

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

- - - - -x
In re: : Chapter 11
HAYES LEMMERZ INTERNATIONAL, : Case No. 01-11490 (MFW)
INC., et al., :
Debtors. : Jointly Administered
- - - - -x Obj. Due: 8/25/03 at 4:00 p.m.

NOTICE OF FILING OF FINAL APPLICATION FOR COMPENSATION
AND FOR REIMBURSEMENT OF EXPENSES OF LAZARD FRERES & CO.
LLC, DEBTORS' FINANCIAL ADVISOR, FOR THE PERIOD DECEMBER
5, 2001 THROUGH JUNE 3, 2003

TO: ALL PARTIES ON THE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that on August 4, 2003,
**Lazard Freres & Co. LLC ("Lazard") filed the annexed
Final Application for Compensation and for Reimbursement
of Expenses of Lazard Freres & Co. LLC, Debtors' Finan-
cial Advisor, for the Period December 5, 2001 Through
June 3, 2003 (the "Application").**

PLEASE TAKE FURTHER NOTICE that objections, if
any, to the Application must be made in writing, filed
with the United States Bankruptcy Court for the District
of Delaware (the "Bankruptcy Court"), 824 Market Street,
Wilmington, Delaware 19801, and served so as to be re-

ceived by the following parties no later than **August 25, 2003 at 4:00 p.m. (Eastern time)**: (i) Hayes Lemmerz International, Inc., 15300 Centennial Drive, Northville, MI 48167, (Attn: Patrick C. Cauley, Esq.); (ii) Skadden, Arps, Slate, Meagher & Flom LLP, One Rodney Square, P.O. Box 636, Wilmington, Delaware 19899-0636 (Attn: Anthony W. Clark, Esq.), and Skadden, Arps, Slate, Meagher & Flom (Illinois), 333 West Wacker Drive, Chicago, Illinois 60606-1285 (Attn: J. Eric Ivester, Esq.), counsel to the Debtors; (iii) the United States Trustee, 844 King Street, Wilmington, DE 19801 (Attn: Joseph J. McMahon, Esq.); (iv) counsel for the Agent for the Debtors' prepetition Lenders and the Agent for the Debtors' postpetition debtor-in-possession Lenders, Clifford Chance Rogers & Wells LLP, 200 Park Avenue, New York, NY 10166-0153 (Attn: Margot B. Schonholtz) and Potter Anderson & Corroon LLP, Hercules Plaza, 1313 N. Market Street, P.O. Box 951, Wilmington, DE 19899-0951 (Attn: Laurie Selber Silverstein, Esq.); and (v) Lazard Frères & Co. LLC, 30 Rockefeller Plaza, 61st Floor, New York, New York 10020 (Attn: Eric R. Mendelsohn), (collectively, the "Notice Parties").

PLEASE TAKE FURTHER NOTICE that if no objections to the Application is timely filed and served in accordance with the above procedures, an order may be entered granting the relief requested in the Application without further notice or a hearing. If an objection is properly filed and served in accordance with the above procedures, a hearing to consider the Application will be held on a date and time at the convenience of the Court before the Honorable Mary F. Walrath, United States Bankruptcy Court Judge for the District of Delaware, in the United States Bankruptcy Court, 824 North Market Street, Sixth Floor, Wilmington, Delaware 19801. Only those objections made in writing and timely filed with the Bankruptcy Court and received by the Notice Parties will be considered by the Bankruptcy Court at such hearing.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS
NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE
APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: Wilmington, Delaware
 August 4, 2003

J. Eric Ivester
SKADDEN, ARPS, SLATE, MEAGHER
 & FLOM (ILLINOIS)
333 West Wacker Drive
Chicago, Illinois 60606
(312) 407-0700

- and -

 /s/ Michael W. Yurkewicz
Anthony W. Clark (No. 2051)
Michael W. Yurkewicz (No. 3721)
SKADDEN, ARPS, SLATE, MEAGHER
 & FLOM LLP
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899
(302) 651-3000

Attorneys for Reorganized Debtors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11 Case No.
)	
HAYES LEMMERZ INTERNATIONAL,)	
INC., et al.,)	Case No. 01-11490 (MFW)
)	
Debtor(s))	
)	(Jointly Administered)

**FINAL APPLICATION FOR COMPENSATION AND FOR REIMBURSEMENT OF
EXPENSES**

Name of Applicant:	LAZARD FRERES & CO. LLC
Authorized to Provide Professional Services to:	Debtors and Debtors-in-Possession
Date of Retention:	February 14, 2002, effective a/o October 3, 2001
Period for which Compensation And Reimbursement is Sought:	December 5, 2001 – June 3, 2003
Amount of Fees Requested:	\$8,367,741.94 (\$3,447,741.94 paid, \$4,920,000.00 unpaid) ⁽¹⁾
Amount of Expenses Requested:	\$129,909.21 (\$125,689.48 paid, \$4,219.73 unpaid)
Total Amount of Compensation Requested:	\$8,497,651.15 ⁽¹⁾
Less: Amount Paid to Date:	<u>\$3,573,431.42</u> ⁽¹⁾
Net Amount of Compensation Requested:	\$4,924,219.73

This is a(n): _____ monthly _____ interim X final application

Total time expended for Final Application preparation was approximately 60 hours.

(1) Excludes \$432,258.06 of prepetition monthly fees paid that have been credited against the total \$8,800,000.00 fee earned.

Summary of Monthly Fee Applications:

Date Filed	Docket No.	Period Covered	Requested		Amounts Paid		Net Requested
			Fees	Expenses	Fees	Expenses	
03/29/02	556	12/06/01 – 2/28/02	\$567,741.94	\$23,152.36	\$567,741.94	\$23,152.36	\$0.00
05/29/02	761	03/01/02 – 4/30/02	\$400,000.00	\$8,098.53	\$400,000.00	\$8,098.53	\$0.00
06/25/02	942	05/01/02 – 5/31/02	\$200,000.00	\$4,923.31	\$200,000.00	\$4,923.31	\$0.00
08/06/02	1089	06/01/02 – 6/30/02	\$200,000.00	\$8,045.75	\$200,000.00	\$8,045.75	\$0.00
08/26/02	1155	07/01/02 – 7/31/02	\$200,000.00	\$8,090.13	\$200,000.00	\$8,090.13	\$0.00
09/30/02	1263	08/01/02 – 8/31/02	\$200,000.00	\$4,503.85	\$200,000.00	\$4,503.85	\$0.00
10/30/02	1434	09/01/02 – 09/30/02	\$200,000.00	\$17,072.11	\$200,000.00	\$17,072.11	\$0.00
12/05/02	1647	10/01/02 – 10/31/02	\$200,000.00	\$8,482.89	\$200,000.00	\$8,482.89	\$0.00
01/07/03	1744	11/01/02 – 11/30/02	\$200,000.00	\$3,658.64	\$200,000.00	\$3,658.64	\$0.00
03/12/03	1947	12/01/02 – 12/31/02	\$200,000.00	\$2,664.95	\$200,000.00	\$2,664.95	\$0.00
02/06/03	2069	01/01/03 – 01/31/03	\$200,000.00	\$7,190.19	\$200,000.00	\$7,190.19	\$0.00
04/15/03	2181	02/01/03 – 02/28/03	\$200,000.00	\$1,700.72	\$200,000.00	\$1,700.72	\$0.00
05/20/03	2356	03/01/03 – 03/31/03	\$200,000.00	\$11,175.94	\$160,000.00	\$11,175.94	\$40,000.00
N/A ⁽¹⁾	N/A ⁽¹⁾	04/01/03 – 04/30/03	\$200,000.00	\$0.00	\$160,000.00	\$0.00	\$40,000.00
N/A ⁽²⁾	N/A ⁽²⁾	05/01/03 – 06/03/03	⁽³⁾ \$5,000,000.00	⁽⁴⁾ \$21,149.84	\$160,000.00	\$16,930.11	\$4,844,219.73
		TOTAL	⁽⁵⁾ \$8,367,741.94	\$129,909.21	⁽⁵⁾ \$3,447,741.94	\$125,689.48	\$4,924,219.73

(1) No fee application filed for this period. In accordance with the Flow of Funds Memorandum filed at the June 3, 2003 Confirmation Hearing, the Debtor requested to pay Lazard \$160,000.00 and \$0.00 in expenses and to holdback \$40,000.00 in fees for the period April 1, 2003 through April 30, 2003.

(2) No fee application filed for this period. In accordance with the Flow of Funds Memorandum filed at the June 3, 2003 Confirmation Hearing, the Debtor requested to pay Lazard \$160,000.00 and \$16,930.11 in expenses and to holdback \$40,000.00 in fees for the period May 1, 2003 through June 3, 2003. Lazard will not request fees for the period June 1, 2003 through June 3, 2003.

(3) Fees requested for the period from May 1, 2003 through June 3, 2003 include \$200,000.00 in Monthly Financial Advisory Fees for May 2003 and a Restructuring Transaction Fee of \$4,800,000.00. See **Exhibit E** for calculation of the Restructuring Transaction Fee.

(4) Expenses requested for the period from May 1, 2003 through June 3, 2003 include \$16,930.11 requested in the Flow of Funds filed for the Confirmation Hearing and \$4,219.73 in expenses that were incurred during the period but not yet processed.

(5) Excludes \$432,258.06 of prepetition monthly fees paid that have been credited against the total \$8,800,000.00 fee earned as stated in paragraph 5(b) of the Engagement Letter attached hereto as **Exhibit A**.

Summary of Interim Applications filed:

	Date Filed	Period Covered	Fees	Expenses	Status
1 st	03/29/02	12/05/01 – 2/28/02	\$567,741.94	\$23,152.36	Approved and Paid
2 nd	07/15/02	03/1/02 – 05/31/02	\$600,000.00	\$13,021.84	Approved and Paid
3 rd	10/22/02	06/1/02 – 08/31/02	\$600,000.00	\$20,639.73	Approved and Paid
4 th	01/14/03	09/01/02 – 11/30/02	\$600,000.00	\$29,213.64	Approved and Paid
5 th	04/16/03	12/01/02 – 02/28/03	\$600,000.00	\$11,555.86	Approved and Paid

Attachment B to Application

LAZARD FRERES RESTRUCTURING GROUP CREDENTIALS

Hayes Lemmerz International Restructuring Team

<u>Name</u>	<u>Highest Degree, School, Date</u>	<u>Licenses ¹</u>	<u>Title</u>	<u>Business Experience (years)</u>
Barry W. Ridings	MBA, Cornell University, 1976	Series 7, 24, 63	Managing Director	27
Eric R. Mendelsohn	MBA, U. Penn – Wharton, 1997	Series 7, 63	Vice-President	9
Michael Macakanja	MBA, U. Chicago, 1998	Series 7, 63	Associate	8
Scott Seymour	MBA, U. Chicago, 2000	Series 7	Associate	6
Jonathan Krause*	BS, U. Penn – Wharton, 2001	---	Senior Analyst	2
Andrew A. O'Hara*	BSBA, Creighton University, 2000	---	Senior Analyst	2
Donald Wray*	BS, Truman State University, 2001	---	Senior Analyst	2
Joseph Dauenhauer*	BS, Boston College, 2001	---	Analyst	1
Seton Marshall	BS, Princeton University, 2002	---	Analyst	1
Alexander Thain	NA	---	Summer Analyst	1

* *These individuals are no longer employed by Lazard*

¹ The **Series 7** examination is a required exam to obtain the main NASD series license. It is a comprehensive standardized test that covers 3 broad areas of expertise in business and financial matters: Securities Markets and Customer Accounts, Product Knowledge, and Investment and Economic Analysis.

The **Series 24** examination is for licensing NYSE managers to supervise branch activities as a General Securities Principal. The test covers such topics as: Supervision of Investment Banking, Trading Market Supervision, Sales Supervision, Primary and Secondary Markets, Supervising Customer Accounts and Orders, and Investment Companies and Retirement Plans.

The **Series 63** is required for most individuals who solicit orders for any type of security in that state. The exam covers topics such as: State Registration Laws and Procedure, Lawful Practices, and a Definition of Terms.

Compensation by Project Category
Please see Exhibit C – Hours Expended

Lazard, in its normal course of business, invoices its clients a flat monthly fee and does not charge by the hour. Thus, Lazard does not ordinarily keep time records. However, for the benefit of the Court, Lazard is recording its hourly time and has provided summaries of the time spent by professionals during the Complete Compensation Period, attached hereto as **Exhibit C**.

Expense Summary
Please see Exhibit D – Detail of Expenses

Restructuring Transaction Fee
Please see Exhibit E – Calculation of Lazard Restructuring Transaction Fee

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
HAYES LEMMERZ INTERNATIONAL,)	Case No. 01-11490 (MFW)
INC., <u>et al.</u>)	
)	
Debtors)	(Jointly Administered)

**FINAL APPLICATION OF LAZARD FRÈRES & CO. LLC AS FINANCIAL ADVISOR
FOR THE DEBTORS AND DEBTORS-IN-POSSESSION FOR ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND FOR
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES INCURRED FROM
DECEMBER 5, 2001 THROUGH JUNE 3, 2003.**

Pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Court’s Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated March 13, 2002 (the “Administrative Order”), Lazard Frères & Co. LLC (“Lazard”) files this Final Application (the “Application”) for Allowance of Compensation and Reimbursement from **December 5, 2001 through June 3, 2003** (the “Complete Compensation Period”). By this Application, Lazard seeks a Final Allowance of **\$8,367,741.94⁽¹⁾** for financial advisory services provided to Hayes Lemmerz International, Inc., (collectively, the “Debtors” and “Debtors-in-Possession”) and **\$129,909.21** for reimbursement of actual and necessary expenses Lazard incurred for a total requested amount of **\$8,497,651.15⁽¹⁾** pursuant to Lazard’s engagement letter (the “Engagement Letter”) attached hereto as **Exhibit A**. In support of this Application, Lazard respectfully represents as follow:

(1) Excludes \$432,258.06 of prepetition monthly fees paid that have been credited against the total \$8,800,000.00 fee earned.

BACKGROUND

1. On December 5, 2001 (the "Petition Date"), each of the Debtors filed a voluntary petition in this Court for reorganization relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). The Debtors continue to manage and operate their business as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.
2. On April 9, 2003, the Debtors filed a Disclosure Supplement and a Modified First Amended Joint Plan of Reorganization (the "Plan" or "POR") with the U.S. Bankruptcy Court in Wilmington, Delaware and on April 10, 2003, the Court entered an order approving the Disclosure Statement, as supplemented, with respect to the Modified First Amended Joint Plan of Reorganization.
3. On May 12, 2003, the U.S. Bankruptcy Court for the District of Delaware confirmed the modified First Amended Joint of Plan of Reorganization.
4. On June 3, 2003, (the "Effective Date"), Hayes Lemmerz International, Inc., a Delaware Corporation (the "Company" or "Old Hayes") emerged from chapter 11 proceedings pursuant to its Modified First Amended Joint Plan of Reorganization.
5. The Debtors are leading suppliers of wheels, brakes, and suspension components in the global automotive and commercial highway markets with a presence in 17 countries. The Debtors' operations are conducted through their world headquarters located in Northville, Michigan, and approximately 25 facilities in North America, 20 manufacturing facilities in Europe, and 5 manufacturing facilities in South America, Asia, and South Africa.

Lazard was retained as financial advisor to the Debtors to perform services set forth in our Engagement Letter dated as of October 3, 2001, attached hereto as **Exhibit A**.

6. The Debtors retained Lazard due to its well-established reputation and expertise in investment banking, particularly in the restructuring and bankruptcy area. Lazard's Restructuring Group consists of an experienced group of professionals dedicated to providing advisory services in the area of debt restructuring and business reorganizations. Lazard's Restructuring Group has been involved in over 200 assignments since 1990 including both out-of-court and Chapter 11 restructurings, representing over \$300 billion in restructuring.

7. The Court approved the Debtors' retention of Lazard as financial advisor pursuant to the Retention Order dated February 14, 2002, attached hereto as **Exhibit B**. Lazard was retained pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016. As consideration for Lazard's services, the Retention Order provides that Lazard shall be paid \$200,000.00 per month, plus contingent Restructuring Transaction and Sale Transaction Fees, plus reimbursement of expenses. Lazard is seeking no additional compensation for its role in advising the Debtors with respect to the raising of \$1 billion of DIP and Exit financing. Although the Engagement Letter provided that only the first 12 monthly fees would be credited against a contingent Restructuring Transaction Fee, based on discussions with the Unsecured Creditors Committee and the Agent to the Prepetition Secured Lenders, Lazard agreed in the Retention Order to credit all monthly fees against a contingent Restructuring Transaction Fee. Also pursuant to these discussions, Lazard agreed not to receive a Sale Transaction Fee in connection with the purchase of Wheland Foundry. These concessions reduced Lazard's total fees by more than \$1.6 million.

8. As discussed in Lazard's Retention Application dated December 5, 2001, prior to retaining Lazard, the Debtors' senior management interviewed senior personnel of and considered proposals from other investment banking firms. The Debtors evaluated each firm on a number of criteria, including: the overall restructuring experience of each firm and their professionals; the overall financial advisory and investment banking capabilities of such firm; the firm's experience in advising large companies in chapter 11; the likely attention of the senior personnel of the firm; and the compensation to be charged. After due consideration of these criteria and as an exercise of their business judgment, the Debtors concluded that Lazard was best qualified to provide financial advisory and investment banking services to the Debtors at a reasonable level of compensation. Furthermore, the Debtors acknowledged in the Retention Application that the overall compensation structure was comparable to compensation generally charged by investment banking firms of similar stature to Lazard and for comparable engagements, both in and out of court. This conclusion is supported by Exhibits B and C to the Retention Application which summarize the compensation charged for comparable engagements.
9. As stated in the Retention Order, Lazard's Restructuring Transaction Fee shall be subject to approval of the Court under a "reasonableness" standard upon proper application by Lazard in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the local rules of this Court and any other applicable orders of this court; provided, however, that the approval of the reasonableness of the Restructuring Transaction Fee shall not be evaluated primarily on an hourly or length of case based criteria.
10. All services for which compensation is requested by Lazard were performed for or on behalf of the Debtors. Lazard has received no payment and no promises for payment

from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. Lazard has not entered into any agreement, express or implied, with any party in interest, including the Debtors, any creditors, or any representative of any of them, or with any attorney for such party in interest, for the purpose of fixing the fees or other compensation to be paid to Lazard for services rendered in connection herewith, from the assets of the Debtors. There is no agreement or understanding between Lazard and any other person, other than members, associates and employees of Lazard, for the sharing of compensation received or to be received for services rendered in connection with these proceedings.

SERVICES PROVIDED

11. Lazard acted as financial advisor to the Debtors while they were in Chapter 11 bankruptcy. As a financial advisor, Lazard assisted the Debtors in its restructuring and reorganization and offered advice to the Debtors' management in other related matters. The Managing Director, Vice President, Associates and Analysts of Lazard who have rendered professional services during this Complete Compensation Period are as follows: Barry W. Ridings, Managing Director; Eric R. Mendelsohn, Vice President; Michael Macakanja, Associate; Scott Seymour, Associate; Jonathan Krause, Senior Analyst; Andrew O'Hara, Senior Analyst; Donald Wray, Senior Analyst; Joseph Dauenhauer, Analyst; Seton Marshall, Analyst; and Alexander Thain, Summer Analyst.
12. During the Complete Compensation Period, the Debtors relied heavily on the experience and expertise of the above-named persons in dealing with matters relating to the Debtors' restructuring, including strategy, financing alternatives, management issues and interfacing with the Committee's advisors and other parties-in-interest. As a result, Lazard's highly skilled restructuring professionals devoted significant time and effort to perform properly and expeditiously the required professional services.

13. The Debtors acknowledge and agree that Lazard's restructuring expertise as well as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which were required by the Debtors during the term of Lazard's engagement hereunder, were important factors in determining the amount of the Monthly Advisory Fee and the Restructuring Transaction Fee (as stated in **Exhibit A**, paragraphs 5(a) and 5(b)) and that the ultimate benefit to the Debtors of Lazard's services hereunder could not be measured merely by reference to the number of hours expended by Lazard's professionals in the performance of such services. In addition, given the numerous issues which Lazard was required to address in the performance of its services hereunder, Lazard's commitment to the variable level of time and effort necessary to address all such issues as they arose, and the market prices for Lazard's services for engagements of this nature in an out-of-court context, the Debtors agree that the fee arrangements are reasonable under the standards set forth in 11 U.S.C. Section 328(a).
14. The services enumerated in Paragraph 15 below were performed without duplication of those provided by any other professionals retained or proposed to be retained by the Debtors.
15. Pursuant to its Engagement Letter, Lazard agreed, in consideration of the compensation provided in the Engagement Letter, to perform the following investment banking services as the Company may reasonably request including to:
 - (a) review and analyze the Company's business, operations and financial projections;
 - (b) evaluate the Company's potential debt capacity in light of its projected cash flows;
 - (c) assist in the determination of an appropriate capital structure for the Company;
 - (d) determine a range of values for the Company on a going concern and liquidation basis;
 - (e) advise the Company on tactics and strategies for negotiating with its various groups of Creditors and/or other Stakeholders;
 - (f) render financial advice to the Company and participating in meetings or negotiations with the Creditors and/or Stakeholders in connection with any Restructuring Transaction;

- (g) advise the Company on the timing, nature, and terms of new securities, other consideration or other inducements to be offered to its Creditors and/or other Stakeholders in connection with any Restructuring Transaction;
- (h) assist the Company in preparing documentation required in connection with the implementation of any Restructuring Transaction;
- (i) provide financial advice and assistance to the Company in developing and obtaining confirmation of a plan of reorganization and/or sanction of a scheme of arrangement (as the case may be), and as the same may be modified from time to time (a “Plan”);
- (j) assist the Company with respect to any potential sale of any subsidiaries, divisions or assets to a third party resulting in a Business Combination (a “Sale Transaction”) including, without limitation, assistance and advice with respect to the structure of and negotiations relating to the Sale Transaction and participation in any solicitation and marketing efforts that may be undertaken by the Company related to the Sale Transaction including preparation of solicitation materials or similar documents and contact with third parties in connection with the Company’s marketing efforts;
- (k) assist in arranging financing (including debtor-in-possession financing or exit financing) for the Company;
- (l) advise and attending meetings of the Company’s core management team, counsel, Board of Directors, and its Board committees;
- (m) provide testimony, including expert testimony where warranted, in any proceeding in any judicial forum; and,
- (n) provide the Company with other customary general restructuring advice.

16. In order to assist the Court in understanding and evaluating the scope and breadth of Lazard's work, we have categorized our activities into 11 project groups as follows:

PROJECT DESCRIPTIONS	
Project Code	Description
1	Interface with Professionals, Official Committees, and Other Parties-In-Interest (Meetings, conference calls and general correspondence with constituencies)
2	Business Operations Planning, Monitoring, Reporting and Analysis (Preparation/analysis/review of historical and projected financials)
3	Preparation and/or Review of Court Filings (Various motions, orders, applications and objections)
4	Court Testimony/Deposition and Preparation (Presentation of professional services in Bankruptcy Court)
5	Valuation Analysis (Public comparables, precedent transactions, discounted cash flow analysis, etc.)
6	Capital Structure Review and Analysis (Debt capacity analysis, pro-forma capital structure analysis, liquidation analysis)
7	Merger & Acquisition Activity (Evaluating strategic alternatives for the Company, advising on completion of a business combination, leading non-core asset sales)
8	Financing Including DIP and Exit Financing, Plan of Reorganization Issues (Identification of lenders, negotiation of terms, POR negotiation and preparation)
9	General Corporate Finance, Research and Analysis, and Other Due Diligence (Preparation for financial forecasting, valuation, debt capacity, other analysis)
10	Fee Application, Engagement (Maintain time records by professional and project, establish retention terms)
11	Employee Retention Program (Assist in developing employee retention and incentive plans; present and negotiate the plans with the various constituencies)

17. The restructuring professionals who rendered services relating to each category are identified, along with the number of hours for each individual and the hours incurred for each category, in **Exhibit C** attached hereto. During the 18-month period from December 5, 2001 through June 3, 2003, the Lazard professionals rendered a total of 8,330 hours.

18. The tables below summarize the time spent by individual and by project:

December 5, 2001 - May 31, 2003⁽¹⁾		
<u>Summary of Services Rendered by Project</u>		
Project Code	Project Description	Total Hours
1	Interface with Professionals, Official Committees, and Other Parties-In-Interest	1514.4
2	Business Operations Planning, Monitoring, Reporting and Analysis	1747.8
3	Preparation and/or Review of Court Filings	651.1
4	Court Testimony/Deposition and Preparation	158.5
5	Valuation Analysis	770.4
6	Capital Structure Review and Analysis	147.7
7	Merger & Acquisition Activity	120.7
8	Financing Including DIP and Exit Financing, Plan of Reorganization Issues	1566.3
9	General Corporate Finance, Research and Analysis, and Other Due Diligence	1205.9
10	Fee Application, Engagement	117.5
11	Employee Retention Program	329.7
		<u>8,330.0</u>
<u>Summary of Services Rendered by Professional</u>		
Name	Total Hours	
Barry W. Ridings - Managing Director	851.0	
Eric R. Mendelsohn - Vice President	2,157.6	
Michael Macakanja - Associate	22.5	
Scott T. Seymour - Associate	2,599.8	
John Dauenhauer - Analyst	695.2	
Jonathan Krause - Analyst	1,676.9	
Andrew O'Hara - Analyst	105.0	
Seton Marshall - Analyst	7.0	
Donald Wray - Analyst	29.0	
Alexander Thain - Summer Analyst	186.0	
		<u>8,330.0</u>

(1) Lazard will not request fees for the period June 1, 2003 through June 3, 2003.

19. The Debtors' main objectives in these cases were to (i) enhance operational performance and strengthen the financial condition of the Company, (ii) develop the Company's business plan and financial projections, (iii) determine an appropriate capital structure, (iv) develop and negotiate a plan of reorganization, (v) source new financing and (vi)

confirm the Plan of Reorganization. Below is a summary of how Lazard provided value-added services in helping the Debtors achieve these goals:

Evaluated and Strengthened the Financial Condition of the Company

Throughout these chapter 11 cases, Lazard actively assisted the Debtors in forecasting future liquidity and financial performance under a variety of operating scenarios. Lazard assisted in the analysis of the impact of numerous issues affecting the company's financial condition including, but not limited to, pension and retiree medical costs, working capital investment and utilization, and the liquidity needs of the foreign business units. Lazard also assisted the Debtors in the consideration of the potential divestiture of non-core or under-performing assets as well as the acquisition of the Wheland foundry.

Sourced and Negotiated Financings

Lazard played a significant role in sourcing and negotiating the Debtors' \$200 million DIP facility and testified on the DIP at the outset of these chapter 11 cases. The procurement and negotiation of the Debtors' DIP facility was difficult due to (i) the lack of historical financial statements resulting from the pending restatement, (ii) investor apprehension with respect to the automotive industry in late 2001, (iii) the limited availability of borrowing base assets and (iv) the large amount of existing secured debt, some of which was refinanced just 6 months prior to the filing date. Lazard's knowledge of current loan market and pricing trends and its relationships with the DIP lenders assisted the Debtors in their DIP loan negotiations and was an important factor in the Debtors' ability to price the DIP loan at LIBOR plus 350 basis points. Lazard's knowledge of the Debtors' businesses and cash flows also helped the Debtors structure covenants that provided the Debtors flexibility needed to operate its businesses. With regard to the Debtors' requirement to make adequate protection payments, Lazard negotiated for an additional minimum liquidity requirement, which ensured that the Company only paid adequate protection payments to the extent it had sufficient liquidity.

Lazard also played a significant role in sourcing, structuring, negotiating, and monitoring the exit financing. The exit financing was a highly critical and necessary step in the restructuring, as a condition to the Plan becoming effective was the Debtors' need to raise approximately **\$800 million of exit financing**. Lazard created a 75 page Confidential Exit Financing Memorandum, approached more than 10 financial institutions, coordinated due diligence efforts and negotiated two rounds of term sheets with multiple institutions. After the Debtors chose the lead agent/underwriter, Lazard assisted the Debtors in negotiating the covenants and terms of the various debt instruments. Lazard also monitored the loan and high yield syndication process and provided the Debtors advice and feedback at key decision points. The Debtors' exit financing included a \$100 million senior secured revolving credit line, a \$450 million senior secured term loan and \$250 million of senior unsecured notes. There are few precedents for exit financings that incorporate high yield notes in addition to traditional bank financing for funding a Plan of Reorganization, yet the Company successfully accessed the requisite funds to emerge.

Assisted in the Development of Financial Forecasts (Five-Year Plan)

Lazard spent a significant amount of time assisting the Debtors with internal planning and budgeting. In this capacity, Lazard met with the executive management team, business unit managers and the Executive Committee of the Board of Directors to vet the business plan assumptions. Lazard created and maintained robust and flexible financial models to help the Debtors evaluate different strategic and financial alternatives under a wide variety of scenarios. Lazard utilized these models to perform sensitivity analyses on various automotive build and exchange rate assumptions, among other factors. These models served as the basis for Lazard's valuation and capital structure analyses that were required for the Debtors' reorganization. Lazard performed this function twice because the original business plan was revised to incorporate updated industry market conditions and other factors. Additionally, Lazard assisted all interest parties in performing their due diligence of the business plan.

Performed Valuation Analysis

Lazard performed a variety of generally accepted valuation analyses including a discounted cash flow analysis, comparable company analysis, and precedent transactions analysis to determine Hayes' theoretical total enterprise value ("TEV") in order to establish the form and amount of recovery available to each class of creditors. Lazard's valuation addressed many complexities including the Debtors' significant foreign operations, underfunded pension plan and unfunded retiree medical plan. Lazard also performed various sensitivity analyses on the valuation to take into account changing estimates of foreign exchange rates and future automotive build rates. The experience of Lazard's professionals contributed to the determination of a credible estimated valuation and the results of these analyses played a critical role in negotiations with the Debtors' creditors and other parties-in-interest. In conjunction with the Plan and Disclosure Statement, Lazard also assisted in the preparation of a liquidation value analysis of the Debtors on an entity-by-entity basis.

Assisted in De-leveraging the Balance Sheet and Establishing an Appropriate Capital Structure

Lazard researched the capitalizations of other companies in the automotive parts industry and compared the Debtors' coverage, leverage and debt/equity ratios under alternative capital structures to the ratios of comparable companies and rating agency benchmarks. The experience of Lazard's professionals contributed to the determination of a credible estimated debt capacity. The determination of the appropriate capital structure was a highly contested matter and Lazard's analyses played a critical role in negotiations with the Debtors' creditors and other parties-in-interest and resulted in an approximately \$1.4 billion reduction in debt.

Assisted in preparation of the Plan of Reorganization and Disclosure Statement

Lazard spent significant time assisting the Debtors and Debtors' counsel in drafting multiple Plans of Reorganization and Disclosure Statements. Specifically, Lazard played a key role in the business description, recoveries, valuation and

liquidation analysis portions of the Plan and Disclosure Statement. Lazard also spent significant time preparing for testimony in conjunction with objections and litigation concerning the treatment of various creditors in the Plan of Reorganization.

Analyzed Various inter-creditor issues

Lazard analyzed inter-creditor issues related to intercompany indebtedness and the validity of guarantees and liens supporting certain prepetition debt obligations. Lazard prepared models estimating the economic implications of different assumptions of value and the validity of the liens and guarantees and their corresponding impact on creditor recoveries. Lazard, Skadden, AlixPartners and the creditor constituents used these models to demonstrate the potential outcomes from lien litigation and to assist in brokering a settlement between the prepetition secured creditors and prepetition unsecured creditors, which was essential to achieving a consensual Plan. These models served as the foundation for the plan negotiations among the Debtors, the steering committee for the prepetition credit facility and the Official Committee of Unsecured Creditors.

Analyzed Substantive Consolidation Issues

Lazard performed analyses to address the effect of substantive consolidation on various creditors' recoveries under the plan. Lazard analyzed the financial results of the Company's subsidiaries, inter-creditor agreements, the validity of liens, inter-company indebtedness, estimates of claims for each debtor, and the priority of these claims in order to determine likely recoveries to creditors at the various debtor subsidiaries. Lazard worked with professionals from AlixPartners and Skadden to refine assumptions and discuss securities law issues regarding the allocation of shared costs, the potential for marshalling of claims, and the validity of inter-creditor agreements among other issues.

Negotiated with Parties-in-Interest

Lazard spent a significant amount of time interfacing and negotiating with various parties-in-interest in the Debtors' Chapter 11 case. Lazard created numerous

presentations and attended discussions with various parties-in-interest, including the bank steering committee advisors and its advisors, creditor committee and its advisors, DIP lenders, exit lenders and other interested parties, in order to inform them about the Debtors' operations, current financial projections, proposed capital structures, and other key events.

Lazard's active role in the multi-faceted plan negotiation process, itself based on the negotiating model created by Lazard and used by the various negotiating parties as described on the previous page, resulted in major creditor constituencies including the Bank Steering Committee and the Unsecured Creditors Committee agreeing to convert approximately \$2.1 billion of claims (senior lender claims, senior note claims, senior subordinated notes and general unsecured claims) into cash and equity in a reorganized, stand-alone Company.

Lazard played a key role in negotiating the Plan modifications with the "Dissident Group" of prepetition secured creditors who opposed the Debtors' February 20, 2003 Plan of Reorganization. Lazard, together with AlixPartners, met with many members of the Dissident Group to discuss their concerns and the merits of the Debtors' Plan including the potential costs of prolonged litigation and the potential economic impact of various compromises on creditor recoveries and the value of the estate. Lazard, Skadden and AlixPartners later hosted meetings with representatives of the various creditor classes to negotiate a compromise and settlement. Lazard played a lead role in interfacing between the Dissident Group, Apollo and the Official Committee of Unsecured Creditors and brokering the settlement, which led to the final consensual plan.

Lazard negotiated with various parties-in-interest to develop and gain consensus on many other issues including the following: (i) Critical Employee Retention Plan, (ii) establishment of a critical vendor program, (iii) purchase of the Wheland business, (iv) sale of Hayes' Schenk operations in Germany, (v) post-emergence equity incentive plan.

FEE STATEMENTS

20. Lazard requests final compensation in the amount of **\$8,367,741.94⁽¹⁾** for the period of December 5, 2001 through June 3, 2003, of which **\$3,447,741.94⁽¹⁾** is **paid** and **\$4,920,000.00 is unpaid**, as compensation for professional services rendered during the Complete Compensation Period as per its Engagement Letter. This amount consists of \$3,567,741.94⁽¹⁾ of monthly fees for December 5, 2001 through June 3, 2003 at \$200,000.00 per month and a Restructuring Transaction Fee of \$4,800,000.00. See **Exhibit E** for the calculation of the Restructuring Transaction Fee. Lazard will not request fees for the period, June 1, 2003 through June 3, 2003.

21. Lazard, in its normal course of business, invoices its clients a flat monthly fee and transaction fees and does not charge by the hour. Thus, Lazard does not ordinarily keep time records. However, for the benefit of the Court, Lazard has recorded its hourly time and has provided summaries of the time spent by professionals during the Complete Compensation Period, attached hereto as **Exhibit C**.

22. It is respectfully submitted that the amount requested by Lazard is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title. Moreover, Lazard has reviewed the requirements of Order No. 32 and believes that this Application complies with that Order and the Administrative Order.

(1) Excludes \$432,258.06 of prepetition monthly fees paid that have been credited against the total \$8,800,000.00 fee earned.

ACTUAL AND NECESSARY EXPENSES

23. Lazard also requests an allowance of **\$129,909.21**, of which **\$125,689.48 is paid** and **\$4,219.73 is unpaid**, as reimbursement for actual and necessary expenses Lazard incurred during the Complete Compensation Period. Lazard has had to fund all of the expenses sought hereby before seeking reimbursement. Lazard includes in this Application only those items of expense that it customarily charges its clients, and which are not otherwise absorbed in Lazard's overhead.

24. With respect to expenses, it should be noted that Lazard has absorbed certain expenses customarily charged by other professionals in bankruptcy cases. For example, Lazard does not allocate office telephonic charges by client and thus these costs are absorbed by Lazard in its overhead and not charged to the Debtors' estate. Lazard respectfully submits that the expenses for which it seeks allowance during the Complete Compensation Period are necessary and reasonable both in scope and amount. Lazard has provided supporting detail of the expenses incurred in **Exhibit D**.

25. WHEREFORE, Lazard respectfully requests (i) allowance of compensation for professional services rendered during the Complete Compensation Period in the amount of **\$8,367,741.94**⁽¹⁾ and reimbursement for actual and necessary expenses Lazard incurred during the Complete Compensation Period in the amount of **\$129,909.21** for a total amount requested of **\$8,497,651.15**⁽¹⁾ (ii) that the allowance of such expenses incurred be without prejudice to Lazard's right to seek such further compensation for the full value of services performed; and (iii) that the Court grant Lazard such other and further relief as is just.

Calculation of Fees Requested Pursuant to the Final Application	
Total Monthly Fees ⁽¹⁾⁽²⁾⁽³⁾	\$3,567,741.94
Restructuring Transaction Fee ⁽⁴⁾	4,800,000.00
Add: Total Out of Pocket Expenses	<u>129,909.21</u>
Total Requested Amount ⁽²⁾	\$8,497,651.15
Less: Fee Payments Received ⁽²⁾	(3,447,741.94)
Less: Expense Payment Received	<u>(125,689.48)</u>
Net Requested Amount	<u><u>\$4,924,219.73</u></u>
<p>(1) Includes all post-petition Monthly Financial Advisory fees at \$200,000.00 per month. (2) Excludes \$432,258.06 of prepetition monthly fees paid that have been credited against the total \$8,800,000.00 fee earned. (3) Lazard will not request fees for the period June 1, 2003 through June 3, 2003. (4) See Exhibit E for calculation of the Restructuring Transaction Fee.</p>	

Dated: July 31, 2003

New York, New York

LAZARD FRÈRES & CO. LLC

/s/ Eric R. Mendelsohn

Eric R. Mendelsohn
 Vice President
 Lazard Frères & Co. LLC
 30 Rockefeller Plaza, 61st Floor
 New York, NY 10020
 (212/632-6000)
 Financial Advisor for Debtors and
 Debtors-in-Possession

(1) Excludes \$432,258.06 of prepetition monthly fees paid that have been credited against the total \$8,800,000.00 fee earned.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
HAYES LEMMERZ INTERNATIONAL,)	Case No. 01-11490 (MFW)
INC., <u>et al.</u>)	
)	
Debtors)	(Jointly Administered)

ERIC R. MENDELSON, being duly sworn, deposes and says:

1. I am an employee of Lazard Frères & Co. LLC (“Lazard”), which maintains offices for providing investment banking services at 30 Rockefeller Plaza, New York, New York 10020. Lazard has acted as investment banker to and rendered professional services on behalf of HAYES LEMMERZ INTERNATIONAL, INC., et al. (the “Debtors”).

2. This affidavit is submitted pursuant to Bankruptcy Code Rule 2016 in connection with Lazard’s Final Application (the “Application”) for an allowance of compensation for services rendered to the Debtors from December 5, 2001 through June 3, 2003 in the amount of **\$8,367,741.94⁽¹⁾**, and approval of reimbursement of out-of-pocket expenses incurred in connection therewith in the sum of **\$129,909.21**, for a total of **\$8,497,651.15⁽¹⁾**.

3. All of the services for which compensation is sought by Lazard were performed for and on behalf of the Debtors and not on behalf of any other person.

(1) Excludes \$432,258.06 of prepetition monthly fees paid that have been credited against the total \$8,800,000.00 fee earned.

4. No agreement or understanding exists between Lazard and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

/s/ Eric R. Mendelsohn

Eric R. Mendelsohn
Vice President

Sworn to before this 31st day of July 2003

/s/ Hanna Murnane

Hanna Murnane
Notary Public, State of New York
No. 41-4729327
Qualified in Queens County
Commission Expires March 30, 2006

**CERTIFICATION PURSUANT TO ADMINISTRATIVE ORDER
UNDER 11 U.S.C §§ 105 AND 331 ESTABLISHING PROCEDURE
FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR PROFESSIONALS**

1. I have read the Application of Lazard Frères & Co. LLC (“Lazard”) for Allowance of Compensation and Reimbursement of Expenses for the Period from December 5, 2001 through June 3, 2003 (the “Complete Compensation Period”).

2. To the best of my knowledge, information and belief, formed after reasonable inquiry, the Application complies substantially with the mandatory guidelines set forth in the Administrative Order pursuant to 11 U.S.C. §§ 105 (a) and 331 Establishing Procedure For Interim Compensation and Reimbursement Of Expenses For Professionals dated March 13, 2002 (the “Procedures”).

3. To the best of my knowledge, information and belief, formed after reasonable inquiry, the fees and disbursements sought in the Application fall within the guidelines of the Procedures, except as specifically noted in this certification and in the Application.

4. To the best of my knowledge, information and belief, formed after reasonable inquiry, the fees and disbursements sought are billed in accordance with the practices customarily employed by Lazard and generally accepted by Lazard’s clients.

5. To the best of my knowledge, information and belief, formed after reasonable inquiry; in providing reimbursable services, Lazard does not make a profit on these services; in charging for a particular service, Lazard does not include in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment or capital outlay; in seeking reimbursement for services which Lazard justifiably purchased or contracted from a third party, Lazard seeks reimbursement only for the amount paid by Lazard to such vendor.

Dated: New York, New York
July 31, 2003

/s/ Eric R. Mendelsohn

Eric R. Mendelsohn
Vice President

EXHIBIT A

Engagement Letter

As of October 3, 2001

Hayes Lemmerz International, Inc.
15300 Centennial Drive
Northville, MI 48167

Attention of Mr. Curtis J. Clawson
President and Chief Executive Officer

Dear Sirs:

This letter agreement (the "Agreement") sets forth the terms and conditions on which Lazard Frères & Co. LLC ("Lazard") has agreed to render investment banking and financial advisory services (as set forth below) to Hayes Lemmerz International, Inc. and its subsidiaries and affiliates (together the "Company").

1. Assignment Scope

The Company hereby retains Lazard to render investment banking and financial advisory services to the Company, on the terms and subject to the conditions set forth herein, in connection with a Restructuring Transaction and the other matters and transactions referred to herein. As used in this Agreement, the term "Restructuring Transaction" shall mean, collectively, any restructuring, reorganization (whether or not pursuant to Chapter 11 of the United States Bankruptcy Code) and/or recapitalization of the Company with respect to any of its existing and potential debt obligations (including bank debt and bond debt); trade claims; leases (both on and off balance sheet); and other liabilities (collectively the "Creditors") by means of, without limitation, a solicitation of waivers and consents; rescheduling of debt maturities; changes in interest rates; settlement or forgiveness of debt; conversion of debt and/or other liabilities into equity; exchange offer involving new securities; the issuance of new securities; the raising of new debt or equity capital; the sale, merger or disposition of the assets, equity or other interests of the Company; or other similar transaction or series of transactions. By signing this Agreement, we hereby accept our appointment as your sole investment banker under the terms hereof.

2. Restructuring Services

Lazard agrees, in consideration of the compensation set forth in Section 5 below, to perform such of the following investment banking services as the Company may reasonably request, including:

- (a) Review and analyze the Company's business, operations and financial projections;
- (b) Evaluate the Company's potential debt capacity in light of its projected cash flows;
- (c) Assist in the determination of an appropriate capital structure for the Company;
- (d) Assist in the determination of a range of values for the Company on a going concern and liquidation basis;
- (e) Advise the Company on tactics and strategies for negotiating with its various groups of Creditors and/or other stakeholders;
- (f) Render financial advice to the Company and participate in meetings or negotiations with the Creditors and/or other stakeholders in connection with any Restructuring Transaction;
- (g) Advise the Company on the timing, nature, and terms of any new securities, other consideration or other inducements to be offered to its Creditors and/or other stakeholders in connection with any Restructuring Transaction;
- (h) Assist the Company in preparing any documentation required in connection with the implementation of any Restructuring Transaction;
- (i) Provide financial advice and assistance to the Company in developing and obtaining confirmation of a plan of reorganization and/or sanction of a scheme of arrangement (as the case may be), and as the same may be modified from time to time (a "Plan");
- (j) Assist the Company with respect to any potential sale of any subsidiaries, divisions or assets to a third party resulting in a Business Combination¹ (a "Sale Transaction") including, without limitation, assistance and advice with respect to the structure of and negotiations relating to the Sale Transaction and participation in any solicitation and marketing efforts that may be undertaken by the Company related to the Sale Transaction including preparation of solicitation materials or similar documents and contact with third parties in connection with the Company's marketing efforts;
- (k) Assist in arranging financing (including debtor-in-possession financing or exit financing) for the Company;

¹ Refer to Schedule I for the definition of Business Combination.

- (l) Advise and attend meetings of the Company's Board of Directors and its committees;
- (m) Provide testimony, including expert testimony where warranted, in any proceeding in any judicial forum; and
- (n) Provide the Company with other customary general restructuring advice.

In performing its services pursuant to this Agreement, Lazard is not assuming any responsibility for the Company's decision to pursue (or not to pursue) any particular business strategy or to effect (or not to effect) any particular Restructuring Transaction, Sale Transaction, financing or other related transaction. Lazard shall not have any obligation or responsibility to provide accounting, audit, "crisis management" or business consultant services to the Company, and shall have no responsibility for the design of or implementation of any operating, organizational, administrative, cash management or liquidity improvement strategies, or to provide any advice or opinion with respect to the Company's solvency in connection within any particular transaction in which the Company may determine to engage. Further, the Company acknowledges that it has retained its own legal counsel and accountants for legal, tax and accounting advice.

3. Information

In connection with Lazard's activities on the Company's behalf, the Company will cooperate with Lazard and will furnish to, or cause to be furnished to Lazard, any and all information and data concerning the Company (the "Information") which Lazard reasonably deems appropriate and will provide Lazard with access to the Company's officers, directors, employees, appraisers, independent accountants, legal counsel and other consultants and advisors. The Company represents and warrants that all information (a) made available by the Company to Lazard, the Creditors and other parties to any Restructuring Transaction or (b) contained in any filing by the Company with any court, governmental or regulatory agency, commission or instrumentality, will, at all times during the period of the engagement of Lazard hereunder, be complete and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are made. Notwithstanding the foregoing representation and warranty, the Company has informed Lazard that it expects to restate certain financial information shortly, at the time of restatement such financial information will conform to the standards set forth in the preceding sentence. The Company further represents and warrants that any projections or other information provided by it to Lazard, will have been prepared in good faith and will be based upon assumptions which, in light of the circumstances under which they are made, are reasonable. The Company recognizes and confirms that, in advising the Company and completing its engagement hereunder, Lazard will be using and relying on the Information, and information from public and other sources and on data, material and other information furnished to Lazard by the Company and other parties. It is understood that in performing under this engagement Lazard may assume and rely upon the accuracy and

completeness of, and it is not assuming any responsibility for independent verification of any Information or information so furnished by the Company or any third party.

The Company hereby agrees to keep Lazard advised of all developments materially affecting the Company or its financial position. Subject to the confidentiality provisions below, in connection with Lazard's activities hereunder, the Company hereby authorizes Lazard to make appropriate use of such Information, including discussing it with any third parties to whom the Company and Lazard mutually agree all or part of such Information should be provided.

4. Confidentiality

Lazard agrees that during the period commencing on the date hereof and ending on the earlier of the first anniversary of the closing of any Restructuring Transaction and the second anniversary of the date on which this Agreement is terminated, it will: (a) maintain any confidential or proprietary information provided to it by the Company ("Confidential Information") in confidence and take all reasonable precautions to prevent the inadvertent exposure of Confidential Information to unauthorized persons, (b) except in connection herewith, not disclose the Confidential Information to any other party without the prior permission of the Company, and (c) use the Confidential Information only for the purpose of this engagement, or as the Company may otherwise authorize in writing. Lazard will inform its directors, officers, employees, affiliates and representatives of the confidential nature of the Confidential Information and direct such persons to treat such information confidentially. Lazard agrees to be responsible for any breach of this confidentiality provision by its directors, officers, employees, affiliates or representatives to whom such information is disclosed. Confidential Information shall not include any information disclosed by the Company to Lazard that (i) is already known to Lazard at the time of its disclosure or is disclosed to Lazard by a third party provided that such person is not known by Lazard to be subject to another confidentiality agreement with, or other obligation of secrecy to, the Company, (ii) is or becomes publicly available without breach by Lazard of any obligation of confidentiality, or (iii) is required to be disclosed under compulsion of law or to Lazard's regulators or independent auditors. Lazard will provide the Company prompt notice of a subpoena or other legal compulsion to produce such Confidential Information and permit the Company to seek a protective order or other protection of Confidential Information at the Company's expense.

5. Fees

As consideration for Lazard's agreement to provide the services set forth in Section 2, the Company agrees to pay Lazard the following:

- (a) Monthly Financial Advisory Fees. The Company shall pay Lazard a monthly financial advisory fee (the "Monthly Financial Advisory Fee") of US \$200,000 in cash for each month during Lazard's engagement hereunder commencing on the date hereof and on the 3rd of each month hereafter. All such amounts paid or payable during the first twelve

(12) months of this engagement shall be credited against the Restructuring Transaction Fee as applicable. Monthly Financial Advisory Fees incurred after the initial twelve (12) months of this engagement shall not be credited against any fee payable hereunder.

(b) Restructuring Transaction Fee. In the event that the Company consummates a Restructuring Transaction, the Company shall pay Lazard a restructuring transaction fee (the “Restructuring Transaction Fee”) in the amount of US \$8.8 million in cash, such fee to be payable promptly upon the closing of such Restructuring Transaction.

(c) Sale Transaction Fee.

- i) If, whether in connection with the consummation of a Restructuring Transaction or otherwise, the Company consummates a Sale Transaction incorporating all or substantially all of its assets or the majority of the equity interests of the Company, Lazard shall act as the investment banker in connection therewith. Lazard’s compensation for these services shall be the Monthly Financial Advisor Fees and the Restructuring Transaction Fee as described and as calculated in section 5(a) and 5(b) above.
- ii) In the event that the Company consummates a Sale Transaction relating to certain of the Company’s business lines, divisions or operating groups (a “Limited Sale Transaction”), the Company shall pay Lazard a fee in cash based on the Aggregate Consideration calculated as set forth in Schedule I hereto (“Limited Sale Transaction Fee”). Any Limited Sale Transaction that involves only the assets or equity of the entities listed in Schedule II and in which Lazard does not act as the investment banker will not result in a cash fee payable to Lazard. One-half of any fee payable under this Section 5(c)(ii) shall be credited against any fees subsequently payable under Section 5(b).
- iii) Any fee payable under this section 5(c) shall be paid upon closing of the applicable Sale Transaction provided that Lazard recognizes that it must comply with any applicable statutes, rules and/or order in the event that the Sale Transaction is accomplished in a bankruptcy proceeding.

In contemplation of a potential chapter 11 filing, it is customary for us to receive a reasonable retainer/on account payment (the “Retainer”) on behalf of the Company. Given the size and complexity of the Company’s affairs, we request a Retainer payment of \$230,000 (equal to one Monthly Financial Advisory Fee and \$30,000 of expenses). Such Retainer shall be credited against any unpaid prepetition invoices and unbilled fees, charges and disbursements. Postpetition fees, changes and disbursements will be due and payable immediately upon entry of an order containing such court approval or at such time thereafter as instructed by the court, it being agreed and understood that the unused portion of the Retainer shall be held by us and applied against any of the fee applications filed and approved by the court.

6. Expenses and Indemnification

In addition to any fees that may be payable to Lazard in accordance with the provisions of Section 5, the Company agrees that it shall promptly reimburse Lazard for all reasonable out-of-pocket expenses (including travel and lodging, data processing and communications charges, courier services and other appropriate expenditures) incurred by Lazard in connection with the performance of its services hereunder.

In the event that Lazard requires the assistance of counsel in connection with any matter relating to this Agreement, Lazard shall avail itself of the Company's legal counsel unless Lazard reasonably believes that such counsel may have a conflict with respect to such matter that would disable it from providing independent advice to Lazard in which event Lazard shall be entitled, at the Company's expense and with the Company's prior approval (not to be unreasonably withheld) to retain counsel of its own to assist it in connection with such matter.

As part of the compensation payable to Lazard hereunder, the Company agrees to the indemnification and contribution provisions (the "Indemnification Provisions") attached to this Agreement as Addendum A and incorporated herein in their entirety.

7. Retention in Chapter 11 Proceedings

If the Company files a chapter 11 case in order to pursue a Restructuring Transaction, the Company shall use its best efforts to obtain prompt authorization from the Bankruptcy Court to retain Lazard on the terms and conditions set forth in this Agreement under the provisions of Section 328(a) of the Bankruptcy Code. Such retention may, however, be subject to certain customary changes in the form of indemnification required by Bankruptcy Courts and agreed to by Lazard in similar cases. Subject to being so retained, Lazard agrees that during the pendency of any such proceedings, it shall continue to perform its obligations under this Agreement and that it shall file interim and final applications for allowance of the fees and expenses payable to it under the terms of this Agreement pursuant to the applicable Federal Rules of Bankruptcy Procedure, and the local rules and order of the Bankruptcy Court. The order of the Bankruptcy Court approving the Agreement and authorizing Lazard's retention shall be acceptable to Lazard in its sole discretion.

The Company acknowledges and agrees that Lazard's restructuring expertise as well as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which may be required by the Company during the term of Lazard's engagement hereunder, were important factors in determining the amount of the Monthly Financial Advisory Fee and the contingent Restructuring Transaction Fee and Limited Sale Transaction Fee and that the ultimate benefit to the Company of Lazard's services hereunder could not be measured

merely by reference to the number of hours to be expended by Lazard's professionals in the performance of such services. The Company also acknowledges and agrees that the contingent Restructuring Transaction Fee and Limited Sale Transaction Fee have been agreed upon by the parties in anticipation that a substantial commitment of professional time and effort will be required of Lazard and its professionals hereunder, and in light of the fact that such commitment may foreclose other opportunities for Lazard and that the actual time and commitment required of Lazard and its professionals to perform its services hereunder may vary substantially from week to week or month to month, creating "peak load" issues for the firm. In addition, given the numerous issues which Lazard may be required to address in the performance of its services hereunder, Lazard's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Lazard's services for engagements of this nature in an out-of-court context, the Company agrees that the fee arrangements hereunder (including the contingent Restructuring Fee and Sale Fee) are reasonable under the standards set forth in 11 U.S.C. Section 328(a).

8. Term

Lazard's engagement hereunder shall extend until the earlier of consummation of a Restructuring Transaction (whether pursuant to a Plan or otherwise) or the effective termination of this Agreement in accordance with the provisions of this Section 8. This Agreement may be terminated by the Company with or without cause at any time or by Lazard with or without cause on 30 days prior written notice to the Company (a failure to pay any of the amounts owed to Lazard hereunder when due, among other things, shall constitute such cause). From and after the effective date of any such termination, no party shall have any liability or continuing obligation to the other party, except that (a) Lazard shall remain entitled to any fees accrued pursuant to paragraph 5 but not paid prior to such termination, and to reimbursement of any expenses incurred prior to such termination as contemplated by paragraph 6 hereof, and (b) in the case of any termination by the Company without cause or any termination by Lazard with cause, Lazard shall remain entitled to full payment of the Restructuring Transaction Fee or the Limited Sale Transaction Fee contemplated by paragraph 5 hereof in respect of any Restructuring Transaction or Sale Transaction consummated at any time during the period commencing on the date hereof and ending 12 months following the effective date of such termination. The Indemnification Letter, in the form attached hereto as Addendum A, shall survive any termination of this Agreement.

9. Miscellaneous Provisions

Any financial advice, written or oral, rendered by Lazard pursuant to this Agreement is intended solely for the benefit and use of management and the Board of Directors of the Company in considering the matters to which this Agreement relates, and the Company agrees that such advice may not be disclosed publicly or made available to third parties without the express, prior written consent of Lazard, which consent shall not be unreasonably withheld.

No fee payable to any other person by the Company or any other party shall reduce or otherwise affect any fee payable hereunder to Lazard. The provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the Company, Lazard and any other person entitled to indemnity under the Indemnification Letter.

The Company recognizes that Lazard has been engaged only by the Company and that the Company's engagement of Lazard is not deemed to be on behalf of and is not intended to confer rights upon any shareholder, partner or other owner of the Company, any creditor, lender or any other person not a party hereto as against Lazard or any of its affiliates or any of their respective directors, officers, agents, employees or representatives. Unless otherwise expressly agreed, no one other than the Company is authorized to rely upon the Company's engagement of Lazard or any statements, advice, opinions or conduct by Lazard. Without limiting the foregoing, any opinions or advice rendered to the Board of Directors or management in the course of the Company's engagement of Lazard are for the purpose of assisting the Board of Directors or management, as the case may be, in evaluating a Restructuring Transaction or Sale Transaction and do not constitute a recommendation to any stakeholder of the Company that such stakeholder might or should take in connection with the Restructuring Transaction or Sale Transaction. Lazard's role herein is that of an independent contractor; nothing herein is intended to create or shall be construed as creating a fiduciary relationship between the Company and Lazard. It is also understood and agreed that nothing in this letter is intended to constitute a commitment by Lazard to provide any financing to the Company or a representation by Lazard that any such financing (whether from Lazard or any other person or entity) is or may be available to the Company.

This Agreement and any claim related directly or indirectly to this agreement (including any claim concerning advice provided pursuant to this agreement) shall be governed and construed in accordance with the laws of the State of New York (without giving regard to the conflicts of law provisions thereof). Except as may be otherwise agreed by the parties, any such claim shall not be commenced, prosecuted or continued in any forum other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York or the Bankruptcy Court which has jurisdiction over the Company's Bankruptcy case, and each of the parties hereby submits to the jurisdiction of such courts. THE COMPANY HEREBY WAIVES ON BEHALF OF ITSELF AND ITS SUCCESSORS AND ASSIGNS ANY AND ALL RIGHT TO ARGUE THAT THE CHOICE OF FORUM PROVISION IS OR HAS BECOME UNREASONABLE IN ANY LEGAL PROCEEDING. EACH OF LAZARD AND THE COMPANY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF LAZARD PURSUANT TO, OR THE PERFORMANCE BY LAZARD OF, THE SERVICES CONTEMPLATED BY THIS AGREEMENT.

If the foregoing correctly sets forth the agreement between us, please so indicate on the enclosed signed copy of this Agreement and the Indemnification Provisions in the space provided therefor and return it to us, whereupon this Agreement and the Indemnification Provisions shall each constitute a binding agreement between us.

Very truly yours,

LAZARD FRÈRES & CO. LLC

By _____
Barry W. Ridings
Managing Director

AGREED TO AND ACCEPTED

as of the date first above written:

HAYES LEMMERZ INTERNATIONAL, INC.

By _____
Mr. Curtis J. Clawson
President and Chief Executive Officer

SCHEDULE I

Limited Sale Transaction Fee

The following table outlines Lazard's Limited Sale Transaction Fee schedule. The total fee is calculated by breaking down the Aggregate Consideration, multiplying each increment by the corresponding incremental fee and adding the results.

<u>Aggregate Consideration</u> <i>(\$ in millions)</i>	<u>Incremental Fee %</u>
\$0 - \$25	2.00%
\$25 - \$50	1.50%
\$50 - \$100	1.20%
\$100 - \$200	1.00%
\$200 - \$300	0.95%
\$300 - \$400	0.90%
\$400 - \$500	0.85%
\$500 - \$600	0.80%
\$600 - \$700	0.75%
\$700 - \$800	0.70%
\$800 - \$900	0.65%
\$900 +	0.60%

For purposes hereof, the term "aggregate consideration" means the total amount of cash and the fair market value (on the date of payment) of all other property paid or payable (including amounts paid into escrow) to the Company or its securityholders in connection with the Business Combination (or any related transaction), including amounts paid or payable in respect of convertible securities, warrants, stock appreciation rights, options or similar rights, whether or not vested, plus the principal amount of all indebtedness for borrowed money as set forth in the most recent consolidated balance sheet of the Company prior to consummation of the Business Combination or, in the case of a sale of assets, all indebtedness for borrowed money assumed by the third party. Aggregate consideration shall also include the aggregate amount of any dividends or other distributions declared by the Company after the date hereof, other than normal quarterly cash dividends, and, in a case of a sale of assets, the net value of any current assets related to the assets sold but not sold by the Company. If the aggregate consideration is subject to increase by contingent payments related to future events, the portion of our fee relating thereto shall be calculated by us in good faith and paid to us upon the consummation of a Business Combination.

For purposes of calculating Aggregate Consideration, (i) all shares will be deemed transferred where a Business Combination is effected by the transfer of shares, (a) constituting more than 50% of the then outstanding equity securities of or equity interest in the Company, or (b) possessing more than 50% of the then outstanding voting power of the outstanding equity

securities of or equity interest in the Company, and (ii) the value of securities (whether debt or equity) that are freely tradable in an established public market will be determined on the basis of the average closing price in such market for the 10 trading days prior to the closing of the Business Combination (the "Valuation Date"); and the value of securities that have no established public market or other property will be the fair market value of such securities or other property on such Valuation Date and any restricted stock (i.e., stock in a public company not freely tradeable) received shall be valued at 85% of the public market price of such stock. "Aggregate Consideration" shall also be deemed to include pension liabilities and guarantees of monies borrowed assumed directly or indirectly by the acquiror. If the Aggregate Consideration is subject to increase by contingent payments related to future events, the portion of our fee relating thereto shall be calculated by us in good faith and paid to us upon consummation of a Business Combination.

The term "Business Combination" means any transaction or series of transactions involving (a) an acquisition, merger, consolidation, or other business combination pursuant to which all or a portion of the businesses or assets of the Company are combined with a non-affiliated company or any of such company's subsidiaries; (b) the acquisition, directly or indirectly, by a buyer (which term shall include a "group" of persons as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended), of equity interests or options, or any combination thereof constituting a majority of the then outstanding stock of the Company or possessing a majority of the then outstanding voting power of the Company (except as may occur as a result of the Restructuring); (c) any other purchase or other acquisition by a buyer of assets of the Company or (d) the formation of a joint venture or partnership with the Company or direct investment in the Company for the purpose of effecting a transfer of a controlling or significant minority interest in the Company to a third party. Notwithstanding anything contained herein to the contrary, the term "Business Combination" shall not include a transfer of control of the Company and/or its subsidiaries to their existing stakeholders (or their successors and assigns) pursuant to a plan of reorganization in any bankruptcy proceeding in which they may be involved.

SCHEDULE II

Limited Sale Transaction Fee Carve Out

Lazard recognizes that any Limited Sale Transaction that involves only the assets or equity of the entities listed in this Schedule II and in which Lazard does not act as the investment banker will not result in a cash fee payable to Lazard.

- European System Service Division
- Metaalgieterij Giesen B.V.
- Hayes Lemmerz Schenk GmbH

EXHIBIT B

Retention Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

- - - - - x
In re: : Chapter 11
HAYES LEMMERZ INTERNATIONAL, : Case No. 01-11490 (MFW)
INC., et al., :
Debtors. : Jointly Administered
: Related to Docket No. 52
- - - - - x

ORDER UNDER 11 U.S.C. §§ 327(a) AND 328(a) AND
FED. R. BANKR. P. 2014(a) AND 2016 AUTHORIZING
EMPLOYMENT AND RETENTION OF LAZARD FRÈRES & CO.
LLC AS FINANCIAL ADVISORS AND INVESTMENT BANKERS FOR
DEBTORS-IN-POSSESSION, NUNC PRO TUNC TO THE PETITION DATE

This matter having come before the Court on the application, dated December 5, 2001 (the "Application"),¹ Hayes Lemmerz International, Inc. ("Hayes") and certain of its subsidiaries and affiliates, debtors and debtors-in-possession (collectively, the "Debtors"), for an order under 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014(a) and 2016 authorizing the Debtors to employ and retain Lazard Frères & Co. LLC ("Lazard") as their financial advisors and investment bankers, nunc pro tunc to the Petition Date; and the Court having reviewed the Application, the affidavit of Barry W. Ridings in

¹ Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Application.

support of the Application, and the engagement letter between Lazard and the Debtors, dated as of October 3, 2001, a copy of which is attached to the Application (the "Engagement Letter"); and it appearing that notice of the Application was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

FOUND THAT:

A. Lazard performed certain investment banking services pursuant to the Engagement Letter for the Debtors prior to the commencement of the cases;

B. Lazard is a "disinterested person" as that term is defined in section 101(14), of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code;

C. The Debtors' retention and employment on the terms set forth in the Engagement Letter and Addendum A attached thereto (the "Indemnification Letter") is necessary and in the best interests of the Debtors' estates, creditors, and other parties-in-interest;

D. The terms of the Engagement Letter and the Indemnification Letter are reasonable terms of employment

for purposes of section 328(a) of the Bankruptcy Code;
and it is therefore.

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application be, and it hereby is,
GRANTED.

2. Pursuant to sections 327(a) and 328(a) of
the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016
the Debtors, as debtors and debtors-in-possession, be,
and they hereby are, authorized to employ and retain
Lazard as their financial advisors and investment bankers
nunc pro tunc to the commencement of these cases, on the
terms set forth in the Application and this Order, and to
the extent consistent with the Application and this
Order, the Engagement Letter; provided:

(a) the aggregate amount of Monthly
Advisory Fees paid to Lazard during these cases shall be
credited against the Restructuring Transaction Fee, if
any, payable to Lazard;

(b) Debtors' counsel may represent Lazard
only with respect to matters which could not reasonably
be expected to result in a conflict of interest, as
determined by such counsel;

(c) Lazard shall not be entitled to receive a Sale Transaction Fee in connection with any transaction with Wheland Foundry, LLC; and

(d) a Restructuring Transaction shall exclude conversion of the Debtors' cases from chapter 11 to chapter 7 and any events that occur after such conversion, unless the chapter 7 trustee appointed after such conversion ratifies and/or continues the Engagement Agreement.

3. Lazard shall be compensated in accordance with the terms of the Engagement Letter, subject to the procedures set forth in the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules, and the orders of this Court.

4. The indemnification provisions set forth in the Indemnification Letter are approved, subject during the pendency of the Debtors' bankruptcy cases to the following:

(a) subject to the provisions of subparagraph (d) infra, the Debtors are authorized to indemnify, and shall indemnify, Lazard, in accordance with the Engagement Letter and Indemnification Letter, for any claim arising from, related to, or in connection with

Lazard's prepetition performance of the services described in the Engagement Letter;

(b) subject to the provisions of subparagraph (d) infra, the Debtors are authorized to indemnify, and shall indemnify Lazard in accordance with the Engagement Letter and Indemnification Letter for any claim arising from, related to or in connection with the services provided for in the Engagement Letter (the, "Services"), but not for any claim arising from, related to, or in connection with Lazard's postpetition performance of any other services unless such postpetition services and indemnification therefor are approved by the Court;

(c) notwithstanding any provisions of the Engagement Letter or Indemnification Letter to the contrary, the Debtors shall have no obligation to indemnify Lazard or provide contribution or reimbursement to Lazard for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen solely from Lazard's gross negligence or willful misconduct, or (ii) settled prior to a judicial determination as to Lazard's gross negligence or willful misconduct, but determined by the Court, after notice and a hearing pursuant to subparagraph (d) infra, to be a claim or expense for which Lazard should not receive

indemnity, contribution or reimbursement under the terms of the Engagement Letter and Indemnification Letter, as modified by this Order;

(d) if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, Lazard believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Letter and Indemnification Letter (as modified by this Order), including without limitation the advancement of defense costs, Lazard must file an application therefor in this Court, and the Debtors may not pay any such amounts to Lazard before the entry of an order by this Court approving the payment. This subparagraph (d) is intended only to specify the period of time during which the Court shall have jurisdiction over any request for compensation and expenses by Lazard for indemnification, contribution or reimbursement and not a provision limiting the duration of the Debtors' obligation to indemnify Lazard; and

(e) notwithstanding subparagraphs (a) through (d) infra, the United States Trustee, and only the United States Trustee, shall have the right to object to the indemnification provisions approved herein if, during the Debtors' cases, the United States Court of Appeals for the Third Circuit issues a ruling with respect to the appeal from the decision of the United States District Court for the District of Delaware with respect to indemnification rights in In re United Artists Theatre Company, et al., Case No. 00-3514(SLR); provided that the United States Trustee shall be required to file any such objection within 60 days after the date the United States Court of Appeals for the Third Circuit issues such ruling.

5. Lazard shall file interim and final fee applications for allowance of its compensation and expenses with respect to its services with the Court in accordance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules and orders of the Court; provided, however, that Lazard may submit time records in a summary format which shall set forth a description of the services rendered by each Restructuring professional and the amount of time spent on each date by each such individual in rendering services on

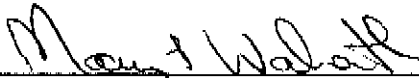
behalf of the Debtors and, therefore, the information requirements of Del. Bankr. LR 2016-2 are hereby modified and waived, to the extent necessary, with respect to Lazard. The Debtors are authorized to pay Lazard's monthly fees and to reimburse Lazard for its costs and expenses as provided in the Engagement Letter, upon approval by the Court of interim and final applications. All fees and reimbursements paid or payable to Lazard in accordance with the Engagement Letter and this Order shall be subject to this Court's approval.

6. Notwithstanding anything to the contrary herein or in the Engagement Letter, Lazard's Restructuring Transaction Fee, if any, shall be subject to approval of the Court under a "reasonableness" standard upon proper application by Lazard in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the local rules of this Court and any other applicable orders of this Court; provided, however, that the approval of the reasonableness of the Restructuring Transaction Fee shall not be evaluated on an hourly or length of case based criteria.

↑
primarily

7. This Court shall retain exclusive jurisdiction to construe and enforce the terms of the Application, the Engagement Letter, the Indemnification Letter and this Order.

Dated: Wilmington, Delaware
February 14, 2002



Honorable Mary F. Walrath
United States Bankruptcy Judge

EXHIBIT C

Detail of Hours Expended

EXHIBIT C

Detail of Hours Expended

EXHIBIT A

December 5, 2001 - May 31, 2003
Summary of Services Rendered by Project

Project Code	Project Description	Total Hours
1	Interface with Professionals, Official Committees, and Other Parties-In-Interest	1514.4
2	Business Operations Planning, Monitoring, Reporting and Analysis	1747.8
3	Preparation and/or Review of Court Filings	651.1
4	Court Testimony/Deposition and Preparation	158.5
5	Valuation Analysis	770.4
6	Capital Structure Review and Analysis	147.7
7	Merger & Acquisition Activity	120.7
8	Financing Including DIP and Exit Financing, Plan of Reorganization Issues	1566.3
9	General Corporate Finance, Research and Analysis, and Other Due Diligence	1205.9
10	Fee Application, Engagement	117.5
11	Employee Retention Program	329.7
		<u>8,330.0</u>

Summary of Services Rendered by Professional

Name	Total Hours
Barry W. Ridings - Managing Director	851.0
Eric R. Mendelsohn - Vice President	2,157.6
Michael Macakanja - Associate	22.5
Scott T. Seymour - Associate	2,599.8
John Dauenhauer - Analyst	695.2
Jonathan Krause - Analyst	1,676.9
Andrew O'Hara - Analyst	105.0
Seton Marshall - Analyst	7.0
Donald Wray - Analyst	29.0
Alexander Thain - Summer Analyst	186.0
	<u>8,330.0</u>

Barry W. Ridings - Managing Director

Lazard Freres

Hayes Lemmerz International, Inc. - Hours Worked While in Bankruptcy

Date:	Description of Work	Hours:	Code
12/06/2001	Call with CEO regarding cash and DIP	1.0	1
	Prepare for first day hearing in Court; DIP motion	2.0	3
	Meeting with HLI and SAS to prepare for hearing	2.5	3
	Hearing and testimony regarding DIP	4.2	4
	Review draft and changes to DIP agreement	0.7	8
12/07/2001	Review draft and changes to DIP agreement	1.8	8
	Research on leverage lending market regarding DIP	1.0	8
	Call with CEO regarding financials and projections	1.5	1
	Call with SAS regarding case, DIP, covenants	1.0	8
12/11/2001	Call with CEO regarding EBITDA numbers	0.5	8
	Call with SAS regarding covenants	0.2	8
	Call with CIBC regarding covenants	0.7	8
	Review Wheland proposal	0.8	7
	Review of DIP lender presentation	2.0	8
12/12/2001	Research regarding pricing of auto parts HY comps	1.5	8
	Final review of DIP lender presentation	2.5	8
	Research on recent DIPs in market	1.5	8
	Call with JA, SAS regarding DIP	1.0	8
12/13/2001	Call with CIBC, B of A regarding DIP covenants	1.5	7
	DIP bank call	0.9	7
12/17/2001	Call with LF regarding open issues	1.0	8
	Review presentation for UCC formation meeting	1.5	1
	Review DIP information memorandum	2.5	8
12/18/2001	Review DIP information memorandum	1.5	8
	Review motion for interim compensation of professionals	0.6	10
	Review KPMG retention motion	0.6	3
	Research regarding recent DIPs and fees	0.5	8
12/19/2001	Call with PWC regarding DIP	0.5	8
	Review B of A research report	1.0	2
12/20/2001	Review/change hearing planner and case calendar	1.0	2
	Analysis of DIP covenant analysis projection as of 12/19	1.5	8
	HLI SEC memo regarding late filings	0.5	2
	Call with Citibank regarding flex pricing	0.9	8
12/21/2001	Call with SAS regarding critical vendors, DIP	0.7	1
	Call with CEO regarding DIP marketing	1.0	8
	Call with AG and HLHZ on DIP	1.0	8
	Call with Wheland	1.1	2
12/30/2001	Review/revise Wheland presentation	2.5	7
12/31/2001	Review/revise Wheland presentation	1.0	7
	Total	49.7	
01/02/2002	Review latest draft of critical employee plan term sheet	1.0	11
	Analysis of DIP database	0.9	8
	Review McKinsey retention application	0.6	3
	Due diligence on Wheland	0.5	9
01/03/2002	Meeting with LF regarding open projects	0.5	1
	Review LF memo to SAS regarding Wheland	0.3	7
	Weekly call with SAS, JA, Company regarding open items	1.1	1
	Review Wheland agreement document	1.8	7
	Analysis of recent out-of-court auto parts supplier loans	0.5	8
01/04/2002	Revise critical vendor analysis	1.0	2
	Revise DIP database analysis regarding HLI	0.5	2
	Prepare memo to SAS regarding KPMG	0.9	1
	Call with LF regarding Brake division	1.0	1
	Research regarding auto sales and industry projections	0.3	9
	Review Wheland appraisals	1.5	7
01/07/2002	Review memo regarding Automotive Brake Division	1.0	1
	Review SAS memo regarding Borlem	0.6	2
	Revise/comments on draft employee retention motion	1.8	3
	Review LF retention papers	0.5	10
01/08/2002	Call with CIBC and Citibank regarding LF retention	0.7	10

Barry W. Ridings - Managing Director

Lazard Freres

Hayes Lemmerz International, Inc. - Hours Worked While in Bankruptcy

Date:	Description of Work:	Hours:	Code
01/09/2002	Call with HLI regarding UCC issues regarding Wheland, Borlem, DIP	1.0	1
	Call with CIBC and Citibank regarding plan issues, DIP, LF retention	1.0	6
	Call with JLL regarding update	0.8	1
	Call with CEO regarding Bear Stearns conference	0.2	1
01/11/2002	Call with CEO regarding creditors, banks	1.6	1
	Review agenda for 1/15 hearing	0.5	3
	Schedule of debtor's advisors responsibilities	0.5	2
	Review comments on LF retention by UST and banks	1.0	10
	Call with banks regarding LF retention	0.5	10
01/15/2002	Review of filings for court	2.0	3
	Meetings with Company, SAS, JA, banks, bondholders regarding DIP, hearing	6.0	1
	Court regarding DIP and other motions	2.0	4
	Calls with CEO and JA regarding hearing, meeting with creditors		
01/16/2002		1.9	1
	Call with SAS regarding meeting with creditors	0.6	1
01/17/2002	Call with SAS regarding hearing	0.6	1
	Review draft presentation to creditors committee	2.5	2
	Meeting with JA and management	1.0	1
	Review various e-mails	0.5	2
01/18/2002	Meeting with HLI management to prepare for UCC meeting	1.5	1
	Meeting with UCC	6.0	1
01/21/2002	Call with SAS regarding weekly call	1.0	1
01/23/2002	Review e-mails regarding employee retention plan	0.6	11
	Call with SAS regarding employee retention plan	0.3	11
	Call with HLI, SAS and JA regarding employee retention plan and Ford	1.0	11
	Call with PWC regarding employee retention plan	0.2	11
	Call with interested party regarding HLI	0.5	1
01/24/2002	Review e-mails regarding DIP and availability	0.5	8
01/25/2002	Call with JLL regarding management retention	0.5	11
	Prepare for call with HLHZ	1.0	1
	Call with HLHZ, HLI, JLL regarding management retention	1.1	11
01/28/2002	Analysis of management retention to LF analysis	1.0	11
01/30/2002	Call with board member regarding update	0.5	1
	Total	56.9	
02/01/2002	Prepare for call with banks	0.6	10
	Call with banks regarding LF retention	1.0	1
	Review case calendar and hearing planner	0.5	3
02/04/2002	Review various e-mails from SAS, AA, HLI	0.5	2
	Review UCC confidentiality agreement	0.8	3
	Prepare for weekly call with Company	0.7	2
	Weekly call with HLI, SAS, JA	1.2	1
	Review unsolicited indication of interest	0.6	7
02/05/2002	Review indemnification objections of UST in other cases	2.5	10
	Call with AG regarding LF retention	0.3	1
	Call with JA regarding board meeting	0.5	1
	Call with CEO regarding Board meeting, HLHZ, retention	0.5	1
	Call with AG regarding LF retention	0.2	1
02/06/2002	Prepare for HLI Board meeting	0.5	2
	HLI Audit Committee and Board meeting	2.5	1
	Review UCC objection to LF retention	0.6	3
02/07/2002	Review various e-mails from AG, HLHZ, HLI, JA	0.6	2
02/08/2002	Review final LF retention order	1.0	10
02/11/2002	Call with AG regarding LF retention	0.2	10
	Review HLHZ engagement letter	0.6	2
	Review HLI business plan memo	0.4	5

Barry W. Ridings - Managing Director
Lazard Freres

Hayes Lemmerz International, Inc. - Hours Worked While in Bankruptcy

Date:	Description of Work	Hours:	Code
	Review JA report on December results	1.0	2
	Review draft press release regarding financials and restatement	0.7	2
02/12/2002	Review business plan memo	1.0	5
	Call with CEO regarding retention, EBITDA, TTI	1.5	1
	Call with SAS regarding LF retention order	0.5	10
	Review/reply to various e-mails	0.5	1
	Review of HLHZ objection by banks	0.6	3
02/13/2002	Review/revise BR declaration	1.5	3
	Call with CEO regarding GM	1.0	1
02/14/2002	Review Notice of Agenda for hearing	0.5	3
	Prepare for hearing regarding LF retention	1.0	10
	Meeting with AG regarding DIP	0.2	1
	Review JA declaration	0.7	3
	Review UST objection to HLHZ	0.2	3
	Meeting with SAS regarding hearing and motions	1.0	3
	Court hearing	2.5	4
02/15/2002	Call with CIBC regarding hearing	0.6	1
	Call with SAS regarding hearing	0.5	1
02/20/2002	Review Board presentation	1.0	2
	Review CIBC research recommendation on HLI	0.9	9
	Review critical employee motion	1.5	3
02/21/2002	Board call	1.6	1
	Review HLI press release regarding accounting issues and restatement	0.2	2
	Review McKinsey affidavit	0.6	3
02/25/2002	Analysis of Big 3 production, capacity, closings	1.0	9
02/26/2002	Call with banks regarding retention	0.4	1
02/27/2002	Review e-mails from company and SAS	0.5	2
02/28/2002	E-mail regarding Wheland closing and open issues	0.4	2
	Total	39.9	
03/01/2002	Review press release regarding Somerset	0.6	2
03/04/2002	Review motion to extend exclusivity	1.0	3
	Prepare for weekly call regarding agenda, motions	1.0	2
	Weekly call with LF, HLI, SAS	0.7	1
	Analysis of January financial statements	1.5	2
03/05/2002	Review agenda for 3/7 hearing	0.5	3
03/06/2002	Call with CEO regarding retention plan	1.0	1
	Call with UCC chair regarding management retention	1.0	1
	Review banks comments on CERP	0.8	2
	Review business plan kick-off meeting	0.7	2
03/07/2002	Call with HLI, SAS, AA regarding CERP	1.5	1
	Review motion regarding gas and electricity management	0.6	3
	Review reconciliation analysis for December actual to plan	0.6	2
	Review HLI remarks to banks comments on CERP	0.9	2
	Review HLI compensation data from HLI	0.3	2
03/09/2002	Call with AG regarding Chanin and work product	0.5	1
	Call with 11 7/8 holder	1.0	1
	Call with SAS regarding 11 7/8 holder	0.8	1
	Research on management plans in other Chapter 11s - review documents	2.5	9
	Call with CEO regarding 11 7/8 holder, bondholders, banks	1.0	1
03/12/2002	Prepare for meeting with Chanin	0.6	2
	Meeting with Chanin, JA regarding KERP, business, due diligence	1.2	1
	Call to bondholder regarding meeting	0.5	1
	Call with Chicago regarding bondholders	0.5	1
03/13/2002	Call with interested party	0.6	1
	Review various e-mails	0.5	1

Barry W. Ridings - Managing Director

Lazard Freres

Hayes Lemmerz International, Inc. - Hours Worked While in Bankruptcy

Date:	Description of Work:	Hours:	Code
03/14/2002	Review Chanin proposal regarding retention	1.0	2
	Analysis of LF scenarios	1.5	2
	Call with HLI, JA, AA, SAS regarding retention	1.0	1
	Analysis of February financial results	1.0	2
	Review case calendar	0.5	3
	Review motion to extend exclusivity	0.8	3
	Analysis of information on HLI-Schenk	1.3	2
03/15/2002	Analysis of HLI to other Chapter 11 retention plans	0.9	2
	Call with CEO regarding financials, costs	1.3	1
	Revise LF presentation regarding Schenk	2.0	2
03/25/2002	Review Chanin retention papers	1.0	3
03/26/2002	Review of 2/14 court transcript	1.5	3
	Review analysis of retention plan with Chanin Proposal and counter	1.0	2
	Prepare for call with UCC	1.0	2
	Call with UCC regarding Schenk, business update	0.6	1
	Research regarding industry trends (Dana)	0.5	9
03/27/2002	Review of SOFA	3.5	2
03/28/2002	Review various e-mails	1.0	2
03/29/2002	Review/analysis of banks new CERP proposal	1.0	2
	Total	44.8	
04/01/2002	Prepare for Company call, review agenda and calendar	0.7	2
	Calls with Company, JA, SAS, regarding open items	1.0	1
	Analysis of DIP covenants and actuals	0.2	8
	Review monthly flash financials	0.8	2
04/02/2002	Meeting/calls with HLI, JA, SAS regarding CERP	1.1	1
	Meeting at HLI with bondholder (with travel)	7.0	1
	Meetings with HLI and JA	2.0	1
04/03/2002	Call with bondholder	1.0	1
	Meeting with LF regarding bondholder meeting	1.0	1
	Call with CEO regarding contract and bondholder meeting	1.0	1
04/04/2002	Review asset sale motion	0.5	3
04/05/2002	Review various e-mails	0.5	2
	Calls with SAS regarding CERP	0.9	1
	Call with AG regarding CERP	0.5	1
	Review February results and MD&A	1.0	2
04/07/2002	Review CIBC objection to CERP	1.0	3
04/08/2002	Weekly call with HLI, JA, SAS	1.3	1
	Call with AG regarding CERP	0.3	1
	Call with bondholder	1.0	1
04/09/2002	Calls with UCC and Chanin regarding CERP	2.6	1
	Call with JLL regarding update	1.0	1
	Call with HLI, SAS, JA regarding CERP and other matters	2.0	1
04/10/2002	Meeting with supplier	1.5	1
	Review creditor responses to CERP changes	2.0	2
	Calls with HLI regarding bank trade	1.0	8
	Call with B of A regarding pre-petition debt	0.9	8
04/11/2002	Review bank letter and deposition notice	0.5	3
	Prepare e-mail to HLI regarding B of A	0.5	2
04/12/2002	Calls with SAS, AG, Chanin regarding Chanin retention	1.0	1
	Review LF interim fee application	0.6	10
04/15/2002	Weekly call with HLI, JA, SAS regarding hearing, etc.	0.7	1
	Analysis of March financial results	2.5	2
	Review AA retention application	0.8	3
	Review AA CERP analysis of 4/12/02	1.8	2
04/16/2002	Call with SAS regarding banks	0.2	1
	Prepare e-mail to HLI, review e-mails	0.5	2
04/18/2002	Call with CEO regarding banks, Ford	1.0	1
04/19/2002	Call with JA regarding Senior Bonds, Ford, Board	0.6	1
	Review Board presentation regarding capex	0.5	2

Barry W. Ridings - Managing Director

Lazard Freres

Hayes Lemmerz International, Inc. - Hours Worked While in Bankruptcy

Date:	Description of Work:	Hours:	Code
	Review deposition request	0.5	3
04/22/2002	Weekly call with HLI, JA, SAS	1.1	1
	Research on ArwinMeritor and Superior	1.5	9
04/24/2002	Call with banks regarding KERP	1.0	1
	Call with HLI, SAS, JA regarding KERP	1.4	1
04/25/2002	Review SAS revisions and order	1.0	2
	Call with HLI, JA, SAS, AA regarding KERP	1.1	1
	Review various recent court filings	1.5	3
04/26/2002	Review various e-mails	0.4	2
	Review memo to CEO	0.6	2
04/29/2002	Review agenda and Planner	1.5	2
	Prepare for weekly call	0.6	2
	Weekly call with SAS, JA, HLI	0.8	1
04/30/2002	Review letter to banks with revised CERP	1.0	2
	Meeting with Deutsche Bank regarding financing	1.0	8
	Call with interested party	0.8	1
	Research regarding Superior	0.5	9
	Review SAS memo regarding avoidance	1.2	2
	Total	62.5	
05/01/2002	Review/analysis of March financial results	2.5	2
05/02/2002	Analysis of recoveries (ML research)	2.0	5
05/06/2002	Review industry research	1.0	9
05/07/2002	Call with HLI regarding bonds	0.8	1
	Review various e-mails	0.5	2
	Review 10-K	2.5	2
05/08/2002	Prepare for meeting with bondholder	1.5	2
	Meeting with bondholder	1.8	1
	Call with JLL regarding update	1.0	1
	Call with CEO, CRO, and ERM regarding plan, business, Ford	1.0	1
05/09/2002	Review various e-mails	0.5	2
05/15/2002	Review various e-mails	0.5	2
05/16/2002	Prepare for board meeting	1.0	2
	Board meeting	2.5	1
05/17/2002	Review/revise bank presentation	3.0	2
05/18/2002	Review/revise bank presentation	2.0	2
	Review recent court filings	1.0	3
05/19/2002	Call with interested party	0.5	7
	Prepare for meeting with banks	1.5	2
	Meeting with HLI, SAS and JA to prepare for presentation	3.0	1
	Bank meeting and presentation	3.0	1
	Dinner with banks	3.0	1
05/20/2002	Review recent court documents	1.5	3
	Review case calendar, agenda	1.0	2
	Review April financials	1.0	2
05/22/2002	Review/analysis of business plans	2.5	2
05/23/2002	Review of board materials dated 5/15	1.0	2
05/27/2002	Research regarding Superior	1.5	9
05/28/2002	Call with Senior bondholder regarding schedule	1.0	1
05/30/2002	Call with interested party	0.8	1
05/31/2002	Prepare for meeting with Kramer Levin	2.5	2
	Meeting with Kramer Levin regarding interested party	2.5	1
	Call with bondholder	1.0	1
	Total	52.4	
06/03/2002	Call with JA regarding timing, debt capacity	1.0	1
	Call with SAS regarding timing, interested parties	0.6	1
	Call with HLI, JA, SAS regarding open items	0.6	1
	Call with CEO	1.0	1