSE: DBD) from 2009 to 2013. Mr. Cheng earned a bachelor s degree in industrial engineering and operations research from Cornell University, a master s degree in business administration from Rutgers University and is a graduate of both Dartmouth s Tuck Executive Program and Massachusetts Institute of Technology s Program for Senior Executives.

Skills and Qualifications

Senior management and leadership experience, with a particular focus on Asian markets

Extensive international, business development, technological and sales and marketing expertise

Significant international executive-level leadership experience, including at board chairman level

Extensive knowledge of the automotive industry

Independent of management

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DIRECTORS AND CORPORATE GOVERNANCE

Jonathan F. Foster Age: 58 Lear Committees:

Audit (Chair)

Nominating

Biography

Mr. Foster has been a director of the Company since November 2009. Mr. Foster is Managing Director of Current Capital Partners LLC, a mergers and acquisitions advisory, corporate management services and private equity investing firm. Previously, from 2007 until 2008, Mr. Foster served as a Managing Director and Co-Head of Diversified Industrials and Services at Wachovia Securities. From 2005 until 2007, he served as Executive Vice President Finance and Business Development of Revolution LLC. From 2002 until 2004, Mr. Foster was a Managing Director of The Cypress Group, a private equity investment firm and from 2001 until 2002, he served as a Senior Managing Director and Head of Industrial Products and Services Mergers & Acquisitions at Bear Stearns & Co. From 1999 until 2000, Mr. Foster served as the Executive Vice President, Chief Operating Officer and Chief Financial Officer of Toysrus.com, Inc. Previously, Mr. Foster was with Lazard, primarily in mergers and acquisitions, for over ten years, including as a Managing Director. Mr. Foster is a director of publicly traded Masonite International Corporation, Berry Global and Five Point Holdings. He was previously a director of publicly traded Chemtura Corp., Sabine Oil & Gas and Smurfit-Stone Container Corporation. Mr. Foster is also a director of privately held automotive suppliers Chassix, Dayco and Rimstock. He was previously a director of privately held automotive suppliers TI Automotive and Stackpole. Mr. Foster has a bachelor s degree in Accounting from Emory University, a master s degree in Accounting & Finance from the London School of Economics and has attended the Executive Education Program at Harvard Business School.

Skills and Qualifications

Executive management and leadership experience

Public company directorship and committee experience, including with global manufacturing companies

Experience in financial statement preparation and accounting, financial reporting, compliance and internal controls

Previous experience as a chief financial officer

Extensive transactional experience in mergers and acquisitions, debt financings and equity offerings

Extensive experience as an investment banker, private equity investor and director with industrial companies, including those in the automotive sector

Independent of management

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DIRECTORS AND CORPORATE GOVERNANCE

Mary Lou Jepsen Age: 53 Lear Committees

Compensation

Nominating

Biography

Dr. Jepsen was appointed a director of the Company in March 2016. Dr. Jepsen is the CEO, Founder and Chairman of the Board of Openwater, a start-up company focused on replacing the functionality of Magnetic Resonance Imaging (MRI) with a consumer electronic wearable using novel opto-electronics to achieve comparable resolution to a MRI. Previously, Dr. Jepsen was the Executive Director of Engineering at Facebook, Inc. and Head of Display Technologies at Oculus where she led advanced consumer electronics, opto-electronic and display design and manufacturing efforts. From 2012 to 2015, Dr. Jepsen had a similar role at Google, Inc. and Google X. She also co-founded One Laptop per Child and was the lead architect of the $100 laptop, millions of which were shipped to children in the developing world. She is the principal inventor on approximately 200 patents. She has broad advisory experience in Peru, China, Uruguay, Taiwan, Brazil and the United States, as well as at the United Nations. Dr. Jepsen holds a doctorate degree from Brown University in Optical Sciences, a master of science degree from Massachusetts Institute of Technology in Visual Studies and a bachelor s of science degree in Electrical Engineering from Brown University.

Skills and Qualifications

One of the world s foremost display innovators

Exceptional track record of leadership and innovation

Significant experience in working with Asia s largest computer manufacturers

Experience and leadership in engineering with global technology companies

Globally recognized with dozens of prestigious awards, including TIME magazine s Time 100 as one of the 100 most influential people in the world, a CNN top 10 thinker and by the leading global professional societies in optics, display and electronics

Executive management experience

Independent of management

Kathleen A. Ligocki Age: 62 Lear Committees:

Compensation

Nominating (Chair)

Biography

Ms. Ligocki has been a director of the Company since September 2012. From December 2015 to February 2019, Ms. Ligocki served as the Chief Executive Officer of Agility Fuel Solutions, based in Costa Mesa, California. Ms. Ligocki served as the Chief Executive Officer of Harvest Power, Inc., one of the leading organics management companies in North America from 2014 to 2015 and has served as a director of Carpenter Technology Company since 2017, where she serves on the Compensation, Nominating and Governance and Strategy Committees. From 2012 to 2014, she served as an Operating Partner at Kleiner Perkins Caufield & Byers, one of Silicon Valley s top venture capital providers where she worked with the firm s greentech ventures on strategic challenges, scaling operations and commercialization. Ms. Ligocki also has served as the Chief Executive Officer of two early stage companies: Next Autoworks, an auto company with a unique low-cost business model, from 2010 to 2012, and GS Motors, a Mexico City-based auto retailer owned by Grupo Salinas, a large Mexican conglomerate, from 2008 to 2009. From 2008 to 2010, Ms. Ligocki also served as a Principal in Pine Lake Partners, a consultancy focused on start-ups and turnarounds. From 2003 to 2007, Ms. Ligocki was the Chief Executive Officer of Tower Automotive, a global Fortune 1000 automotive supplier. Previously, Ms. Ligocki held executive positions at Ford Motor Company and at United Technologies Corporation where she led operations in North America, Europe, Africa, the Middle East and Russia. Ms. Ligocki began her career at General Motors Corporation working for 15 years at Delco Electronics Corporation. Ms. Ligocki formerly served as a director of Harvest Power, Inc., Ashland Inc., Next Autoworks, BlueOak Resources and Lehigh Technologies. Ms. Ligocki earned a bachelor s degree with highest distinction in Liberal Studies from Indiana University Kokomo and holds an MBA from the Wharton School at the University of Pennsylvania. She also has been awarded honorary doctorate degrees from Central Michigan University and Indiana University Kokomo.

Skills and Qualifications

Executive management and leadership experience, including in the automotive industry

Public company directorship and committee experience, including in the automotive industry

Extensive experience in financial analysis, financial statement preparation, financial reporting, compliance and internal controls

Senior management experience in international automotive operations

Understanding of a wide range of issues through experience with businesses ranging from start-ups to large, global manufacturing operations

Independent of management

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DIRECTORS AND CORPORATE GOVERNANCE

Conrad L. Mallett, Jr. Age: 65 Lear Committees:

Compensation

Nominating

Biography

Justice Mallett has been a director of the Company since August 2002. In August 2017, Justice Mallett was named Chief Executive Officer of Detroit Medical Center s Sinai-Grace Hospital. Prior to that, he was Interim Chief Executive Officer of Detroit Medical Center, Huron Valley Sinai Hospital from March 2017 to August 2017 and also Executive Vice President and Chief Administrative Officer of Detroit Medical Center from January 2012 to August 2017. Previously, Justice Mallett served as the Chief Legal and Administrative Officer of the Detroit Medical Center beginning in March 2003, President and General Counsel of La-Van 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 formerly served as a director of Kelly Services, Inc. He was recognized by Savoy Magazine as one of 2016 Most Influential Black Corporate Directors. Justice Mallett has a bachelor s degree from the University of California, Los Angeles, a JD and a master of public administration degree from the University of Southern California and an MBA from Oakland University.

Skills and Qualifications

Executive management and leadership experience

Leadership experience gained as Chief Justice of the Michigan Supreme Court

Public company directorship and committee experience

Extensive legal and governmental experience, including significant involvement in state, municipal and community governmental activities

Independent of management

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Raymond E. Scott Age: 53 President, Chief Executive Officer and Interim President, E-Systems

Biography

Mr. Scott was appointed as President and Chief Executive Officer of the Company on March 1, 2018. Additionally, Mr. Scott was appointed as Interim President, E-Systems, effective January 28, 2019. Prior to that, he served as the Company s Executive Vice President and President, Seating, a position he had held since November 2011, and prior to that, as the Company s Senior Vice President and President, E-Systems, a position he had held since February 2008. Previously, he served in other positions at the Company, including Senior Vice President and President, North American Seat Systems Group since August 2006, Senior Vice President and President, North American Customer Group since June 2005, President, European Customer Focused Division since June 2004 and President, General Motors Division since November 2000. Mr. Scott earned a Bachelor of Science degree in economics from the University of Michigan. He also earned a master of business administration degree from Michigan State University s Advanced Management Program.

Skills and Qualifications

Executive management and leadership experience with the Company, with extensive knowledge of the Company s business, operations and global strategy

Track record of leadership, achievement, innovation and execution in the Company s Seating and E-Systems businesses

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DIRECTORS AND CORPORATE GOVERNANCE

Gregory C. Smith Age: 67 Lear Committees:

Audit

Nominating

Biography

Mr. Smith has been a director of the Company since November 2009. Mr. Smith, a retired Vice Chairman of Ford Motor Company, currently serves as Principal of Greg C. Smith LLC, a private management consulting firm, a position he has held since 2007. Previously, Mr. Smith was employed by Ford Motor Company for over 30 years until 2006. Mr. Smith held various executive-level management positions at Ford Motor Company, most recently serving as Vice Chairman from 2005 until 2006, Executive Vice President and President Americas from 2004 until 2005, Group Vice President Ford Motor Company and Chairman and Chief Executive Officer Ford Motor Credit Company from 2002 to 2004, Vice President Ford Motor Company, and President and Chief Operating Officer Ford Motor Credit Company from 2001 to 2002. As Vice Chairman, Mr. Smith was responsible for Ford s Corporate Strategy and Staffs, including Human Resources and Labor Affairs, Information Technology, and Automotive Strategy. During his career at Ford, Mr. Smith ran several major business units and had extensive experience in Financial Services, Strategy, Marketing and Sales, Engineering and Product Development. Mr. Smith also was responsible for Hertz when Ford owned it, and, in 2005, Automotive Components Holdings, the portion of Visteon that Ford repurchased. Currently, Mr. Smith serves as a director of publicly traded Penske Automotive Group, where he serves as the chair of the Audit Committee and formerly served as a director of the Federal National Mortgage Association (Fannie Mae), Penske Corporation and Solutia Inc. Mr. Smith serves on the Risk Oversight Advisory Council of the National Association of Corporate Directors. Mr. Smith has a bachelor s degree in Mechanical Engineering from Rose-Hulman Institute of Technology and an MBA from Eastern Michigan University.

Skills and Qualifications

Executive management and leadership experience, including in the automotive industry

Public company directorship and committee experience

Served on audit committees of public and private companies

Experience actively overseeing finance departments and personnel

Extensive experience and knowledge of automotive industry

Experience and knowledge of automotive company operations and strategic issues, including engineering, manufacturing, marketing, human resources and finance

Independent of management

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Henry D.G. Wallace Age: 73

Biography

Mr. Wallace has served as the Company s Non-Executive Chairman since August 2010 and has been a director of the Company 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. His most recent positions included Chief Financial Officer of Ford Motor Company and President and CEO of Mazda Motor Corporation. Mr. Wallace served as Non-Executive Chairman of Diebold Nixdorf, Inc. (NYSE: DBD) until December 2017. Mr. Wallace also formerly served as a director of Hayes Lemmerz International, Inc. and AMBAC Financial Group, Inc. Mr. Wallace earned a bachelor s degree with Honours from the University of Leicester, England.

Skills and Qualifications

Experience and leadership with a global manufacturing company

Leadership experience on boards of several public companies

Extensive international experience in Asia, Europe and Latin America

Experience in finance, financial statement preparation and accounting, financial reporting, compliance and internal controls, including as chief financial officer

Executive management experience, including in the automotive industry

Independent of management

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DIRECTORS AND CORPORATE GOVERNANCE

Criteria for Selection of Directors

The following are the general criteria for the selection of our directors that the Nominating Committee utilizes in evaluating candidates for Board membership. The Nominating Committee considers, without limitation, a director nominee s independence, skills and other attributes, experience, perspective, background and diversity (which we define broadly to include differences in viewpoints, background, experience, skill, education, national origin, gender, race, age,

culture and current affiliations that may offer the Company exposure to contemporary business issues and is considered in the context of the Board as a whole). These qualifications may vary from year to year, depending on the needs of the Company at the time.

The general criteria set forth below are not listed in any particular order of importance:

The above criteria should not 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 Committee believes would contribute to the effective functioning of our Board.

Our Corporate Governance Guidelines and Nominating Committee charter provide guidelines with respect to the consideration of director candidates. Under these guidelines, the Nominating 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

Committee also may recommend to the Board changes to the portfolio of director skills, experience, perspective and background required for the effective functioning of the Board, considering our strategy and the regulatory, geographic and market environments. Any such changes to the director selection criteria must be approved by the Board.

The Nominating Committee screens candidates and recommends director nominees who are approved by the Board. The Nominating Committee considers candidates for Board membership suggested by its members and other Board members, as well as management and stockholders. The Nominating Committee also may retain a search firm (which may be paid a fee) to identify director candidates. Once a potential candidate has been identified, the Nominating

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. All director candidates are evaluated on the same basis.

Candidates also are evaluated in light of Board policies, such as those relating to director independence and service on other boards, as well as considerations relating to the size and structure of the Board.

Recommendation of Directors by Stockholders

In accordance with its charter, the Nominating 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 1.13 of the Company s Bylaws for nominations by stockholders of persons to serve as directors. The Nominating Committee evaluates such candidates in the same manner by which it evaluates other director candidates considered by the Nominating Committee, as described above.

Pursuant to Section 1.13 of the Bylaws, 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 90 nor more than 120 days prior to the first anniversary of the preceding year s annual meeting; provided, however, that if the annual meeting is more than 30 days prior to the anniversary of the preceding year s annual meeting or more than 70 days after such anniversary date, notice by the stockholder must be delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business

on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is made by the Company. For purposes of the Bylaws, public announcement 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, Executive Vice President, Business Development, General Counsel and Corporate Secretary.

A copy of our Bylaws, as amended, has been filed as an exhibit to our Current Report on Form 8-K filed with the SEC on November 9, 2009.

Independence of Directors

The Company s Corporate Governance Guidelines provide that a majority of the members of the Board, and each member of the Audit Committee, Compensation Committee and Nominating Committee, must meet the criteria for independence set forth under applicable law and the New York Stock Exchange (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. These independence guidelines are part of our Corporate Governance Guidelines, available on our website at www.lear.com. 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.

The Board has made director independence determinations with respect to each of our directors. Based on our director independence guidelines and the NYSE independence guidelines, the Board has affirmatively determined that (i) Messrs. Bott, Capo, Cheng and Foster, Dr. Jepsen, Ms. Ligocki and Messrs. Mallett, Smith and Wallace (A) have no relationships or only immaterial relationships with us, (B) meet our director independence guidelines and the NYSE independence guidelines with respect to any such relationships and (C) are independent; and (ii) Mr. Scott is not independent. Mr. Scott is our President, Chief Executive Officer and Interim President, E-Systems (the CEO).

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DIRECTORS AND CORPORATE GOVERNANCE

Board s Role in Risk Oversight

The Company s management continually monitors the material risks facing the Company. Our enterprise risk management process is designed to facilitate the identification, assessment and management of certain key risks the Company may encounter and which may impact our

ability to achieve our strategic objectives. The enterprise risk management process supplements management s ongoing responsibilities to monitor and address risks by working with risk owners to identify the key mitigating actions for certain risks, which then are discussed with senior management.

The Board, with the assistance of the Board committees, is responsible for overseeing such management actions to ensure that material risks affecting the Company are identified and managed appropriately. The Board and the Board committees oversee risks associated with their principal areas of focus, as summarized below:

Board/Committee Areas of Risk Oversight and Actions

Full Board	Carefully evaluates the reports received from management and makes inquiries of management on areas of particular interest to the Board Reviews with management material strategic, operational, financial, compensation and compliance risks Considers specific risk topics in connection with strategic planning and other matters Oversees risk oversight and related activities conducted by the Board committees through reports of the committee chairmen to the Board
Audit Committee	

	Responsible for ensuring that the Company has an internal audit function to provide management and the Audit Committee with ongoing assessments of the Company s risk management process and system of internal controls
	Discusses with management the Company s process for assessing and managing risks, including the Company s major risk exposures related to tax matters, financial instruments, litigation and information security (including cybersecurity) and the steps necessary to monitor and control such exposures
	Central oversight of financial and compliance risks
	Meets periodically with senior management, our vice president of internal audit, our chief compliance officer and our independent auditor, Ernst & Young LLP, and reports on its findings at each regularly scheduled meeting of the Board
	Periodically assesses reports provided by management on risks addressed in the enterprise risk management process and other risks, and reports to the Board, as appropriate
Compensation Committee	Oversees the review and evaluation of the risks associated with our compensation policies and practices (see also Compensation and Risk)
Nominating Committee	Oversees risks associated with our governance structure and processes
	Reviews our organizational documents, Code of Business Conduct and Ethics, Corporate Governance Guidelines and other policies
	Oversees sustainability issues, including as they pertain to environmental and corporate social responsibility matters

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Corporate Social Responsibility

Consistent with Lear s mantra, *Where Passion Drives Possibilities*, we work to ensure that our passion for our business is also channeled into creating possibilities for a better world. This means that as part of our corporate social responsibility (CSR) initiatives, we are committed to safety in our workplaces, sustainability in our operations and products and reduction of our natural resource consumption. Additionally, supporting the communities around the world in which we do business is one of our core values.

Our CSR commitment is realized through a strategy of talent management focused on leadership development and employee engagement and the continuous improvement of our environmental, health and safety management systems, programs and operations to enhance performance and teamwork.

Sustainability Strategy

Environmental, Health & Safety Policy

The foundation for achieving our CSR commitment is based on:

Integrating EHS, as well as Sustainability, into our overall business strategy and supply chain management.

Reducing EHS risks by minimizing the environmental impact and eliminating health and safety hazards.

Developing and utilizing environmentally acceptable, safe, sustainable and efficient production methods and processes.

Implementing efficient uses of energy, reducing greenhouse gas emissions and supporting climate change initiatives.

Reducing our use of chemicals and raw materials, as well as reducing waste generation.

Communicating our policies and expectations to all of our employees, customers, suppliers, other stakeholders and the public.

Social Responsibility

We actively support human and animal rights.

We have a global reporting channel for any ethical concerns or violations for our employees and our supply chain.

We are committed to partnering with our industry and society in driving change through the implementation of the United Nations Sustainable Development Goals.

Community outreach and giving are engrained in our core values.

We have developed a global distracted driving awareness initiative.

People

Together We Win is our global employee engagement initiative focused on driving positive culture change in our operational environments using four key elements: Leadership, Work Environment, Employee Involvement and Teams.

Diversity and inclusion is deeply integrated into our organizational framework and our hiring and promotional practices.

Developing talent is a priority across all levels of the organization and includes a CEO Academy, Leadership Model and Assessments, Emerging Leaders Development Program and One Lear Mindset training.

For additional information on our corporate social responsibility initiatives, including our 2017 Sustainability Report and our 2018 Corporate Social Responsibility Supplement, please visit our website at www.lear.com/site/CSR. The information on our website is not part of this proxy statement and is not deemed to be incorporated by reference herein.

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DIRECTORS AND CORPORATE GOVERNANCE

Corporate Governance

The Board has approved Corporate Governance Guidelines and a Code of Business Conduct and Ethics. 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 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. The information on our website is not part of this proxy statement and is not deemed to be incorporated by reference herein.

Other Board Information

Leadership Structure of the Board

Henry D.G. Wallace is our Non-Executive Chairman of the Board and has served in that role since August 2010. Our Board has decided to maintain separate Chairman and CEO roles to allow our CEO to focus on the execution of our business strategy, growth and development, while allowing the Non-Executive Chairman to lead the Board in its fundamental role of providing advice to, and independent oversight of, management. The Board recognizes the time, effort and

energy that the CEO is required to devote to his position in the current business environment, as well as the commitment required to serve as our Chairman. While our Bylaws and Corporate Governance Guidelines do not require that our Chairman and CEO positions be separate, the Board believes that having separate positions and having an independent director serve as Non-Executive Chairman is the appropriate leadership structure for the Company at this time.

Board Meetings

In 2018, our Board held 6 meetings. In addition to our Board meetings, our directors attend meetings of committees established by our Board. Each of Lear s director nominees attended at least 75% of the meetings of our Board and the committees on which he or she served during 2018 that were

held when he or she was a director. Our directors are encouraged to attend all annual and special meetings of our stockholders. In 2018, our annual meeting of stockholders was held on May 17, 2018, and all directors attended.

Meetings of Non-Employee Directors

In accordance with our Corporate Governance Guidelines and the listing standards of the NYSE, our non-employee directors meet regularly in executive sessions of the Board without

management present. Mr. Wallace, our Non-Executive Chairman, presides over these executive sessions.

Committees of the Board

The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating Committee. The following chart sets forth the directors who currently serve as members of each of the Board committees.

Directors	Audit Committee	Compensation Committee	Nominating Committee
Richard H. Bott	X	X	
Thomas P. Capo	X	C	
Mei-Wei Cheng			
Jonathan F. Foster	C		X
Mary Lou Jepsen		X	X
Kathleen A. Ligocki		X	C
Conrad L. Mallett, Jr.		X	X
Raymond E. Scott			
Gregory C. Smith	X		X
Henry D.G. Wallace*	E	E	E

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* Non-Executive Chairman of the Board

C Denotes member and chairman of committee

X Denotes member

E Denotes Ex Officio member

Audit Committee

In 2018, the Audit Committee held 9 meetings. Each of the members of the Audit Committee is a non-employee director. In addition, the Board has determined that all of the members of the Audit Committee are independent, financially literate

and financial experts, as further discussed under Audit Committee Report. For a description of the Audit Committee s responsibilities and findings and additional information about the Audit Committee, see Audit Committee Report.

Compensation Committee

In 2018, the Compensation Committee held 4 meetings. Each of the members of the Compensation Committee is a non-employee director. In addition, the Board has determined that all of the members of the Compensation Committee are independent as defined in the listing standards of the NYSE, including the independence standards applicable to compensation committees. 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 utilizes an independent compensation consultant to assist it in its duties. 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 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 Compensation 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 Compensation Committee has final authority to approve, modify or reject the recommendations and to make its decisions in executive session. The Compensation Committee approves all compensation of our executive officers, including equity

awards. Under our equity award policy, an aggregate equity award pool to non-executive officers may be approved by the Compensation Committee and allocated to individuals by the Company s CEO. The policy also allows the Compensation Committee to delegate to the CEO the ability to grant equity awards to non-executive officer employees who are newly hired or promoted or deemed to be deserving of special retention or recognition awards.

The Compensation Committee utilizes Pay Governance LLC (Pay Governance) as its independent compensation consultant. The consultant reports directly to the Compensation Committee, 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 with the Compensation Committee in its review of executive and director compensation practices, including the competitiveness of pay levels, program design, market trends and technical considerations. Pay Governance has assisted the Compensation Committee with the development of competitive market data and a related assessment of the Company s executive and director compensation levels, evaluation of annual and long-term incentive compensation strategy and compilation and review of total compensation data and tally sheets (including data for certain termination and change in control scenarios) for the Company s Named Executive Officers (as defined in Compensation Discussion and Analysis). As part of this process, the Compensation Committee also reviewed a comprehensive analysis of peer group companies provided by Pay Governance. See, Compensation Discussion and Analysis Benchmarking. Other than with respect to consulting on executive and director compensation matters, Pay Governance has performed no other services for the Compensation Committee or the Company.

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The Compensation Committee has reviewed the independence of Pay Governance in light of SEC rules and NYSE listing standards regarding compensation consultants and has concluded that Pay Governance s work for the Compensation Committee does not raise any conflict of interest.

In 2018, the Company s management retained Frederic W. Cook & Co., Inc. to assist in the review of various executive compensation programs. The Company and the Compensation Committee reviewed the engagement of the management consultant under the SEC disclosure rules and found that no conflicts of interest existed with respect to such engagement.

Nominating Committee

In 2018, the Nominating Committee held 4 meetings. Each of the members of the Nominating Committee is a non-employee director. In addition, the Board has determined that all of the members of the Nominating Committee are independent as defined in the listing standards of the NYSE.

The Nominating 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 director nominees to the Board for election at the next annual meeting of the stockholders of the Company; (iii) in the event of a vacancy on or an increase in the size of the Board, recommending director nominees to the

Board to fill such vacancy or newly established Board seat; (iv) recommending directors to the Board for membership on each committee of the Board; (v) establishing and reviewing annually our Corporate Governance Guidelines and Code of Business Conduct and Ethics; (vi) reviewing potential conflicts of interest involving our executive officers; and (vii) overseeing sustainability issues, including as they pertain to environmental and corporate social responsibility matters. The Nominating 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 or in printed form upon request.

Communications to the Board

Stockholders and interested parties can contact the Board (including the Non-Executive Chairman and non-employee directors) through written communication sent to Lear Corporation, 21557 Telegraph Road, Southfield, Michigan 48033, Attention: Terrence B. Larkin, Executive Vice President, Business Development, 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.

Communications of a confidential nature can be made directly to our non-employee 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 Non-Executive Chairman. Any submissions to the Audit Committee or the Non-Executive Chairman should be marked confidential and addressed to the Chairman of the Audit Committee or the Non-Executive Chairman, 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. 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 Non-Executive Chairman in the investigation of such matter.

Certain Legal Proceedings

In 2009, the Company filed for reorganization under chapter 11 of the Bankruptcy Code. At such time, Mr. Scott was serving as our Senior Vice President and President, E-Systems.

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Director Compensation

The following table summarizes the annual compensation for our non-employee directors during 2018. A summary of the director compensation program and elements is presented after the table below.

2018 Director Compensation

Name	Fees Earned or Paid in Cash(1)(2)	Stock Awards(3)	All Other Compensation(4)	Total
Richard H. Bott	$ 115,000	$ 159,974	$	$ 274,974
Thomas P. Capo	$ 135,000	$ 159,974	$	$ 294,974
Jonathan F. Foster	$ 135,000	$ 159,974	$ 360,518	$ 655,492
Mary Lou Jepsen	$ 115,000	$ 159,974	$	$ 274,974
Kathleen A. Ligocki	$ 130,000	$ 159,974	$	$ 289,974
Conrad L. Mallett, Jr.	$ 115,000	$ 159,974	$	$ 274,974
Donald L. Runkle(5)	$ 47,917	$	$	$ 47,917
Gregory C. Smith	$ 115,000	$ 159,974	$	$ 274,974
Henry D.G. Wallace	$ 195,000	$ 279,802	$	$ 474,802

(1) Includes cash retainer and other fees earned for service as directors in 2018. The base annual cash retainer is $115,000 and as described below, there is an additional cash retainer for the Non-Executive Chairman and the Chairman of each of the Audit Committee, Compensation Committee and Nominating Committee.

(2) Two of our directors deferred the following amounts from their 2018 retainer fees: Ms. Ligocki $130,000; and Mr. Wallace $195,000.

(3) For the annual grant of stock, the amounts reported in this column for each director reflect the aggregate grant date fair value determined in accordance with FASB Accounting Standards Codification (ASC) 718, Compensation-Stock Compensation. Messrs. Capo and Wallace and Ms. Ligocki deferred 100% of their 2018 annual stock grants into deferred stock units; Mr. Mallett deferred 90% of his 2018 annual stock grant into deferred stock units.

(4) The amount in this column for Mr. Foster represents a reimbursement by the Company in 2018 for taxes owed by him pursuant to Section 409A of the Internal Revenue Code (Code Section 409A). This reimbursement was intended to make Mr. Foster whole for the tax effects under Code Section 409A caused by an inadvertent administrative error that resulted in the Company s late distribution of shares of the Company s common stock previously deferred by Mr. Foster under the Outside Directors Compensation Plan.

(5) Mr. Runkle s term as a director expired at the May 2018 annual meeting of stockholders.

Summary of 2018 Director Compensation

Overview

In order to attract and retain highly qualified directors to represent stockholders, our philosophy is to set compensation to be within a competitive range of non-employee director pay at comparable companies. At least every two years, the independent compensation consultant presents an analysis of director pay levels among our Comparator Group (described in Compensation Discussion and Analysis Benchmarking below) and a broader set of large companies. The most recent competitive pay study was completed in September 2017. As

noted below and as previously disclosed, changes, effective for 2018, were made to the director pay program based on consideration of the pay philosophy, results of the recent market pay analysis, recognition that the last time pay was changed was effective for 2016 and other factors. Based on the most recent benchmarking analysis, the director compensation is near the market median level within the Comparator Group.

Annual Cash Retainer

The base annual cash retainer for each non-employee director under the Outside Directors Compensation Plan is $115,000 (increased from $110,000 prior to 2018). The additional cash

retainer for the chairs of the Compensation Committee and the Audit Committee is $20,000, the additional cash retainer for the chair of the Nominating Committee is $15,000 and the

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DIRECTORS AND CORPORATE GOVERNANCE

additional cash retainer for the Presiding Director, if any, is $10,000. The annual cash retainer for each non-employee director is paid in advance in equal installments on the last business day of the month. Because the Company has an independent Non-Executive Chairman, there currently is no Presiding Director.

Non-employee directors generally do not receive Board or standing committee meeting fees; however, each

non-employee director is eligible to receive $1,500 for each Board meeting in excess of twelve that he/she attends in a calendar year. Meeting fees for a special committee of the Board are set by the Board at the time of the formation of the special committee and usually are set at the rate of $1,000 per meeting. Meeting fees, if any, are paid on the last business day of the month (for that month s meeting fees).

Equity Compensation

Pursuant to the Outside Directors Compensation Plan, each non-employee director receives a base annual unrestricted grant of Lear common stock approximately equal in value to $160,000 (increased from $150,000 prior to 2018) and subject

to the stock ownership guidelines described below. Stock grants are made on the date of the annual meeting of stockholders at which a director is elected or re-elected to serve on the Board.

Non-Executive Chairman Compensation

The additional compensation for our Non-Executive Chairman, currently Mr. Wallace, in 2018 was an additional annual cash retainer in the amount of $80,000 and an additional annual grant of Lear common stock equal in value to $120,000

(increased from $75,000 and $110,000, respectively, prior to 2018). The payment schedule for this additional annual compensation is the same as that described above.

Deferrals

A non-employee director may elect to defer receipt of all or a portion of his or her annual retainer and any meeting fees pursuant to a valid deferral election. To the extent that any such cash payments are deferred, they are credited to a notional account and bear interest at an annual rate equal to the prime rate (as defined in the Outside Directors Compensation Plan). Non-employee directors may also elect to defer all or a portion of their annual stock retainer into deferred stock units.

In general, amounts deferred are paid to a non-employee director as of the earliest of:

- the date elected by such director;
- the date the director ceases to be a director; or
- the date a change of control (as defined in the Outside Directors Compensation Plan) occurs.

Retainer, meeting fees and restricted cash amounts that are deferred are paid in cash in a single sum payment or, at the director s election, in installments. Amounts of the stock grant that are deferred are paid in the form of shares of common stock in a lump sum or installments in accordance with the director s election.

Stock Ownership Guidelines

The Company has a long-standing practice of having stock ownership guidelines for non-employee directors. Each non-employee director must achieve a stock ownership level of a number of shares with a value equal to five times the base annual cash retainer and, beginning in 2014, must hold 50% of the net shares from their annual stock grants received

until they are in compliance with these guidelines. As of our latest measurement date (December 31, 2018), all of our non-employee directors who were directors on the measurement date (other than Dr. Jepsen, who joined the Board in March 2016 and is in compliance with the 50% hold requirement) met the required ownership guideline level.

General

Directors who are also our employees receive no compensation for their services as directors except

reimbursement of expenses incurred in attending meetings of our Board or Board committees.

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Security Ownership of Certain Beneficial Owners, Directors and Management

The following table sets forth, as of March 21, 2019 (except as indicated below), beneficial ownership, as defined by SEC rules, of our common stock and ownership of RSUs by the persons or groups specified. Each of the persons listed below has sole voting and investment power with respect to the beneficially owned shares listed unless otherwise indicated. The percentage calculations set forth in the table are based on 62,415,363 shares of common stock outstanding on March 21, 2019, rather than based on the percentages set forth in stockholders Schedules 13G or 13D, as applicable, filed with the SEC.

	Number of Shares of Common Stock Owned Beneficially	Percentage of Common Stock Owned Beneficially	Number of RSUs Owned[18]
5% Beneficial Owners:			
The Vanguard Group[1]	6,278,124	10.0%	
Norges Bank[2]	5,315,199	8.5%	
BlackRock, Inc.[3]	4,046,228	6.5%	
Harris Associates L.P.[4]	3,424,807	5.5%	
Named Executive Officers and Directors:			
Raymond E. Scott[5][6][7]	27,033	*	49,204
Jeffrey H. Vanneste[5][8]	42,878	*	6,924
Terrence B. Larkin[5][9]	14,297	*	4,914
Frank Orsini[5][6]	23,804	*	22,810
Thomas A. DiDonato[5][10]	35,933	*	6,190
Matthew J. Simoncini[5][11]		*	
Richard H. Bott[7][12]	5,394	*	
Thomas P. Capo[7][13]	11,562	*	
Mei-Wei Cheng[7]	363	*	
Jonathan F. Foster[7]	8,444	*	
Mary Lou Jepsen[7][14]	3,396	*	
Kathleen A. Ligocki[7][15]	12,856	*	
Conrad L. Mallett, Jr.[7][16]	7,838	*	
Gregory C. Smith[7]	10,349	*	
Henry D.G. Wallace[7][17]	19,228	*	
Total Executive Officers and Directors as a Group (16 individuals)	231,439	*	92,867

* Less than 1%

(1) Information contained in the table above and this footnote is based on a report on Schedule 13G/A filed with the SEC on March 11, 2019 by The Vanguard Group (Vanguard). Vanguard is the beneficial owner of 6,278,124 shares, with sole voting power as to 45,775 such shares, sole dispositive power as to 6,224,090 such shares, shared voting power as to 13,078 such shares and shared dispositive power as to 54,034 such shares. Vanguard s principal place of business is 100 Vanguard Blvd., Malvern, PA 19355.

(2) Information contained in the table above and this footnote is based on a report on Schedule 13G/A filed with the SEC on January 24, 2019 by Norges Bank (Norges). Norges is the beneficial owner of 5,315,199 shares, with sole dispositive and sole voting power as to all such shares. Norges principal place of business is Bankplassen 2, PO Box 1179 Sentrum, NO 0107 Oslo, Norway.

(3) Information contained in the table above and this footnote is based on a report on Schedule 13G/A filed with the SEC on February 6, 2019 by BlackRock, Inc. (BlackRock). BlackRock is the beneficial owner of 4,046,228 shares, with sole dispositive power as to all such shares and sole voting power as to 3,571,842 shares. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from, the sale of the Company s common stock. No one person s interest in the Company s common stock is more than five percent of the total outstanding common stock. BlackRock s principal place of business is 55 East 52nd Street, New York, New York 10055.

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DIRECTORS AND CORPORATE GOVERNANCE

(4) Information contained in the table above and this footnote is based on a report on Schedule 13G filed with the SEC on February 14, 2019 by Harris Associates L.P. and Harris Associates Inc. (collectively, Harris). By reason of advisory and other relationships with the person who owns the shares, Harris may be deemed to be the beneficial owner of 3,424,807 shares, with sole voting power as to 3,057,099 shares and sole dispositive power over all such shares. Harris principal place of business is 111 S. Wacker Drive, Suite 4600, Chicago IL 60606.

(5) The individual is a Named Executive Officer.

(6) Messrs. Scott and Orsini are not yet retirement-eligible, and thus, their share ownership does not include any unvested Career Shares or RSUs. If they remain employed by the Company, Messrs. Scott and Orsini will become retirement-eligible on August 2, 2020 and April 2, 2027, respectively.

(7) The individual is a director.

(8) Mr. Vanneste is retirement-eligible and therefore qualifies for accelerated vesting of all of his Career Shares and RSUs that would have vested if the date of retirement had been 24 months later than it actually occurred. As a result, Mr. Vanneste s share ownership includes 14,437 Career Shares and 7,034 unvested RSUs (all RSUs awarded more than one year prior to the record date). Such Career Shares and unvested RSUs would be forfeited only if Mr. Vanneste were terminated for cause pursuant to the terms of his employment agreement.

(9) Mr. Larkin is retirement-eligible and therefore qualifies for accelerated vesting of all of his Career Shares and RSUs that would have vested if the date of retirement had been 24 months later than it actually occurred. As a result, Mr. Larkin s share ownership includes 3,875 Career Shares and 7,670 unvested RSUs (all RSUs awarded more than one year prior to the record date). Such Career Shares and unvested RSUs would be forfeited only if Mr. Larkin were terminated for cause pursuant to the terms of his employment agreement.

(10) Mr. DiDonato is retirement-eligible and therefore qualifies for accelerated vesting of all of his Career Shares and RSUs that would have vested if the date of retirement had been 24 months later than it actually occurred. As a result, Mr. DiDonato s share ownership includes 13,974 Career Shares and 5,709 unvested RSUs (all RSUs awarded more than one year prior to the record date). Such Career Shares and unvested RSUs would be forfeited only if Mr. DiDonato were terminated for cause pursuant to the terms of his employment agreement.

(11) Mr. Simoncini resigned as President and Chief Executive Officer and as a member of the Board effective February 28, 2018, and retired from the Company on January 4, 2019. The information regarding Mr. Simoncini s beneficial ownership is based solely on his Section 16 filings through his Form 4 filed on February 22, 2018, and does not include any Performance Shares, RSUs or Career Shares that may have vested in connection with, or

following, such Form 4 filing.

(12) Includes 5,394 deferred stock units, which are fully vested and convert into shares of common stock on a 1-for-1 basis upon the earliest of the director s departure from the Board, a change in control or the pre-established date elected by the director.

(13) Includes 11,422 deferred stock units, which are fully vested and convert into shares of common stock on a 1-for-1 basis upon the earliest of the director s departure from the Board, a change in control or the pre-established date elected by the director.

(14) Includes 1,063 deferred stock units, which are fully vested and convert into shares of common stock on a 1-for-1 basis upon the earliest of the director s departure from the Board, a change in control or the pre-established date elected by the director.

(15) Includes 10,356 deferred stock units, which are fully vested and convert into shares of common stock on a 1-for-1 basis upon the earliest of the director s departure from the Board, a change in control or the pre-established date elected by the director.

(16) Includes 7,838 deferred stock units, which are fully vested and convert into shares of common stock on a 1-for-1 basis upon the earliest of the director s departure from the Board, a change in control or the pre-established date elected by the director.

(17) Includes 19,228 deferred stock units, which are fully vested and convert into shares of common stock on a 1-for-1 basis upon the earliest of the director s departure from the Board, a change in control or the pre-established date elected by the director.

(18) Includes, as of March 21, 2019, (i) Career Shares and unvested RSUs owned by our retirement-eligible executive officers that have been outstanding for less than one year, and (ii) Career Shares and unvested RSUs owned by our non-retirement-eligible executive officers. These Career Shares and unvested RSUs are subject to all of the economic risks of stock ownership but may not be voted or sold and are subject to vesting provisions as set forth in the respective grant agreements.

Section 16(a) Beneficial Ownership Reporting Compliance

Based upon our review of reports filed with the SEC and written representations that no other reports were required, we believe that all of our directors and executive officers complied

with the reporting requirements of Section 16(a) of the Exchange Act during 2018.

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COMPENSATION DISCUSSION AND ANALYSIS

The following discusses the material elements of the compensation for our Chief Executive Officer (CEO), Chief Financial Officer (CFO) and each of the other executive officers listed in the 2018 Summary Compensation Table (collectively, the Named Executive Officers) during the year ended December 31, 2018. To assist in understanding compensation for 2018, we have included a discussion of our compensation policies and practices for periods before and after 2018 where relevant. To avoid repetition, in the discussion that follows we make cross-references to specific compensation data and terms for our Named Executive Officers contained in Executive Compensation. In addition, because we have a global team of managers in 39 countries, our compensation program is designed to provide some common standards throughout the Company and, therefore, much of what is discussed below applies to executives in general and is not limited specifically to our Named Executive Officers.

Named Executive Officers

Our Named Executive Officers for 2018 are:

Raymond E. Scott, President, Chief Executive Officer and Interim President, E-Systems; Former Executive Vice President and President, Seating

Jeffrey H. Vanneste, Senior Vice President and Chief Financial Officer

Terrence B. Larkin, Executive Vice President, Business Development, General Counsel and Corporate Secretary

Frank C. Orsini, Executive Vice President and President, Seating; Former Senior Vice President and President, E-Systems

Thomas A. DiDonato, Senior Vice President and Chief Administrative Officer; Former Senior Vice President, Human Resources

Matthew J. Simoncini, Former President and Chief Executive Officer

As previously disclosed, effective February 28, 2018, Mr. Simoncini resigned as President and CEO and Mr. Scott assumed the role as his successor. Mr. Simoncini served as a non-executive employee of the Company, in a transition and advisory role, through his retirement from the Company on January 4, 2019. A description of the compensation arrangements with Messrs. Scott and Simoncini entered into in connection with the transition can be found under the heading CEO Transition following the Summary Compensation Table below. In addition, Mr. Orsini was promoted to Executive Vice President and President, Seating effective March 1, 2018, and Mr. DiDonato s title changed to Senior Vice President and Chief Administrative Officer effective January 1, 2019.

Executive Summary

We are a leading Tier 1 supplier to the global automotive industry that operates in two business segments: Seating and E-Systems. We supply seating, electrical distribution systems and electronic modules, as well as related sub-systems, components and software, to all of the world s major automotive manufacturers. We have 261 manufacturing, engineering and administrative locations in 39 countries with approximately 169,000 employees worldwide and are continuing to grow our business in all automotive producing regions of the world, both organically and through complementary acquisitions. Our manufacturing footprint reflects more than 145 facilities in 22 low cost countries. We have an executive compensation program that is generally market-median based, and which is closely linked to our Company s performance.

Our overarching objective is to maximize stockholder value by delivering profitable sales growth while balancing risk and returns, maintaining a strong balance sheet with investment grade credit metrics and consistently returning excess cash to our stockholders.

Highlights of our 2018 performance and recent significant events include the following:

We achieved record full-year sales of $21.1 billion and record core operating earnings of $1.75 billion in 2018.*

We achieved record adjusted earnings per share of $18.22, an increase of 7%.*

We achieved a 6th consecutive year of increased sales, core operating earnings and adjusted earnings per share.*

We generated free cash flow of $1.1 billion in 2018.*

* Core operating earnings, adjusted earnings per share and free cash flow are financial measures that are not calculated in accordance with GAAP. For more information regarding our non-GAAP financial measures and reconciliations to the most directly comparable GAAP financial measures, see Appendix A, Reconciliation of Non-GAAP Financial Measures.

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COMPENSATION DISCUSSION AND ANALYSIS

We acquired EXO Technologies, a leading developer of differentiated GPS technology providing high-accuracy positioning solutions for autonomous and connected vehicle applications.

We continued to win new business in both product segments, and our 2019 to 2021 sales backlog of $3.4 billion ($3.9 billion including non-consolidated joint ventures) is the largest in our history.

The Company returned $0.9 billion to stockholders in 2018 through its share repurchase and dividend programs. Since these programs were initiated in 2011, the Company has returned $4.9 billion to stockholders, including the repurchase of 46% of total shares outstanding. In February 2019, the Company s share repurchase authorization was increased to $1.5 billion, and the authorization period was extended to December 31, 2021.
In February 2019, our quarterly cash dividend was increased by 7%, representing the 8th consecutive annual increase since the dividend program was initiated.

The Company s total return to stockholders for the five-year period ended December 31, 2018 was 61%, compared with 50% for the S&P 500.

The highlights of our 2018 executive compensation program resulting from our 2018 Company financial performance were as follows:

Incentive payouts were commensurate with our financial results. Annual incentive awards were earned at 87% of the targeted level and the 2016-2018 cycle of long-term Performance Shares was earned at 200% of the targeted level based on achievement of the financial goals outlined below.

2018 Annual Incentive Program

(1) If an intermediate Adjusted Operating Income goal of $1,855 million had been attained in 2018, the portion of the 2018 annual incentive award with respect to such goal could have been earned at 175% of the target incentive amount.

2016-2018 Performance Shares

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COMPENSATION DISCUSSION AND ANALYSIS

(See 2018 Incentive Programs Pay for Performance, 2018 Incentive Programs Annual Incentives and 2018 Incentive Programs Long-Term Incentives below for more information regarding these financial measures.)

Long-term incentive awards granted in 2018 to our Named Executive Officers were solely in the form of equity to further link the interests of our executives with those of our stockholders. We awarded Performance Shares to represent 75% of the value of these long-term incentive awards and service-based restricted stock units (RSUs) to represent 25% of the value. We place the greatest weighting on Performance Shares in order to directly link our executives interests with those of our stockholders while also rewarding executives based on our three-year financial performance.

We maintain several compensation program features and corporate governance practices to ensure a strong link between executive pay, Company performance and stockholder interests and to ensure that we have a fully competitive executive compensation program:

WHAT WE DO	WHAT WE DON T DO
Pay Program Aligned with Business Strategy (see pages 30, 35 to 38)	**No Excise Tax Gross-Ups** (see page 41)
Balanced Mix of Performance Measures (see page 33)	**No Single-Trigger Change in Control Severance Benefits** (see pages 40 to 41, 54 to 58)
High Percentage of Performance-Based Pay (see the charts below and pages 30, 33 and 35)	**No Single-Trigger Change in Control Vesting of Equity Awards** (see pages 40 to 41, 54 to 58)
Robust Stock Ownership Guidelines (see pages 38 and 39)	**No Hedging or Pledging of Company Stock** (see page 41)
Equity Retention Requirement (see page 38)	

Annual Market Practices and Compensation Risk Review (see pages 31 to 32 and 58 to 59)

Clawback of Incentive Compensation (see page 41)

Independent Compensation Consultant for Compensation Committee (see pages 21 to 22 and 32)

Relative TSR Performance Modifier Starting with 2019 Performance Share Grants (see page 38)

Holding Period for Career Shares (see pages 40, 47 to 48)

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COMPENSATION DISCUSSION AND ANALYSIS

2018 Target Total Direct Compensation Allocation

(Assuming Performance-Based Components at Target and not including Career Shares)

We will continue to monitor our executive compensation programs and consider appropriate modifications that will allow us to drive achievement of our business strategy and

targeted financial results, meet our talent needs and maintain fully-competitive compensation programs and practices to maximize long-term stockholder value.

Pay-Performance Alignment

The executive compensation program is designed to drive execution of our business strategy by strongly aligning pay opportunities with performance outcomes. The Compensation Committee considers multiple perspectives in assessing the achievement of this critical objective. Specifically, the Compensation Committee reviews a multi-year history of incentive payouts as a percentage of target, financial and total stockholder return (TSR) results, and the CEO s pay relative to the Comparator Group (as defined below). These analyses found that relative to the Comparator Group:

1. The Named Executive Officers target pay levels are in the competitive range of market median, on average, with an emphasis on performance-based pay opportunities.
2. Lear s incentive plan performance measures are well-aligned to its business strategy, correlative to TSR and are generally consistent with the measures used by the Comparator Group (and the broader industrial market).
3. Lear s annual incentive and performance share payouts are aligned with performance relative to the Comparator Group.

4. The CEO s 2015 to 2017 aggregate realizable pay is well aligned with the Company s relative TSR performance for the three years, 2015 to 2017 (which were the three most recent years of Comparator Group pay data that were publicly disclosed at the time). This analysis considers pay granted during the three-year period and values equity awards using the stock price at the end of the period.

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COMPENSATION DISCUSSION AND ANALYSIS

2018 Advisory Vote on Executive Compensation

The Compensation Committee reviewed the results of the 2018 stockholder advisory vote on Named Executive Officer compensation and incorporated the results as one of the many factors considered in connection with the discharge of its responsibilities. Since a substantial majority (over 98%) of

our stockholders voting at the annual meeting approved the compensation program described in our 2018 Proxy Statement, the Compensation Committee did not implement changes to our executive compensation program as a direct result of the stockholders advisory vote.

Executive Compensation Philosophy and Objectives

The objectives of our compensation policies are to:

- link executive pay to Company performance;
- optimize profitability, cash flow and revenue growth, and return on investment;
- link the interests of management with those of stockholders;
- align management s compensation with our business strategy and compensation philosophy;

To achieve these objectives, we believe that the total compensation program for executive officers should consist of the following:

- base salary;
- annual incentives;
- long-term incentives;
- retirement plan benefits;

promote teamwork within our group of global managers (our One Lear concept); and

attract, reward and retain the best executive talent.

health, welfare and other benefits; and

termination/change in control benefits.

The Compensation Committee routinely reviews the elements noted above. In general, the Compensation Committee monitors compensation levels to ensure that a higher proportion of an executive s total compensation is awarded in the form of variable and performance-based components (dependent on Company performance) as the executive s responsibilities increase.

Benchmarking

The Compensation Committee targets base salaries, annual incentive awards, long-term incentive awards and total direct compensation of our executives on average to be within a competitive range (i.e., +/- 10%) of the median of the Company s comparator group (the Comparator Group) and other companies in the same general industry. In addition to pay benchmarking, other factors (including our business strategy, talent needs, executives experience levels and cost) are considered in setting target pay. Actual compensation will vary based on such factors as external business conditions, the Company s actual financial performance, an executive s performance and achievement of specified management objectives. For 2018, the base salaries, targeted annual incentive awards, targeted long-term incentive awards and targeted total direct compensation for our Named Executive Officers were, on average, within the competitive range of market median for comparable positions.

The companies in our Comparator Group are listed below. The criteria used to select the 19 peer companies focused on automotive parts and equipment, industrial machinery, heavy trucks and other durable goods manufacturing companies, generally with the following specifics: (i) annual revenues typically ranging from 0.5 times to 2.0 times the Company s revenues; (ii) global companies typically with U.S. headquarters; (iii) market capitalization typically ranging from 0.2 times to 5.0 times the Company s market capitalization; and (iv) companies that are considered by independent proxy advisors to be the Company s proxy peers. The Company supplements its review of the Comparator Group with a broader survey of general industrial companies (not individually selected or identified) for benchmarking of executive compensation levels and, as appropriate, compensation design practices.

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COMPENSATION DISCUSSION AND ANALYSIS

The companies in the Comparator Group for 2018 are shown below. The revenues for this group in their most recently reported fiscal year ranged from $9.3 billion to $48.8 billion, with a median of $15.7 billion. Lear s revenues for 2018 were $21.1 billion.

2018 Comparator Group			
Adient plc	Eaton Corporation plc	Johnson Controls International plc	Parker-Hannifin Corporation
Aptiv PLC	Emerson Electric Co.	L-3 Technologies, Inc.	Tenneco Inc.
BorgWarner Inc.	Goodyear Tire & Rubber Company	Magna International Inc.	Textron Inc.
Cummins Inc.	Illinois Tool Works Inc.	Navistar International Corporation	Whirlpool Corporation
Deere & Company	Ingersoll-Rand Plc	PACCAR Inc.	

Total Compensation Review

The Compensation Committee annually reviews key elements of our executive compensation program, including materials setting forth the various components of compensation for our Named Executive Officers and a summary of market practices and emerging trends, and discusses potential implications to the Company in the context of our business strategy and talent needs. This includes a specific review of dollar amounts for pay elements and potential payment obligations under our executive employment agreements, including an analysis of the resulting impact created by a change in control of the Company. The Compensation Committee reviews total

compensation summaries or tally sheets for our Named Executive Officers on an annual basis. Tally sheets provide for an overall assessment of our compensation program while ensuring the proper linkage to financial performance and stockholder interests. In addition, although each component is assessed independently, the total complement of the components must work in harmony to achieve a proper balance, which, in turn, helps manage compensation risk. We also annually complete a comprehensive compensation risk assessment with assistance from our outside legal counsel and Pay Governance.

Role of Management in Setting Compensation Levels

Our human resources staff supports the Compensation Committee in its work. They also work with compensation consultants, whose engagements have been approved by the Compensation Committee, and with accountants, legal counsel and other advisors, as necessary, to implement the Compensation Committee s decisions, to monitor evolving competitive practices and to make compensation recommendations to the Compensation Committee. The Compensation Committee has engaged Pay Governance as its independent compensation consultant to assist with the ongoing review of our executive and director compensation programs and to ensure that our programs are competitive and appropriate given the Company s objectives and prevailing market practices, and, for most compensation topics for which the Compensation Committee is responsible, it has directed Pay Governance to work with management to develop recommendations that reflect the Compensation Committee s objectives for the compensation program. Pay

Governance performs no other services for the Company. The Compensation Committee has final authority to approve, modify or reject these recommendations and to make its decisions in executive session. Our President and CEO provides input with respect to compensation of the executive officers (other than himself) but is otherwise not involved in decisions of the Compensation Committee affecting the compensation of our executive officers. While our CFO, General Counsel, Senior Vice President and Chief Administrative Officer and other members of our human resources management attend such meetings to provide information, present materials to the Compensation Committee and answer related questions, they are not involved in decisions of the Compensation Committee affecting the compensation of our executive officers. The Compensation Committee typically meets in executive session after each of its regularly scheduled meetings to discuss executive compensation and make decisions.

Discretion of Compensation Committee

The Compensation Committee generally has the discretion to make awards under our incentive plans to our executive officers, including the Named Executive Officers. The Compensation Committee did not exercise discretion in 2018

to increase or reduce the size of any outstanding award or to award compensation when a performance goal was not achieved.

Elements of Compensation

Our compensation program is designed to attract, motivate and retain executives through a mix of short-term and long-term compensation, fixed and variable pay and cash and equity-based compensation, while emphasizing our philosophy of pay for performance. A summary of the core total direct compensation elements (base salary, annual incentives and long-term incentives) follows below. Retirement plan benefits, termination/change in control benefits, and certain health, welfare and other benefits are not included in this table, but additional information about these programs can be found on pages 40 to 41.

Element	Purpose	Performance Measure(s)	Fixed vs. Variable	Cash vs. Equity	Payout Range
Base Salary	Provide a competitive rate of pay to attract, motivate and retain executive officers of the Company	Individual performance, responsibilities, experience, time in position and critical skills	Fixed	Cash	n/a
Annual Incentive Plan (AIP)	Align a portion of annual pay to performance against key goals and objectives for the year	Adjusted Operating Income (50%) Free Cash Flow (50%)	Variable	Cash	0-200% of target
Performance Shares under Long-Term Stock Incentive Plan (LTSIP)	Align executive pay with long-term stockholder interests through equity-based compensation tied to key performance metrics of the Company over a three-year period	Adjusted Return on Invested Capital (ROIC) (66 2/3%) Cumulative Adjusted Pre-Tax Income (33 1/3%)	Variable	Equity	0-200% of target number of shares; Performance Share value fluctuates with stock price movement
Restricted Stock Units (RSUs) under LTSIP	Align executive pay with long-term stockholder interests through equity-based compensation	Stock price alignment	Variable	Equity	Fluctuates with stock price movement

Narrative descriptions of the individual elements of compensation are set forth below.

Base Salary

Base salary is used as an input for other elements of our compensation program. For example, annual incentive targets in 2018 were set as a percentage of base salary. Because the amount of base salary can establish the range of potential compensation for other elements, we take special care in establishing base salary levels.

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COMPENSATION DISCUSSION AND ANALYSIS

Base salaries for our Named Executive Officers are targeted, on average, around the median level for comparable positions. On an annual basis, we review respective responsibilities, individual performance, the Company s business performance and base salary levels for senior executives at companies within the Comparator Group and broader industrial survey. Base salaries for our executive officers are established at levels considered appropriate in light of the duties and scope of responsibilities of each officer s position and considering internal pay equity and their experience relative to industry peers. Merit increases in base salary for our senior executives are also determined by the results of the Board s annual leadership review. At this review, our CEO assesses the performance of our top executives and presents his

perspectives to our Board. Our CEO s base salary and total compensation are reviewed by the Compensation Committee following the annual CEO performance review. Generally, in February of each year, the CEO and Compensation Committee reach agreement on his goals and objectives for the upcoming year, and the Compensation Committee evaluates his performance for the prior year against the prior year s agreed goals and objectives. Our CEO has traditionally received a lower percentage of his total compensation in the form of fixed amounts like base salary relative to our other executives in order to link more closely his compensation to the performance of the Company. The 2017 and 2018 base salaries of our Named Executive Officers are summarized in the table below:

Base Salaries

	2017 Base Salary Rate Effective January 1, 2017		2018 Base Salary Rate[1]		Reason for Increase
Raymond E. Scott	$	855,098	$	1,160,000	In consideration of promotion to CEO
Jeffrey H. Vanneste	$	827,750	$	827,750	
Terrence B. Larkin	$	855,098	$	855,098	
Frank C. Orsini	$	736,375	$	770,000	In consideration of promotion to EVP and President, Seating
Thomas A. DiDonato	$	671,875	$	671,875	
Matthew J. Simoncini	$	1,354,500	$	180,000	

(1) As described under the heading CEO Transition following the Summary Compensation Table below, in connection with Mr. Simoncini s resignation as President and CEO, effective February 28, 2018, Mr. Simoncini s base salary was reduced to $15,000 per month. Messrs. Scott and Orsini s base salaries were increased, effective March 1, 2018, in connection with their respective promotions. All other Named Executive Officer 2018 base salary rates were effective January 1, 2018.

In September 2018, the Compensation Committee approved base salary increases, effective January 1, 2019, for Messrs.

Scott, Orsini and DiDonato to $1,200,000, $800,000 and $700,000, respectively.

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2018 Incentive Programs

Pay for Performance

All of the annual incentive opportunity and the majority (75%) of the long-term incentive opportunity are determined based on specific performance measures that drive achievement of our business strategy while ensuring sharp focus on critical results. Time-based RSUs make up the remaining portion (25%) of our 2018 long-term incentive awards and derive their value from our stock price and dividends. In order to drive profitable growth with efficient capital management, we selected four complementary performance measures (which assess earnings, cash flow and capital management over annual or three-year periods) to use in our incentive plans for 2018:

Measure	Plan	Weighting	Background
Adjusted Operating Income	AIP	50%	Pre-tax income before equity income, interest, other expense, restructuring costs and other special items. Adjusted Operating Income is a well understood operating metric that can be influenced by all levels of employees of the Company. Provides motivation to maximize earnings from current operations.
Free Cash Flow	AIP	50%	Net cash provided by operating activities, less capital expenditures, excluding certain transactions. Free Cash Flow is a well understood operating metric that can be influenced by all levels of employees of the Company. Provides motivation to maximize cash flow through earnings and appropriate management of working capital and investments.
Adjusted Return on Invested Capital (ROIC)	LTSIP	66 2/3%	Based on Adjusted Operating Income and average invested capital for performance increments over the three-year performance period (2018-2020).

			Adjusted ROIC is a well understood operating metric that focuses on the quality of earnings as measured by return on total capital invested in the business. Provides long-term focus on generating adequate returns on capital balanced by the goal of profitable growth embedded in the annual incentive performance measures. Desired goal is to generate returns in excess of the Company s cost of capital.
Cumulative Adjusted Pre-Tax Income	LTSIP	33 1/3%	Cumulative consolidated adjusted net income for the three-year performance period (2018-2020) before a provision for income taxes, excluding certain transactions. Focuses on earnings generated from products sold, encouraging profitable revenue growth and efficient management of costs over time.

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COMPENSATION DISCUSSION AND ANALYSIS

Annual Incentives

Our executive officers participate in the Annual Incentive Plan (AIP). Under the AIP, the Compensation Committee provides annual cash incentive award opportunities for the achievement of financial performance goals considered important to the Company s future success. Awards, if earned, are typically paid early in the following year based on our performance achieved in the prior fiscal year.

Target Annual Incentive. Each Named Executive Officer is assigned an annual target opportunity under the AIP expressed as a percentage of such officer s base salary. An executive s target annual incentive percentage generally increases as his or her ability to affect the Company s performance increases. Consequently, as an executive s responsibilities increase, his variable compensation in the form of an annual incentive, which is dependent on Company performance, generally makes up a larger portion of the executive s total compensation.

Mr. Scott s target annual incentive opportunity for 2018 was 100% of his base salary with respect to his two months of service in that year as Executive Vice President and President, Seating and was increased to 150% of his base salary effective March 1, 2018, upon his assumption of the role of President and CEO. For 2018, the target annual incentive opportunity for each of Messrs. Vanneste, Larkin and DiDonato was 90%, 80% and 80%, respectively, of their base salaries. Mr. Orsini s target annual incentive opportunity for 2018 was increased to 100% of his base salary effective March 1, 2018, in connection with his promotion to Executive Vice President and President, Seating, and his target annual incentive opportunity with respect to his two months of service in 2018 prior to his promotion was 90% of his base salary.

Mr. Simoncini was eligible to receive a prorated payout under the AIP for 2018 with respect to his two months of service in that year as President and CEO at a target of 160% of his pre-transition annual base salary. In September 2018, the Compensation Committee approved increased target annual incentive opportunities for 2019 for Messrs. Vanneste and DiDonato to 100% and 85% of their respective base salaries; the 2019 target annual incentive opportunities for the other Named Executive Officers were unchanged from 2018.

Financial Measures. Adjusted Operating Income and Free Cash Flow were used because they are highly visible and important measures of operating performance that are relied upon by investors. The target goals of Adjusted Operating Income and Free Cash Flow were set based on the budget for the period reflecting a level of performance which at the time was anticipated to be challenging, but achievable. The threshold level was set to be reflective of performance at which the Compensation Committee believed a portion of the award opportunity should be earned. The maximum level was set well above the target, requiring significant achievements and reflecting performance at which the Compensation Committee believed a 200% target award was warranted. If threshold, target or maximum Adjusted Operating Income and Free Cash Flow goals (described above in Executive Summary 2018 Annual Incentive Program) were attained in 2018, 50%, 100% or 200% of the target incentive amount for each executive, respectively, would be earned. Additionally, if an intermediate Adjusted Operating Income goal had been attained in 2018, the portion of the 2018 annual incentive award with respect to such goal could have been earned at 175% of the target incentive amount.

Results. Our 2018 Adjusted Operating Income ($1,749 million) approximated the target performance level and our 2018 Free Cash Flow ($1,103 million) exceeded the threshold performance level, which resulted in annual incentive awards being earned at 87% of target. Adjusted Operating Income and Free Cash Flow are described above in 2018 Incentive Programs Pay for Performance. The resulting annual incentive amounts earned by our Named Executive Officers were as follows:

2018 Annual Incentives

	Target Opportunity (as % of Base)[1]	Target Amount[2]	Actual Performance	2018 Incentive Amount[3]
Raymond E. Scott	141.67%	$ 1,643,372	87%	$ 1,429,734
Jeffrey H. Vanneste	90%	$ 744,975	87%	$ 648,128
Terrence B. Larkin	80%	$ 684,078	87%	$ 595,148
Frank C. Orsini	98.33%	$ 757,141	87%	$ 658,713
Thomas A. DiDonato	80%	$ 537,500	87%	$ 467,625
Matthew J. Simoncini	160%	$ 361,210	87%	$ 314,252

(1) Mr. Scott s Target Opportunity for 2018 was (a) 100% for the first two months of 2018 and (b) 150% for the last ten months of 2018, for a blended 2018 Target Opportunity of 141.67% of his base salary. Mr. Orsini s Target Opportunity for 2018 was (a) 90% for the first two months of 2018 and (b) 100% for the last ten months of 2018, for a blended 2018 Target Opportunity of 98.33% of his base salary.

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COMPENSATION DISCUSSION AND ANALYSIS

(2) The Target Amount is generally the Named Executive Officer s base salary multiplied by his respective Target Opportunity, except as follows: Mr. Scott s Target Amount for 2018 represents (a) his base salary for 2018 once he assumed the role of CEO, or $1,160,000, times (b) his blended 2018 Target Opportunity of 141.67%, and Mr. Orsini s Target Amount for 2018 represents (a) his base salary for 2018 following his promotion, or $770,000, times (b) his blended 2018 Target Opportunity of 98.33%. Mr. Simoncini s Target Amount for 2018 was 160% of his pre-transition base salary, prorated for the two months in 2018 that he served as President and CEO.

(3) The Target Amount multiplied by the Actual Performance (87%) represents the amount actually earned, as shown in the 2018 Incentive Amount column for each Named Executive Officer.

Long-Term Incentives

The long-term incentive component of our executive compensation program is designed to provide our senior management with performance-based award opportunities, to drive superior long-term performance and to align the interests of our senior management with those of our stockholders. To achieve these goals, we have adopted a portfolio approach that recognizes the strengths and weaknesses that various forms of long-term incentives provide.

2018 Awards. The Compensation Committee approved the 2018 long-term incentive program, which consisted of RSUs and equity-based Performance Shares granted under the 2009 Long-Term Stock Incentive Plan (LTSIP) to certain officers and key employees, including to the Named Executive Officers. These awards generally were structured, consistent with market practices and the 2017 grants, such that recipients received 75% of the total target award value in the form of Performance Shares and the remaining 25% in service-based RSUs. Effective as of March 1, 2018, the target value of the 2018 long-term incentive opportunities for Messrs. Scott and Orsini was increased, respectively, from 300% to 625% of his annual base salary and from 285% to 300% of his annual base salary, and each of them received incremental 2018 Performance Share and RSU awards in connection with their promotions to reflect their new long-term incentive targets. The target values of the 2018 long-term incentive opportunities for Messrs. Vanneste, Larkin and DiDonato, respectively, were 270%, 285% and 270% of their annual base salaries. In connection with the CEO transition, Mr. Simoncini did not receive any awards under the LTSIP in 2018. In September 2018, the Compensation Committee approved increased target long-term incentive opportunities for 2019 for Messrs. Scott, Vanneste and DiDonato to 680%, 285%, and 285% of their respective base salaries; the 2019

target long-term incentive opportunities for the other Named Executive Officers were unchanged from 2018.

The specific amounts and terms of these awards are shown in and following the 2018 Grants of Plan-Based Awards table below. The target levels of Adjusted ROIC and Cumulative Adjusted Pre-Tax Income performance for the Performance Shares were set based on the forecast for the period reflecting a level of performance which at the time was anticipated to be challenging, but achievable. The threshold level was set to be reflective of performance at which the Compensation Committee believed a portion of the award opportunity should be earned. The maximum level was set significantly above the target, requiring significant achievements and reflecting performance at which the Compensation Committee believed a 200% target award was warranted.

Vesting of 2016 Performance Share Awards. In 2016, each of our Named Executive Officers received grants of Performance Shares for the 2016-2018 performance period, with terms similar to those of the 2018 awards described above. The RSUs that were granted at the same time as the 2016 Performance Shares (and represented 25% of the total equity award value at target) vested in January 2019.

The threshold, target, maximum and actual Adjusted ROIC and Cumulative Adjusted Pre-Tax Income levels for the 2016-2018 performance period are set forth above under the heading Compensation Discussion and Analysis Executive Summary 2016-2018 Performance Shares. If threshold, target or maximum were attained on these measures during the performance period, 50%, 100% or 200% of the target performance shares for each executive, respectively, would be earned.

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COMPENSATION DISCUSSION AND ANALYSIS

Adjusted ROIC (17.1%) and Cumulative Adjusted Pre-Tax Income ($4,771 million) were both achieved at the maximum level, with the total award earned at 200% of target. Adjusted ROIC and Cumulative Adjusted Pre-Tax Income are non-GAAP measures. Adjusted ROIC consists of Adjusted Operating Income (as defined in 2018 Incentive Programs Annual Incentives above) after taxes (assuming a U.S. Federal corporate income tax rate of 35%) divided by average invested capital for each fiscal year, excluding acquisitions not contemplated at the time that the targets were set. Average invested capital consists of total assets plus the present value of operating leases, less accounts payable and drafts and accrued liabilities, and investments in unconsolidated entities, and certain other adjustments. Cumulative Adjusted Pre-Tax Income is Lear s cumulative adjusted net income for the performance period before a provision for income taxes, excluding acquisitions not contemplated at the time that the targets were set. The resulting share amounts earned by our Named Executive Officers are shown below:

2016-2018 Performance Shares

	Target Shares (#)	Actual Performance	Actual Shares Earned (#)
Raymond E. Scott	13,344	200%	26,688
Jeffrey H. Vanneste	12,078	200%	24,156
Terrence B. Larkin	13,344	200%	26,688
Frank C. Orsini	11,490	200%	22,980
Thomas A. DiDonato	9,393	200%	18,786
Matthew J. Simoncini	48,928	200%	97,856

Addition of Relative Metric to Performance Share Program. Starting with awards of Performance Shares granted in 2019, we have added a relative total shareholder return (TSR) metric. The 2019 Performance Shares will vest based on the achievement of Cumulative Adjusted Pre-Tax Income and Adjusted ROIC objectives but will also be subject to potential adjustment (downwards or upwards, with a maximum payout of up to 200% of target) based on the TSR achieved by the Company relative to the TSR of a specified auto industry peer group over the three-year performance period ending

December 31, 2021. If at the end of the performance period, the Company s relative TSR falls in the top quartile as compared to the peer group, but the Company s absolute TSR is negative, payout of the 2019 Performance Shares will not be adjusted upward. The addition of the relative TSR modifier is intended to further align payouts to value creation by funding the awards based on the two financial metrics, which reward execution of our multi-year strategy, and potentially modifying the final payouts based on our three-year TSR relative to other auto suppliers.

Management Stock Ownership Guidelines

The management stock ownership guidelines provide that our executive officers achieve specified stock ownership levels based on a multiple of each executive officer s base salary. The stock ownership guidelines were intended to create a strong link between our long-term success and the ultimate compensation of our executive officers. Under the guidelines, unvested awards generally do not count towards the goal; however, once they are within 24 months of vesting, (i) for all executive officers, 60% of RSUs awarded count towards the goal, and (ii) for retirement-eligible executive officers only, 60% of Career Shares awarded count towards the goal. Until an executive meets the goal, he or she must hold 50% of the net shares acquired upon the vesting of equity awards. The shares underlying Career Shares are not distributed until the earlier of age 62 (or the vesting date, if later) or three years after the qualifying retirement. Share ownership targets for executives reaching age 60 are reduced by 10% annually up to a maximum reduction of 50%. The stock ownership levels which must be achieved by our executive officers are as follows:

Position	Required Share Ownership Level (multiple of base salary)
CEO	6X
Executive Vice Presidents	3X
Senior Vice Presidents	3X
Other Executive Officers	1.5X

Our stock ownership guidelines are reviewed periodically to ensure ongoing market competitiveness and reasonableness. As of our latest measurement date (December 31, 2018), all of our Named Executive Officers who were subject to the guidelines have met their respective required ownership levels other than Mr. Scott, who has not yet met the new higher required ownership level that became applicable to him upon

his transition to the role of President and CEO during 2018 but who is in compliance with the 50% hold requirement and the 3X guideline that was applicable to him in his previous position. Mr. Simoncini was no longer an executive officer at the end of 2018, and thus, the stock ownership guidelines did not apply to him as of the latest measurement date.

Equity Award Policy

We do not time the grant of equity awards in coordination with the release of material non-public information. Our equity awards are generally approved on the dates of our regularly scheduled Compensation Committee meetings and are effective as of such dates or specified prospective dates. The Compensation Committee has approved and formalized our equity award policy. It provides that the effective grant date of equity awards must be either the date of Compensation Committee or other committee approval or some future date specifically identified in such approval. If such awards are granted, the exercise price of stock options and grant price of

Stock Appreciation Rights shall be the closing market price of our common stock on the grant date. The Compensation Committee must approve all awards to our executive officers. The policy also allows the Compensation Committee to delegate to the CEO the ability to grant equity awards to non-executive officer employees who are newly hired or promoted or deemed to be deserving of special retention or recognition awards. In addition, the aggregate award pool to non-executive officers must be approved by the Compensation Committee but may be allocated to individual employees by the CEO.

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COMPENSATION DISCUSSION AND ANALYSIS

Retirement Plan Benefits

Our Named Executive Officers participate in our retirement savings plan, qualified pension plan, pension equalization plan and supplemental savings plan, as eligible. The general terms of these plans and formulas for calculating benefits are summarized following the 2018 Summary Compensation Table, 2018 Pension Benefits table and 2018 Nonqualified Deferred Compensation table, respectively, in Executive Compensation. These benefits provide rewards for long-term service to the Company and an income source in an executive s post-employment years. The various components of our retirement benefit program (including our frozen defined benefit pension plans) disclosed in this proxy statement are summarized in the table below.

Summary of Retirement Benefits

Type	Plan/Program	Component/Feature	Purpose	Pages for Further Details
Defined Contribution	Salaried Retirement Program (Qualified)	Deferral Company Match Pension Savings Plan	Standard 401(k) plan and matching contribution Company contribution	45
	Salaried Retirement Restoration Program (Non-Qualified)	Deferral Company Match Pension Savings Plan	Excess programs for amounts above qualified plan limits	51; 52 to 53
Defined Benefit ***(frozen as of 12/31/06)***	Lear Corporation Pension Plan	Qualified Pension Plan ***(frozen)***	n/a	51 to 52
	Pension Equalization Program	Part of SERP (***frozen***)		52
	Salaried Retirement Restoration Program (Pension Makeup)	Part of SERP (***frozen***)		52 to 53
Additional	Career Share (RSUs)	Shares not distributed until earlier of age 62 or 3 years after retirement.	Intended to facilitate attraction and retention, and reward key/high performers with grant levels set considering various factors, including performance, future potential and competitiveness of retirement benefits and total pay.	46 to 48; 54; 57 to 58

Employment Agreements/Termination/Change in Control Benefits

As described in detail and quantified in Executive Compensation Potential Payments Upon Termination or Change in Control, our Named Executive Officers receive certain benefits under their employment agreements upon their termination by the Company without cause or upon their resignation for good reason, including such terminations following a change in control of the Company. The employment agreements also provide for restrictive covenants relating to non-competition, confidential information and non-solicitation of the Company s employees and customers.

Our Named Executive Officers also receive, as do all employees who hold equity awards under the LTSIP (described below), accelerated vesting of equity awards if their employment is terminated without cause or for good reason in connection with a change in control of the Company. These benefits are intended to ensure that members of senior management are not influenced by their personal situations and are able to be objective in evaluating a potential change in control transaction. In addition, the benefits associated with double-trigger vesting of equity awards protect employees in

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the event of a change in control and ensure an orderly transition of leadership. The Compensation Committee regularly reviews termination and change in control benefits and continues to believe that the severance benefits in connection with certain terminations of employment constitute reasonable levels of protection for our executives. The LTSIP

provides for double-trigger vesting of equity awards (that are not assumed or replaced by the successor company) upon a change in control of the Company.

None of the employment agreements with the Company s executive officers contains an excise tax gross-up provision.

Health, Welfare and Certain Other Benefits

To remain competitive in the market for a high-caliber management team, the Company has traditionally provided its executive officers, including our CEO, with health, welfare and other fringe benefits. In addition, personal use of our corporate aircraft has been eliminated except with respect to our CEO, with approval of the Chairman of the Board or Chairman of the

Compensation Committee. The Company does not provide tax gross-up payments for the imputed income associated with personal use of corporate aircraft. There was personal use of corporate aircraft in 2018 by our former CEO, Mr. Simoncini, on a limited basis.

Clawback Policy

The Company maintains a formal clawback policy (the Clawback Policy) that applies to all incentive-based cash and equity compensation awards granted on or after February 7, 2013 (Incentive Compensation) to any current or former executive officer of the Company (collectively, the Covered Recipients). In the event that the Company is required by applicable U.S. federal securities laws to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under such securities laws where such accounting restatement was caused or substantially caused by the intentional misconduct of the Covered Recipient, the Company will recover from such Covered Recipient who received Incentive Compensation during the three-year period preceding the date on which the

Company is required to prepare an accounting restatement, based on the erroneous data, the amount, if any, in excess of what would have been paid to the Covered Recipient under the accounting restatement.

The Clawback Policy is administered by the Compensation Committee, which has the sole discretion in making all determinations under the Clawback Policy. The Clawback Policy will be interpreted and administered (and, as necessary, amended to be) consistent with the applicable requirements of Section 10D of the Exchange Act, as added by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any official guidance issued thereunder.

Hedging/Pledging Policy

The Company maintains a formal policy prohibiting officers and directors from (i) entering into hedging or monetization transactions involving our Company stock and (ii) holding our Company stock in a margin account or pledging our Company

stock as collateral for a loan. The policy was most recently revised effective September 13, 2017 to eliminate the General Counsel s discretion to grant exceptions to the pledging prohibition.

Tax Treatment of Executive Compensation

One of the factors the Compensation Committee considers when determining executive compensation is the anticipated tax treatment to the Company and to the executives of the various payments and benefits. Section 162(m) of the Internal Revenue Code (Section 162(m)) generally provides that a publicly held company may not deduct compensation paid to certain covered executive officers to the extent that such compensation exceeds $1,000,000 per executive officer in any year. Limited exceptions to Section 162(m) apply with respect to qualified performance-based compensation, as

defined in the Internal Revenue Code, as well as certain other items of compensation, in each case, that qualify for transition relief applicable to certain arrangements in place as of November 2, 2017. While the Compensation Committee generally considers this limit when determining compensation, there are instances in which the Compensation Committee has concluded, and reserves the discretion to conclude in the future, that it is appropriate to exceed the limitation on deductibility under Section 162(m) to ensure that executive officers are compensated in a manner that it believes to be

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consistent with the Company s best interests and those of its stockholders. Furthermore, interpretations of and changes in the tax laws, and other factors beyond the Compensation Committee s control, may also affect the deductibility of compensation.

Impact of Accounting Treatment

We have generally considered the accounting treatment of various forms of awards in determining the components of our overall compensation program. We have generally sought to grant stock-settled equity awards to executives, which receive fixed accounting treatment, as opposed to cash-settled equity awards, which receive variable accounting treatment. We intend to continue to evaluate these factors in the future.

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EXECUTIVE COMPENSATION

The following table shows information concerning the annual compensation for services to the Company and its subsidiaries in all capacities of the CEO, CFO and the other Named Executive Officers during the last three completed fiscal years. The footnotes accompanying the 2018 Summary Compensation Table generally explain amounts reported for 2018, unless otherwise noted.

2018 Summary Compensation Table

Name and Principal Position[a]	Year[b]	Salary[c]	Bonus[d]	Stock Awards[1][e]	Option Awards[f]	Non-Equity Incentive Plan Compensation[2][g]	Change in Pension Value and Nonqualified Deferred Compensation Earnings[3][h]	All Other Compensation[4][i]	Total Compensation[j]
Raymond E. Scott, President, Chief	2018	$ 1,109,183	$	$ 6,968,803	$	$ 1,429,734	$	$ 428,585	$ 9,936,305
Executive	2017	$ 855,098	$	$ 2,686,101	$	$ 1,496,422	$ 130,687	$ 307,014	$ 5,475,322
Officer and Interim President, E-Systems, Former Executive Vice President and President, Seating	2016	$ 855,098	$	$ 2,422,618	$	$ 1,202,705	$ 91,341	$ 292,048	$ 4,863,810
Jeffrey H. Vanneste,	2018	$ 827,750	$	$ 2,534,641	$	$ 648,128	$	$ 351,031	$ 4,361,550
Senior Vice President	2017	$ 827,750	$	$ 2,378,790	$	$ 1,303,706	$ 87,771	$ 298,823	$ 4,896,840
and Chief Financial Officer	2016	$ 787,437	$	$ 2,218,859	$	$ 1,164,240	$ 59,150	$ 267,917	$ 4,497,603
Terrence B. Larkin, Executive Vice	2018	$ 855,098	$	$ 2,436,866	$	$ 595,148	$	$ 309,750	$ 4,196,862
President, Business	2017	$ 855,098	$	$ 2,566,739	$	$ 1,197,137	$	$ 310,626	$ 4,929,600
Development General Counsel and Corporate Secretary	2016	$ 855,098	$	$ 2,422,618	$	$ 1,202,705	$	$ 266,911	$ 4,747,332
Frank C. Orsini, Executive Vice	2018	$ 764,396	$	$ 2,474,496	$	$ 658,713	$	$ 258,037	$ 4,155,642
President,	2017	$ 736,375	$	$ 2,151,892	$	$ 1,159,791	$ 61,174	$ 237,541	$ 4,346,773

and President, Seating; Former Senior Vice President and President, E-Systems	2016	$ 736,375	$	$ 2,024,162	$	$ 1,035,720	$ 42,188	$ 225,545	$ 4,063,990
Thomas A. DiDonato,(5) Senior Vice President and Chief Administrative Officer; Former Senior Vice President, Human Resources	2018	$ 671,875	$	$ 2,113,925	$	$ 467,625	$	$ 220,244	$ 3,473,669
Matthew J. Simoncini,(6) Former President and Chief Executive Officer	2018	$ 375,750	$	$	$	$ 314,252	$	$ 669,240	$ 1,359,242
	2017	$ 1,354,500	$	$ 8,819,774	$	$ 3,792,600	$ 42,258	$ 824,334	$ 14,833,466
	2016	$ 1,354,500	$	$ 8,524,711	$	$ 3,810,240	$ 27,427	$ 726,657	$ 14,443,535

(1) The amounts reported in this column for each officer reflect the aggregate grant date fair value of Career Share RSUs, RSUs and Performance Shares under the LTSIP granted in the year determined in accordance with ASC 718, which grant date fair values are shown by award type below. There can be no assurance that these values will ever be realized. See Note 11, Stock-Based Compensation, to the consolidated financial statements included in our 2018 Annual Report on Form 10-K for the assumptions made in determining these values. The maximum potential value of the 2018 Performance Share awards as of the grant date is also shown below, based on the grant date value of our common stock. In 2018, Mr. Larkin did not receive any Career Share RSUs, and Mr. Simoncini did not receive any Career Share RSUs, RSUs or Performance Shares.

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EXECUTIVE COMPENSATION

Name	RSU Career Share Grant Date Value	2018-2020 RSU Grant Date Value	Performance Shares Grant Date Value	Total Grant Date Value	Performance Shares at Maximum Value
Raymond E. Scott	$ 499,907	$ 1,617,135	$ 4,851,761	$ 6,968,803	$ 9,703,522
Jeffrey H. Vanneste	$ 299,999	$ 558,571	$ 1,676,071	$ 2,534,641	$ 3,352,142
Terrence B. Larkin	$	$ 609,172	$ 1,827,694	$ 2,436,866	$ 3,655,388
Frank C. Orsini	$ 199,907	$ 568,648	$ 1,705,941	$ 2,474,496	$ 3,411,882
Thomas A. DiDonato	$ 299,999	$ 453,437	$ 1,360,489	$ 2,113,925	$ 2,720,978
Matthew J. Simoncini	$	$	$	$	$

(2) Amounts in column (g) for 2018 represent the amounts earned under the AIP.

(3) Represents the aggregate annualized change in the actuarial present value of each applicable Named Executive Officer s accumulated benefit under all defined benefit and actuarial pension plans (including supplemental plans), all of which have been frozen since December 31, 2006. For 2018, the aggregate negative change in the actuarial present value of each applicable Named Executive Officer s accumulated benefit under all such plans was as follows: (i) Mr. Scott: $(151,072); (ii) Mr. Vanneste: $(71,220); (iii) Mr. Orsini: $(70,571); and (iv) Mr. Simoncini: $(36,329).

(4) The amount shown in column (i) includes for each Named Executive Officer:

matching contributions allocated by the Company to each of the Named Executive Officers pursuant to the Retirement Savings Plan, Company contributions under the Pension Savings Plan (described below) and contributions to the Lear Corporation Salaried Retirement Restoration Program as follows:

Name	Pension Savings Plan Qualified Contribution	Salaried Retirement Restoration Program Nonqualified Contribution	Retirement Savings Plan Qualified Matching Contribution	Retirement Savings Plan Nonqualified Matching Contribution
Raymond E. Scott	$ 27,864	$ 279,673	$ 8,636	$ 108,616
Jeffrey H. Vanneste	$ 27,864	$ 222,775	$ 8,636	$ 87,280
Terrence B. Larkin	$ 24,381	$ 186,610	$ 12,119	$ 80,232
Frank C. Orsini	$ 20,898	$ 148,427	$ 12,375	$ 74,213
Thomas A. DiDonato	$ 20,898	$ 120,375	$ 12,375	$ 60,188
Matthew J. Simoncini	$ 24,381	$ 408,802	$ 12,119	$ 175,457

imputed income with respect to life insurance coverage in the following amounts: Mr. Scott, $1,932; Mr. Vanneste, $3,612; Mr. Larkin, $5,544; Mr. Orsini, $1,260, Mr. DiDonato, $5,544; and Mr. Simoncini, $3,612.

life insurance premiums paid by the Company, including $864 in premiums for each of Messrs. Scott, Vanneste, Larkin, Orsini, DiDonato and Simoncini.

the aggregate incremental cost relating to Mr. Simoncini s personal use of the Company s aircraft in 2018 was equal to $44,005 after certain reimbursements by Mr. Simoncini to the Company.

a $1,000 patent award granted to Mr. Scott.

(5)

Mr. DiDonato was not a Named Executive Officer prior to 2018, and thus, no compensation information is reported for him in this table for 2017 or 2016.

(6) Mr. Simoncini served as a non-executive employee from March 1, 2018, through his retirement from the Company on January 4, 2019.

CEO Transition

As previously disclosed, effective February 28, 2018, Mr. Simoncini resigned as President and CEO and as a director of the Company. Mr. Simoncini served as a non-executive employee of the Company, in a transition and advisory role, through his retirement from the Company on January 4, 2019. In connection with the transition, the Company and Mr. Simoncini entered into a second amended and restated employment agreement, which set forth the terms of Mr. Simoncini s employment in a non-executive capacity until his retirement. During the transition period, Mr. Simoncini assisted with the leadership transition and

received a base salary of $15,000 per month. Mr. Simoncini received a prorated payout under the AIP with respect to his service for the first two months of 2018 as President and CEO and did not receive any awards under the LTSIP in 2018. If Mr. Simoncini s employment had terminated under certain circumstances prior to his retirement date, he would not have been entitled to receive any cash severance benefits but would have been entitled to full vesting of his outstanding time-based equity awards under the LTSIP and pro rata vesting of any performance-based equity awards through January 4, 2019.

Effective March 1, 2018, Mr. Scott assumed the role of President and CEO and became a director of the Company, as Mr. Simoncini s successor. The Company and Mr. Scott entered into a second amended and restated employment agreement to reflect the revised terms of his employment. Pursuant to that agreement, Mr. Scott began receiving an increased annual base salary of $1,160,000. As noted above in the Compensation Discussion and Analysis under the headings, Annual Incentives and Long-Term Incentives, in connection with the transition, effective March 1, 2018,

Mr. Scott s target annual incentive opportunity was increased from 100% to 150% of his annual base salary, and the target value of Mr. Scott s long-term incentive opportunity was increased from 300% to 625% of his annual base salary. The severance provisions of Mr. Scott s amended and restated employment agreement did not change in connection with the transition, and more information regarding Mr. Scott s severance entitlement can be found in the section below entitled, Potential Payments upon Termination or Change in Control.

Employment Agreements

We have entered into employment agreements with each of our Named Executive Officers. Each employment agreement specifies the annual base salary for the executive, which may be increased at the discretion of the Compensation Committee. In addition, the employment agreements specify that the executives are eligible for an annual incentive compensation bonus and participation in the Company s long-term incentive plan. Under the terms of the employment agreements, each Named Executive Officer is also eligible to participate 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. Under the employment agreements, if the Company reduces an executive s base salary, adversely changes the manner of computing an executive s incentive compensation opportunity, defers payment of his compensation or eliminates or substantially modifies his benefits, the executive would have a basis to invoke his rights under the agreement for termination for good reason. For a description of the severance provisions of the employment agreements, see Potential Payments upon Termination or Change in Control.

Lear Corporation Salaried Retirement Program

The Lear Corporation Salaried Retirement Program (Retirement Program) is comprised of two components: (i) the Retirement Savings Plan (deferral and match) and (ii) the Pension Savings Plan. We established the Retirement Program pursuant to Section 401(a) of the Internal Revenue Code for eligible employees. Under the Retirement Savings Plan, each eligible employee may elect to contribute, on a pre-tax basis, a portion of his eligible compensation in each year. The Company provides a matching contribution of 100% of an employee s contribution up to the first 3% of the employee s eligible compensation, plus 50% of an employee s contribution up to the next 3% of the employee s eligible compensation, regardless of service. In addition, the Retirement Savings Plan allows for discretionary Company matching contributions. Company matching contributions are initially invested in accordance with the Participant s deferral contributions and can be transferred by the participant to other funds under the Retirement Savings Plan at any time.

Company matching contributions generally become vested under the Retirement Savings Plan at a rate of 20% for each full year of service.

Under the Pension Savings Plan, we make contributions to each eligible employee s Pension Savings Plan account based on the employee s points, which are the sum total of the employee s age and years of service as of January 1 of the plan year. Based on an employee s points, we contribute: (i) from 3% to 8% of eligible compensation up to the Social Security Taxable Wage Base and (ii) from 4.5% to 12% of eligible compensation over the Social Security Taxable Wage Base. All Pension Savings Plan contributions are generally determined as of the last day of each month, provided, generally, that the employee is actively employed on such date, and are allocated monthly. Contributions generally become vested under the Pension Savings Plan at a rate of 20% for each full year of service.

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EXECUTIVE COMPENSATION

2018 Grants of Plan-Based Awards

The following table discloses the grants of plan-based awards made to our Named Executive Officers in 2018.

Type of Award	Grant Date (b)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[1] Threshold (c)	Target (d)	Maximum (e)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (f)(#)	Target (g)(#)	Maximum (h)(#)	All Other Stock Awards: Number of Shares of Stock or Units (i)(#)	
Annual Incentive Award		$ 821,686	$ 1,643,372	$ 3,286,744					
Performance Share Award[3]	1/2/2018				5,380	10,760	21,520		$
Performance Share Award[3]	3/1/2018				8,076	16,152	32,304		$
RSU Award[4]	1/2/2018							3,586	$
RSU Award[4]	3/1/2018							5,384	$
RSU Award (Career Shares)[5]	11/14/2018							3,611	$
Annual Incentive Award		$ 372,488	$ 744,975	$ 1,489,950					
Performance Share Award[3]	1/2/2018				4,687	9,374	18,748		$

RSU Award[4]	1/2/2018	3,124	$
RSU Award (Career Shares)[5]	11/14/2018	2,167	$