As filed with the Securities and Exchange Commission on February 7, 1995
Registration No. 33-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

LA-Z-BOY CHAIR COMPANY
(Exact Name of Registrant as Specified in Its Charter)

MICHIGAN
(State or Other Jurisdiction of Incorporation or Organization)

2512	38-0751137
(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1284 NORTH TELEGRAPH ROAD, MONROE, MICHIGAN 48161, (313) 242-1444
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

FREDERICK H. JACKSON VICE PRESIDENT FINANCE LA-Z-BOY CHAIR COMPANY 1284 NORTH TELEGRAPH ROAD MONROE, MICHIGAN 48161 (313) 242-1444 (Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)	Copies to: DAVID D. JOSWICK, ESQ. MILLER, CANFIELD, PADDOCK AND STONE, P.L.C. 150 WEST JEFFERSON, SUITE 2500 DETROIT, MICHIGAN 48226 (313) 963-6420

Approximate date of commencement of proposed sale of securities to public: As soon as practicable after registration statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, $1.00 par value	2,000,000 shares(1)	$6.21(2)	$12,422,000(2)	$4,283.48(3)
8% Unsecured Promissory Notes due 1999	$10,000,000	38.1%(4)	$3,813,354(4)	(3)
Performance Units	297,330 units	(5)	(5)	(3)(5)

(1) Maximum number of shares which may be issued in merger. Includes shares to be issued as part of initial merger consideration and additional shares, if any, which may be issued in settlement of Performance Units.

(2) Estimated solely for purposes of calculating registration fee; assumes entire merger consideration is paid in such shares. The proposed maximum offering price per share was determined by dividing the proposed maximum aggregate offering price for all securities offered by the maximum amount of such securities which may be issued. Pursuant to Rule 457(f)(2), the maximum aggregate offering price is based on the book value of all outstanding shares of common stock of England/Corsair, Inc. at September 30, 1994.

(3) Fee based on maximum aggregate consideration to be received for all securities registered, calculated as set forth in note (2).

(4) Estimated solely for purposes of calculating registration fee; assumes maximum portion of initial merger consideration is paid in such notes. The proposed maximum offering price per note was determined by dividing the proposed maximum aggregate offering price for all notes offered by the maximum principal amount of notes which may be issued. The maximum aggregate offering price was calculated by multiplying the book value of all

England/Corsair, Inc. shares (see note (2)) by the maximum fraction (10,000,000/32,575,000) of such shares which may be exchanged for notes.

(5) No additional consideration will be received for the Performance Units.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

LA-Z-BOY CHAIR COMPANY
Cross-Reference Sheet Between Items in
Form S-4 and Proxy Statement/Prospectus Pursuant to
Item 501(b) of Regulation S-K

Item No.	Form S-4 Caption	Heading in Prospectus
	A. INFORMATION ABOUT THE TRANSACTION	
Item 1.	Forepart of Registration Statement and Outside Front Cover Page of Prospectus	Cover Page of Registration Statement; Cross Reference Sheet; Outside Front Cover Page of Proxy Statement/Prospectus
Item 2.	Inside Front and Outside Back Cover Pages of Prospectus	Table of Contents; Available Information; Incorporation of Certain Information By Reference
Item 3.	Risk Factors, Ratio of Earnings to Fixed Charges and Other Information	Introduction; Summary; The Merger and Related Transactions; Pro Forma Condensed Combined Financial Information; The Companies; England/Corsair, Inc.
Item 4.	Terms of the Transaction	Introduction; Summary; The Meeting; The Merger and Related Transactions; Management of the Surviving Corporation After the Merger; Description of La-Z-Boy Capital Stock; Description of the La-Z-Boy Notes; Description of Indenture; Description of the Performance Units; Comparison of Shareholder Rights and Charter Documents; Pro Forma Condensed Combined Financial Information; England/Corsair, Inc.
Item 5.	Pro Forma Financial Information	Summary; Pro Forma Condensed Combined Financial Information
Item 6.	Material Contacts with the Company Being Acquired	Summary; The Merger and Related Transactions; England/Corsair, Inc.
Item 7.	Additional Information Required for Reoffering by Persons and Parties Deemed to be Underwriters	*
Item 8.	Interests of Named Experts and Counsel	England/Corsair, Inc.; Legal Matters
Item 9.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	*
	B. INFORMATION ABOUT THE REGISTRANT	
Item 10.	Information with Respect to S-3 Registrants	Pro Forma Condensed Combined Financial Information; England/Corsair, Inc. Financial Statements
Item 11.	Incorporation of Certain Information by Reference	Incorporation of Certain Information by Reference
Item 12.	Information with Respect to S-2 or S-3 Registrants	*
Item 13.	Incorporation of Certain Information by Reference	*
Item 14.	Information with Respect to	*

	Registrants Other than S-2 or S-3 Registrants	
	C. INFORMATION ABOUT THE COMPANY BEING ACQUIRED	
Item 15.	Information with Respect to S-3 Companies	*
Item 16.	Information with Respect to S-2 or S-3 Companies	*
Item 17.	Information with Respect to Companies Other than S-2 or S-3 Companies	England/Corsair, Inc.; Management of the Surviving Corporation After the Merger; Pro Forma Condensed Combined Financial Information; England/Corsair, Inc. -- Selected Financial Data, -- Management's Discussion and Analysis of Financial Condition and Results of Operations, -- Business and Properties, -- Management and Related Matters, -- Principal Shareholders
	D. VOTING AND MANAGEMENT INFORMATION	
Item 18.	Information If Proxies, Consents or Authorizations Are to Be Solicited	Introduction; Summary; England/Corsair, Inc.; The Meeting; The Merger and Related Transactions; Certain Relationships and Related Transactions; Management of the Surviving Corporation After the Merger; England/Corsair, Inc. -- Principal Shareholders
Item 19.	Information if Proxies, Consents or Authorizations Are Not to be Solicited, or in an Exchange Offer	*

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* Omitted because inapplicable or answer is in the negative.

ENGLAND/CORSAIR, INC.
402 OLD KNOXVILLE HIGHWAY
NEW TAZEWELL, TENNESSEE 37825

_____, 1995

Dear Shareholder:

You are cordially invited to attend a Special Meeting of Shareholders of England/Corsair, Inc., a Tennessee corporation ("E/C"), which will be held at 402 Old Knoxville Highway, New Tazewell, Tennessee at _____ _.m., local time, on _____, _____, 1995 (the "Meeting"). The Meeting will be a joint meeting of holders of E/C's Class A Common Stock, without par value, and its Class B Common Stock, without par value (collectively, the "E/C Stock").

At the Meeting, E/C shareholders will be asked to consider and vote upon a proposal (the "Proposal") to approve: (a) the Amended and Restated Reorganization Agreement dated as of January 13, 1995 (the "Reorganization Agreement") among E/C, La-Z-Boy Chair Company, a Michigan corporation ("La-Z-Boy"), and LZB Acquisition, Inc., a newly formed Michigan corporation and a wholly owned subsidiary of La-Z-Boy ("LZB Acquisition"); (b) the Amended and Restated Plan of Merger dated as of January 13, 1995 among E/C, La-Z-Boy, and LZB Acquisition (the "Plan of Merger"); and (c) all of the transactions contemplated by the Reorganization Agreement and the Plan of Merger, including (without limitation) the merger of E/C with and into LZB Acquisition (the "Merger"). The Proposal is further described in the accompanying Proxy Statement/Prospectus.

LZB Acquisition will be the surviving corporation of the Merger. Upon consummation of the Merger: (i) E/C will cease to exist as a separate corporation, and all of the assets and liabilities of E/C will become assets and liabilities of LZB Acquisition, which will continue to be a wholly owned subsidiary of La-Z-Boy; (ii) holders of E/C Stock of either class will receive, at their election, either shares of La-Z-Boy's Common Stock, $1.00 par value, La-Z-Boy's 8% Unsecured Promissory Notes Due 1999, cash, or any combination of the foregoing, all in the amounts and subject to the terms and limitations described in the accompanying Proxy Statement/Prospectus; and (iii) holders of E/C Stock of either class will also receive Performance Units, the terms of which are described in the accompanying Proxy Statement/Prospectus.

The Board of Directors of E/C (the "E/C Board") has determined that the Proposal is in the best interests of E/C and its shareholders. ACCORDINGLY, THE E/C BOARD UNANIMOUSLY APPROVED THE PROPOSAL AND RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL AT THE MEETING.

Conditions to the consummation of the Merger include, among other things, the approval of E/C's shareholders. Such approval requires the affirmative vote of the holders of a majority of the total shares of E/C Stock of both classes (voting together as a single voting group) outstanding as of the record date for the Meeting.

The accompanying Proxy Statement/Prospectus sets forth the voting rights of the E/C Stock with respect to these matters and describes the matters to be acted upon at the Meeting. It also contains important information concerning E/C, La-Z-Boy, and their respective subsidiaries, a detailed description of the Proposal, its terms and conditions, and the transactions contemplated thereby, certain tax matters that should be considered, management and operation of E/C following consummation of the Merger, and other matters. Shareholders are urged to review carefully the accompanying Proxy Statement/Prospectus. Because of the significance of the proposed transactions to E/C, your participation in the Meeting, in person or by proxy, is especially important. In any event, you must complete and submit the enclosed Election Form prior to the commencement of the Meeting. Baker, Donelson, Bearman & Caldwell and Dennis C. Valkanoff have been acting as legal counsel on behalf of E/C and BDO Seidman and Otis S. Sawyer have been providing accounting services to E/C. Individual shareholders are advised, if they so desire, to seek the advice of independent accounting and/or legal counsel.

We hope you will attend the Meeting. Whether or not you are able to attend the Meeting in person, it is important that your shares be represented. Accordingly, whether or not you plan to attend the Meeting, please sign, date, and mail the enclosed proxy promptly in the postage-paid envelope that has been provided to you for your convenience. If you wish to vote in accordance with the recommendations of the E/C Board, it is not necessary to specify your choices; you may merely sign, date, and return the enclosed proxy.

Thank you, and we look forward to seeing you at the Meeting.

Sincerely,

Rodney D. England
Chairman of the Board, President,
and Chief Executive Officer
England/Corsair, Inc.

ENGLAND/CORSAIR, INC.
402 OLD KNOXVILLE HIGHWAY
NEW TAZEWELL, TENNESSEE 37825

NOTICE IS HEREBY GIVEN that a Special Meeting of Shareholders of England/Corsair, Inc., a Tennessee corporation ("E/C"), will be held at 402 Old Knoxville Highway, New Tazewell, Tennessee at _____ _.m., local time, on _____, _____, 1995 (the "Meeting"). The Meeting, which will be a joint meeting of holders of E/C's Class A Common Stock, without par value, and its Class B Common Stock, without par value (collectively, the "E/C Stock"), will be held for the following purposes, which are more fully described in the accompanying Proxy Statement/Prospectus:

1. To consider and vote upon a proposal (the "Proposal") to approve: (a) the Amended and Restated Reorganization Agreement dated as of January 13, 1995 (the "Reorganization Agreement") among E/C, La-Z-Boy Chair Company, a Michigan corporation ("La-Z-Boy"), and LZB Acquisition, Inc., a newly formed Michigan corporation and a wholly owned subsidiary of La-Z-Boy ("LZB Acquisition"); (b) the Amended and Restated Plan of Merger dated as of January 13, 1995 among E/C, La- Z-Boy, and LZB Acquisition (the "Plan of Merger"); and (c) all of the transactions contemplated by the Reorganization Agreement and the Plan of Merger, including (without limitation) the merger of E/C with and into LZB Acquisition (the "Merger").

   The transactions contemplated by the Reorganization Agreement, the Plan of Merger, and certain related instruments and agreements executed, or to be executed, in connection with the Reorganization Agreement and the Plan of Merger are intended to result in the acquisition of E/C by La-Z-Boy through the Merger. LZB Acquisition will be the surviving corporation of the Merger. Upon consummation of the Merger: (i) E/C will cease to exist as a separate corporation, and all of the assets and liabilities of E/C will become assets and liabilities of LZB Acquisition, which will continue to be a wholly owned subsidiary of La-Z-Boy; (ii) holders of E/C Stock of either class will receive, at their election, either shares of La-Z-Boy's Common Stock, $1.00 par value, La-Z-Boy's 8% Unsecured Promissory Notes Due 1999, cash, or any combination of the foregoing, all in the amounts and subject to the terms and limitations described in the accompanying Proxy Statement/Prospectus; and (iii) holders of E/C Stock of either class will also receive Performance Units, the terms of which are described in the accompanying Proxy Statement/Prospectus.

2. To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The Board of Directors of E/C has fixed the close of business on _____, 1995 as the record date for determination of shareholders entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof. Only shareholders of record at the close of business on such date are entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof. A list of E/C shareholders entitled to vote at the Meeting will be subject to inspection at the Meeting.

E/C Stock constitutes the only security of E/C whose holders are entitled to vote at the Meeting. Approval of the Proposal requires the affirmative vote of the holders of a majority of the total shares of E/C Stock of both classes (voting together as a single voting group) outstanding as of the record date for the Meeting, with each share entitled to one vote.

Pursuant to Chapter 23 of the Tennessee Business Corporation Act, as amended (the "TBCA"), holders of shares of E/C Common Stock have the right to dissent and to be paid the fair value of their shares in connection with, or as a result of, the matters to be acted upon at the Meeting. SUCH DISSENTERS' RIGHTS WILL BE LOST, HOWEVER, IF THE PROCEDURAL REQUIREMENTS OF THE TBCA ARE NOT FULLY AND PRECISELY SATISFIED. Such dissenters' rights are more fully explained in the accompanying Proxy Statement/Prospectus. A copy of Chapter 23 of the TBCA is included in the accompanying Proxy Statement/Prospectus.

Your vote is important regardless of the number of shares you own. Each shareholder, even though he or she now plans to attend the Meeting, is requested to sign, date, and return the enclosed proxy without delay in the enclosed postage-paid envelope. You may revoke your proxy at any time prior to its exercise. Any shareholder of record present at the Meeting or any adjournments or postponements thereof may revoke his or her proxy and vote personally on each matter brought before the Meeting.

_____
Secretary

_____, 1995

THE BOARD OF DIRECTORS OF E/C RECOMMENDS THAT
YOU VOTE FOR THE ABOVE PROPOSAL.

PLEASE SIGN AND DATE THE ENCLOSED PROXY AND
MAIL IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION, OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

Subject to completion, dated February 7, 1995.

LA-Z-BOY CHAIR COMPANY
PROSPECTUS

2,000,000 SHARES OF COMMON STOCK, $1.00 PAR VALUE
$10,000,000 8% UNSECURED PROMISSORY NOTES DUE 1999
297,330 PERFORMANCE UNITS

ENGLAND/CORSAIR, INC.
PROXY STATEMENT

This Proxy Statement/Prospectus (the "Proxy Statement/Prospectus") is being furnished to shareholders of England/Corsair, Inc., a Tennessee corporation ("E/C"), in connection with the solicitation of proxies by its Board of Directors for use at its Special Meeting of Shareholders (including any adjournments or postponements thereof, the "Meeting") to be held on _____, 1995.

This Proxy Statement/Prospectus constitutes a prospectus of La-Z-Boy Chair Company, a Michigan corporation ("La-Z-Boy"), with respect to the following: (i) up to 2,000,000 shares of the common stock, $1.00 par value per share, of La-Z-Boy (the "La-Z-Boy Common Stock") to be issued to shareholders of E/C as part of the consideration for the "Merger" (as hereinafter defined), including shares which may be issued in settlement of the Performance Units described below; (ii) up to $10,000,000 principal amount of La-Z-Boy's 8% Unsecured Promissory Notes Due 1999 (the "La-Z-Boy Notes") to be issued to shareholders of E/C as part of the consideration for the Merger; and (iii) 297,330 "Performance Units" to be issued to shareholders of E/C as part of the consideration for the Merger, each of which constitutes La-Z-Boy's promise to pay additional consideration in respect of the Merger, in La-Z-Boy Common Stock as hereinafter described, the amount of which will be contingent upon the performance of the business now conducted by E/C during the two years following consummation of the Merger. Upon consummation of the Merger, each outstanding share of E/C's Class A Common Stock, without par value, and Class B Common Stock, without par value (collectively, "E/C Stock"), will be converted into the right to receive, at the holder's election but subject to the terms and limitations hereinafter set forth, cash, La-Z-Boy Common Stock, or La-Z-Boy Notes in the amounts herein set forth and, in addition, into one Performance Unit.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Proxy Statement/Prospectus and the accompanying forms of proxy are first being mailed to shareholders of E/C on or about _____, 1995. The date of this Proxy Statement/Prospectus is _____, 1995.

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ANNEXES

NO PERSONS HAVE BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS IN CONNECTION WITH THE SOLICITATIONS OF PROXIES OR THE OFFERING OF SECURITIES MADE HEREBY, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY LA-Z-BOY, LZB ACQUISITION, OR E/C. THIS PROXY STATEMENT/PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES, OR THE SOLICITATION OF A PROXY, IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM IT IS NOT LAWFUL TO MAKE ANY SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROXY STATEMENT/PROSPECTUS NOR ANY DISTRIBUTION OF SECURITIES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF LA- Z-BOY, LZB ACQUISITION, OR E/C SINCE THE DATE HEREOF OR THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO SUCH DATE. ALL INFORMATION CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS RELATING TO LA-Z-BOY AND ITS SUBSIDIARIES HAS BEEN SUPPLIED BY LA-Z-BOY, AND ALL INFORMATION CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS RELATING TO E/C HAS BEEN SUPPLIED BY E/C.

AVAILABLE INFORMATION

La-Z-Boy is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "Commission"). The reports, proxy statements, and other information filed by La-Z-Boy with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices at 7 World Trade Center, Suite 1300, New York, New York 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material also can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, material filed by La-Z-Boy can be inspected at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 11 Wall Street, New York, New York 10005, and of the Pacific Stock Exchange (the "PSE"), 233 South Beaudry Ave., Los Angeles, California 90012.

La-Z-Boy has filed with the Commission a Registration Statement on Form S-4 (registration no. 33-_____, together with any amendments thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the following: (i) 2,000,000 shares of the common stock, $1.00 par value per share, of La-Z-Boy (the "La-Z-Boy Common Stock"); (ii) $10,000,000 principal amount of La-Z-Boy's 8% Unsecured Promissory Notes Due 1999 (the "La-Z-Boy Notes"); and (iii) 297,330 performance units, the terms of which are more fully described herein (the "Performance Units"). This Proxy Statement/Prospectus does not contain all the information set forth in the Registration Statement and the exhibits thereto. Such additional information may be inspected and copied as set forth above. Statements contained in this Proxy Statement/Prospectus as to the contents of any contract or other document referred to herein are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents, previously filed by La-Z-Boy with the Commission, are incorporated into this Proxy Statement/Prospectus by reference:

1. Annual Report on Form 10-K for the fiscal year ended April 30, 1994;

2. Quarterly Reports on Form 10-Q for the quarters ended July 30, 1994 and October 29, 1994;

3. Current Reports on Form 8-K dated June 2, 1994, January 13, 1995, January 27, 1995 and February 6, 1995; and

4. The description of the La-Z-Boy Common Stock contained in the Registration Statement on Form 8A dated August 5, 1987.

All documents filed by La-Z-Boy with the Commission after the date of this Proxy Statement/Prospectus and prior to the date of the Meeting pursuant to Section 13(a), 13(c), 14, or 15(d) of the Exchange Act shall be deemed to be incorporated by reference into this Proxy Statement/Prospectus and made a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Proxy Statement/Prospectus shall be deemed to be modified or superseded for purposes of this Proxy Statement/Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so

modified or superseded, to constitute a part of this Proxy Statement/Prospectus.

THIS PROXY STATEMENT/PROSPECTUS REFERENCES DOCUMENTS WHICH ARE NOT PRESENTED OR DELIVERED HEREWITH. SUCH DOCUMENTS ARE AVAILABLE, WITHOUT CHARGE, TO ANY PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM THIS PROXY STATEMENT/PROSPECTUS IS DELIVERED, ON WRITTEN OR ORAL REQUEST TO GENE M. HARDY, SECRETARY, LA-Z-BOY CHAIR COMPANY, 1284 NORTH TELEGRAPH ROAD, MONROE, MICHIGAN 48161, TELEPHONE (313) 242-1444. IN ORDER TO ENSURE TIMELY DELIVERY OF THE DOCUMENTS, REQUESTS SHOULD BE RECEIVED BY _____, _____, 1995.

INTRODUCTION

This Proxy Statement/Prospectus is being furnished to shareholders of E/C in connection with the solicitation of proxies by the Board of Directors of E/C for use at E/C's Special Meeting of Shareholders (including any adjournments or postponements thereof, the "Meeting") on _____, 1995.

At the Meeting, the shareholders of E/C will be asked to approve: (i) the Amended and Restated Reorganization Agreement dated as of January 13, 1995 (the "Reorganization Agreement") among E/C, La-Z-Boy Chair Company, a Michigan corporation ("La-Z-Boy"), and LZB Acquisition, Inc., a newly formed Michigan corporation and a wholly owned subsidiary of La-Z-Boy ("LZB Acquisition"); (ii) the Amended and Restated Plan of Merger dated as of January 13, 1995 (the "Plan of Merger") among E/C, La-Z-Boy, and LZB Acquisition; and (iii) all of the transactions contemplated by the Reorganization Agreement and the Plan of Merger. The transactions contemplated by the Reorganization Agreement and the Plan of Merger and certain related instruments and agreements executed, or to be executed, in connection with the Reorganization Agreement and the Plan of Merger are intended to result in the acquisition of E/C by La-Z-Boy through the merger of E/C with and into LZB Acquisition (the "Merger"). LZB Acquisition will be the surviving corporation of the Merger. LZB Acquisition, in its capacity as the surviving corporation of the Merger, is sometimes referred to in this Proxy Statement/Prospectus as the "Surviving Corporation."

Upon consummation of the Reorganization, among other things, the following will occur:

(i) E/C will cease to exist as a separate corporation, and all of the assets and liabilities of E/C will become assets and liabilities of LZB Acquisition, which will continue to be a wholly owned subsidiary of La-Z-Boy;

(ii) holders of E/C Stock of either class will receive, at their election, either shares of La-Z-Boy Common Stock, La-Z-Boy Notes, cash, or any combination of the foregoing ("Initial Merger Consideration"), all in the amounts and subject to the terms and limitations described in this Proxy Statement/Prospectus; and

(iii) holders of E/C Stock of either class will also receive Performance Units, the terms of which are described in this Proxy Statement/Prospectus.

Copies of the Reorganization Agreement (without exhibits or schedules) and the Plan of Merger are attached as Annexes A and B, respectively, to this Proxy Statement/Prospectus.

SUMMARY

The following is a summary of certain information contained elsewhere in this Proxy Statement/Prospectus. As this summary is necessarily incomplete, reference is made to, and this summary is qualified in its entirety by, the more detailed information contained or incorporated by reference in this Proxy Statement/Prospectus and the Annexes hereto. Shareholders are urged to read this Proxy Statement/Prospectus and the Annexes hereto in their entirety. Certain capitalized terms which are used but not defined in this summary are defined elsewhere in this Proxy Statement/Prospectus.

THE COMPANIES

England/Corsair, Inc.

E/C was incorporated under the laws of the State of Tennessee in 1964 and is headquartered in the State of Tennessee. E/C is engaged primarily in the manufacture of upholstered furniture. E/C's principal office is located at 402 Old Knoxville Highway, New Tazewell, Tennessee 37825, and its telephone number is (800) 251-9125. For additional information regarding E/C, see "England/Corsair, Inc."

La-Z-Boy Chair Company

La-Z-Boy was incorporated under the laws of the State of Michigan in 1941 and is headquartered in the State of Michigan. La-Z-Boy is engaged primarily in the manufacture of furniture. La-Z-Boy's principal office is located at 1284 North Telegraph Road, Monroe, Michigan 48161, and its telephone number is (313) 242-1444. For additional information regarding La-Z-Boy and its operations, see "La-Z-Boy Chair Company" and the documents described therein.

LZB Acquisition, Inc.

LZB Acquisition was incorporated under the laws of the State of Michigan in 1995 and is headquartered in the State of Michigan. LZB Acquisition was formed for the purpose of serving as the Surviving Corporation of the Merger and does not engage in any business at this time. Its principal office is located at 1284 North Telegraph Road, Monroe, Michigan 48161, and its telephone number is (313) 242-1444.

THE MEETING

A Special Meeting of Shareholders of E/C will be held at 402 Old Knoxville Highway, New Tazewell, Tennessee at _____ _.m., local time, on _____, _____, 1995 (together with any adjournments or postponements thereof, the "Meeting"). The Meeting will be a joint meeting of holders of E/C's Class A Common Stock, without par value ("E/C Class A Stock"), and its Class B Common Stock, without par value ("E/C Class B Stock"). In this Proxy Statement/Prospectus, the E/C Class A Stock and the E/C Class B Stock are sometimes referred to collectively as the "E/C Stock." See "The Meeting."

At the Meeting, E/C shareholders will be asked to consider and vote upon a proposal (the "Proposal") to approve: (a) the Amended and Restated Reorganization Agreement dated as of January 13, 1995 (the "Reorganization Agreement") among E/C, La-Z-Boy, and LZB Acquisition; (b) the Amended and Restated Plan of Merger dated as of January 13, 1995 among E/C, La-Z-Boy, and LZB Acquisition (the "Plan of Merger"); and (c) all of the transactions contemplated by the Reorganization Agreement and the Plan of Merger, including (without limitation) the merger of E/C with and into LZB Acquisition (the "Merger"). See "The Meeting -- Matters to Be Considered at the Meeting."

VOTE REQUIRED

Approval of the Proposal requires the affirmative votes of the holders of a majority of all outstanding shares of E/C Stock of both classes (voting together as a single voting group), with each such share entitled to one vote. Approval of the Proposal by the requisite vote of E/C shareholders is a condition to, and is required for, consummation of the Merger. As of _____, approximately 51.8% of the shares of E/C Stock outstanding and entitled to vote on the Proposal was held by members of the Board of Directors, executive officers, and their affiliates. No vote of La-Z-Boy shareholders is required in connection with the Merger. See "The Meeting -- Vote Required."

RECORD DATE; SHARES ENTITLED TO VOTE

The record date for the Meeting is _____, 1995. Only E/C shareholders at the close of business on such date are entitled to notice of, and to vote at, the Meeting. See "The Meeting -- Record Date; Shares Entitled to Vote; Quorum."

THE MERGER

In the Merger, E/C will be merged with and into LZB Acquisition, which is a wholly owned subsidiary of La-Z-Boy and which will be the Surviving Corporation of the Merger. Upon consummation of the Merger, the Surviving Corporation will succeed to all the rights and obligations of E/C and will continue to be a wholly owned subsidiary of La-Z-Boy.

Consideration for Shares

Upon the Merger becoming effective, each share of E/C Stock will be converted into the right to receive cash, La-Z-Boy Notes, or shares of La-Z-Boy Common Stock, or a combination thereof, as described below, based on total merger consideration (excluding the Performance Units) of $32,575,000 and a value of $30.00 per share of La-Z-Boy Common Stock. Each share of E/C Stock owned by shareholders who comply with the election procedures set forth in the Plan of Merger and described herein will be converted into, at their option (but subject to the limitations set forth in the Plan of Merger and described under the captions "The Merger and Related Transactions -- Limitations" and "The Merger and Related Transactions -- Allocation of Cash, Shares and Notes"), either: $109.558403121 in cash; $109.558403121 principal amount of La-Z-Boy Notes; or 3.6519467707 shares of La-Z-Boy Common Stock. Each share of E/C Stock, regardless of, and in addition to, the election made by the holder thereof, will also be converted into one Performance Unit.

Performance Units will entitle the holders thereof to receive additional shares of La-Z-Boy Common Stock based on the Pre-Tax Income (as defined in and determined in accordance with the Plan of Merger) of E/C during each of the two successive twelve month periods immediately following the effective time of the Merger. See "The Merger and Related Transactions -- Performance Units" and "Description of Performance Units."

Recommendation of the Board of Directors of E/C; Reasons for the Merger

The Board of Directors of E/C (the "E/C Board") has concluded that the terms of the Merger are fair to E/C shareholders and that consummation of the Merger is in the best interests of E/C and its shareholders. In reaching these conclusions, the E/C Board has considered, among other things, the price being offered in the Merger in relation to the book value and earnings per share of E/C Stock. The E/C Board has also considered a number of additional factors in approving and recommending the terms of the Merger, including, without limitation, information concerning the financial condition, earnings and dividend records, and prospects of E/C and La-Z-Boy; the ability of the combined entity to compete in relevant markets; the compatibility of the managements of the two organizations; the anticipated tax-free nature of the Merger to E/C shareholders to the extent they receive La-Z-Boy Common Stock in exchange for their shares of E/C Stock; and the financial terms of other recent business combinations in the furniture industry. See "The Merger and Related Transactions -- Background of the Merger; Recommendation of the Board of Directors of E/C; Reasons for the Merger."

THE E/C BOARD RECOMMENDS UNANIMOUSLY THAT SHAREHOLDERS VOTE FOR ADOPTION AND APPROVAL OF THE REORGANIZATION AGREEMENT, PLAN OF MERGER, AND THE MERGER.

Effective Time of the Merger

If the Reorganization Agreement, Plan of Merger, and the Merger are approved by the E/C shareholders at the Meeting, and assuming that all other conditions have then been satisfied (see "The Merger and Related Transactions -- Amendments, Conditions, and Termination"), it is expected that the Merger will become effective at 5:00 p.m., Detroit, Michigan time, on the day of the Meeting or as promptly as practicable thereafter. The Merger will become effective on the date and at the time that appropriate certificate and articles of merger are filed and have become effective with the Secretary of State of Tennessee and the Michigan Corporation Bureau, respectively (the "Effective Time"). See "The Merger and Related Transactions -- Effective Time."

Distributions Prior to Closing

As provided in the Reorganization Agreement, neither La-Z-Boy nor E/C may either declare or pay any dividends on or make any distributions in respect of their capital shares prior to the Effective Time, except:

(1) La-Z-Boy may declare and pay dividends on the La-Z-Boy Common Stock in accordance with its prior practice; and

(2) E/C may (i) pay to its shareholders the cash dividend previously declared in the amount of 60% of its taxable income for the period of July 1, 1994 to December 31, 1994; (ii) declare and pay to its shareholders dividends in an amount equal to 40% of its taxable income for the period of January 1, 1995 to the day before the Effective Time; and (iii) declare and pay to its shareholders dividends in an amount equal to 50% of the net proceeds receivable by E/C under any policies owned by E/C on the life of Arnold Dwight England.

Conditions to the Merger; Termination

The obligation of La-Z-Boy and E/C to consummate the Merger is subject to certain conditions, including the requisite approval by the E/C shareholders,

the continuing truth of the parties' representations and warranties in all material respects, receipt of certain legal opinions of counsel to E/C and La-Z-Boy (including, in the case of La-Z-Boy's counsel, an opinion in respect of certain federal income tax consequences of the Merger), and receipt of an opinion from BDO Seidman, the independent accountants of E/C, as to E/C's status as an "S corporation" for federal income tax purposes. See "The Merger and Related Transactions -- Conditions to the Merger."

In certain circumstances, the Reorganization Agreement and the Plan of Merger, and the transactions contemplated thereby, may be terminated at any time prior to the Effective Time, whether before or after approval of the matters presented in connection with the Merger by the shareholders of E/C. In certain limited circumstances, a termination fee may be payable to one of the parties by the other party if the Reorganization Agreement is terminated. See "The Merger and Related Transactions -- Termination; Liquidated Damages; Termination Fee."

Certain Federal Income Tax Consequences

For a description of the anticipated federal income tax consequences of the Merger to E/C shareholders, see "The Merger and Related Transactions -- Certain Federal Income Tax Consequences."

Consummation of the Merger is conditioned upon there being delivered an opinion of La-Z-Boy's counsel to the effect that, (i) the Merger will qualify as a reorganization within the meaning of Section 368(a)(1)(A) and 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) no gain or loss will be recognized by an E/C shareholder upon receipt of La-Z-Boy Common Stock solely in exchange for E/C Stock.

Consummation of the Reorganization is conditioned upon there being executed and delivered "tax lock-up letters" by all of the holders of E/C Stock who will receive shares of La-Z-Boy Common Stock in the Merger. These tax lock-up letters essentially prohibit sales or dispositions of the shares of La-Z-Boy Common Stock subject thereto prior to the second anniversary of the consummation of the Merger other than pursuant to "permitted transfers." See "The Merger and Related Transactions -- Tax Lock-Up Letters."

Resale of La-Z-Boy Common Stock; Restrictions on Transfer

The shares of La-Z-Boy Common Stock to be issued in the Merger will be registered under the Securities Act and will be transferable under the Securities Act, except for shares issued to any shareholder who may be deemed to be an "affiliate" of E/C for purposes of Rule 145 under the Securities Act. Affiliates may not sell shares of La-Z-Boy Common Stock acquired in connection with the Merger except pursuant to an effective registration statement under the Securities Act covering such shares or in compliance with Rule 145 or another applicable exemption from the registration requirements of the Securities Act. In addition, all shareholders of E/C receiving La-Z-Boy Common Stock in the Merger will be required to deliver "tax lock-up letters" restricting the disposition of such shares. See "The Merger and Related Transactions -- Tax Lock-up Letters."

Non-Transferability of La-Z-Boy Notes and Performance Units

The La-Z-Boy Notes will not be transferrable except upon the death of the holder thereof. See "Description of the La-Z-Boy Notes -- Limited Transferability." Performance Units will not be transferable except to the extent required by applicable law. See "Description of Performance Units."

Stock Listing

The shares of La-Z-Boy Common Stock to be issued in the Merger will be approved for listing on the NYSE and the PSE subject to official notice of issuance and to the approval by the shareholders of E/C of the Merger.

DISSENTERS' RIGHTS

Holders of shares of E/C Stock will have dissenters' rights under Chapter 23 of the Tennessee Business Corporation Act, as amended (the "TBCA"), in connection with, or as a result of, the matters to be acted upon at the Meeting. SUCH DISSENTERS' RIGHTS WILL BE LOST, HOWEVER, IF THE PROCEDURAL REQUIREMENTS OF THE TBCA ARE NOT FULLY AND PRECISELY SATISFIED. See "The Merger and Related Transactions -- Dissenters' Rights."

A copy of Chapter 23 of the TBCA is attached as Annex C to this Proxy Statement/Prospectus.

It is a condition to consummation of the Merger that La-Z-Boy's counsel deliver an opinion as to certain tax matters, and such counsel will not be able to deliver such opinion if holders of more than 50% of the outstanding shares of E/C Stock perfect their dissenters' rights. See "The Reorganization Agreement -- Conditions to the Merger" and "The Merger and Related Transactions - -- Certain Federal Income Tax Consequences."

MANAGEMENT OF THE SURVIVING CORPORATION AFTER THE MERGER

It is anticipated that, upon consummation of the Merger, the Board of Directors of the Surviving Corporation will consist of four persons, one of whom will be Mr. Rodney D. England, the current Chairman of the Board, President, and Chief Executive Officer of E/C, and the remainder of whom will be current officers of La-Z-Boy. In addition, following consummation of the Merger, it is expected that (i) Mr. England will become the President and Chief Executive Officer of the Surviving Corporation, (ii) Mr. Otis S. Sawyer, the current Vice President Finance of E/C, will become Vice President Finance of the Surviving Corporation, (iii) Mr. Dennis C. Valkanoff, the current Vice President Business Development of E/C, will become a Vice President of the Surviving Corporation, (iv) Mr. James L. Price, the current Vice President Manufacturing of E/C, will become Vice President Manufacturing of the Surviving Corporation, and (v) the remaining officers of the Surviving Corporation will consist of current officers of La-Z-Boy. See "Management of the Surviving Corporation After the Merger" and "The Merger and Related Transactions -- Operations After the Merger."

SUMMARY CONDENSED HISTORICAL FINANCIAL DATA OF E/C

The following table sets forth certain condensed historical financial data of E/C and is based on the financial statements of E/C, including the notes thereto, which appear elsewhere in this Proxy Statement/Prospectus and should be read in conjunction therewith. See "England/Corsair, Inc. Financial Statements." Interim unaudited data for the three months ended September 30, 1994 and 1993 reflect, in the opinion of management of E/C, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of such data. Results for the three months ended September 30, 1994 and 1993 are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year as a whole.

(In thousands except per share data)

	(unaudited) Three Months Ended September 30,		Fiscal Years Ended June 30,				
Statement of Operations Data:	1994	1993	1994	1993	1992	1991	1990
Net sales	$ 23,063	$ 24,602	$ 105,781	$ 99,435	$ 86,175	$ 72,729	$ 65,242
Cost of sales	18,924	20,072	87,288	79,905	69,107	60,157	53,947
Gross profit	4,139	4,530	18,493	19,530	17,068	12,572	11,295
Selling, general, and administrative expenses(3)	2,979	3,097	14,484	12,632	10,040	8,422	7,707
Operating profit	1,160	1,433	4,009	6,898	7,028	4,150	3,588
Interest expense - net	358	299	1,318	1,073	1,305	1,833	1,421
Miscellaneous income	24	16	10	57	70	187	57
Pre-tax income	826	1,150	2,701	5,882	5,793	2,504	2,224
Income taxes(1)	35	24	122	(499)	2,100	930	820
Net income	$ 791	$ 1,126	$ 2,579	$ 6,381	$ 3,693	$ 1,574	$ 1,404
Pro forma income taxes	305	423	994	2,165			
Pro forma net income	$ 521	$ 727	$ 1,707	$ 3,717			
Weighted average shares used in per share calculations	297	298	297	298	298	322	339
Net income per share - historical					$ 12.39	$ 4.90	$ 4.14
Pro forma net income per share	$ 1.75	$ 2.44	$ 5.75	$ 12.47			
Dividends per share(2)	$ .48	$ 2.18	$ 15.88	$ 8.81	$ 2.00	-0-	-0-

	(unaudited) As of September 30,	As of June 30,				
Balance Sheet Data:	1994	1994	1993	1992	1991	1990
Total assets	$36,600	$ 34,367	$ 28,416	$ 23,335	$ 24,923	$ 24,724
Long-term debt, including current portion	$14,782	$ 14,094	$ 7,619	$ 7,057	$ 9,225	$ 9,909
Total liabilities	$24,178	$ 22,593	$ 14,499	$ 13,080	$ 17,765	$ 17,778
Shareholders' equity	$12,422	$ 11,774	$ 13,917	$ 10,255	$ 7,158	$ 6,946

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(1) Beginning July 1, 1992, E/C elected to be treated as an "S corporation" for federal income tax purposes and accordingly was not subject to federal or certain state income tax at the corporate level.

The 1994 and 1993 fiscal periods contain an illustration of "pro forma income taxes" which includes an additional estimated provision for income taxes based on pre-tax income as if E/C had not been an S corporation. E/C, for the 1993 fiscal year elected to adopt Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes" (FAS 109), and the pro forma provisions for income taxes for periods ending 1994 and 1993 have been reported in accordance with FAS 109. The adoption of FAS 109 did not have a material effect on E/C's results of operations.

(2) Dividends for the fiscal year ended June 30, 1994 include a non-recurring distribution of AAA earnings (previously undistributed taxable earnings since the S corporation election) in connection with a change in E/C's debt arrangements and in management structure.

(3) During the fourth quarter of fiscal 1994, E/C recorded a charge of $600,000 in connection with a one-time bonus paid to its former chief executive officer.

SUMMARY CONDENSED CONSOLIDATED HISTORICAL FINANCIAL DATA OF LA-Z-BOY

The following table sets forth certain condensed consolidated historical financial data of La-Z-Boy and is based on the financial statements of La-Z-Boy, including the respective notes thereto, which are incorporated by reference into this Proxy Statement/Prospectus and should be read in conjunction therewith. See "Available Information" and "Incorporation of Certain Documents by Reference." Interim unaudited data for the six months ended October 29, 1994 and October 23, 1993 reflect, in the opinion of management of La-Z-Boy, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of such data. Results for the six months ended October 29, 1994 and October 23, 1993 are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year as a whole.

(In thousands except per share data)

	(unaudited) Six Months Ended		Fiscal Years Ended in April,				
Statement of Operations Data:	Oct. 29, 1994	Oct. 23, 1993	1994 (53 weeks)	1993 (52 weeks)	1992 (52 weeks)	1991 (52 weeks)	1990 (52 weeks)
Sales	$404,973	$371,140	$804,898	$684,122	$619,471	$608,032	$592,273
Cost of sales	300,470	275,207	593,890	506,435	453,055	449,502	430,383
Gross profit	104,503	95,933	211,008	177,687	166,416	158,530	161,890
Selling, general, and administrative expenses	76,051	71,453	150,700	130,855	122,888	115,239	111,613
Operating profit	28,452	24,480	60,308	46,832	43,528	43,291	50,277
Interest expense	1,414	1,496	2,822	3,260	5,305	6,374	7,239
Other income	887	868	669	1,727	1,682	1,453	2,497
Pre-tax income	27,925	23,852	58,155	45,299	39,905	38,370	45,535
Income taxes	11,577	9,463	23,438	18,015	14,805	15,009	17,282
Income before accounting change	16,348	14,389	34,717	27,284	25,100	23,361	28,253
Accounting change(1)	--	3,352	3,352	--	--	--	--
Net income	$ 16,348	$ 17,741	$ 38,069	$ 27,284	$ 25,100	$ 23,361	$ 28,253
Average shares	18,140	18,236	18,268	18,172	18,064	17,941	17,868
Net income per share before accounting change	$ 0.90	$ 0.79	$ 1.90	$ 1.50	$ 1.39	$ 1.30	$ 1.58
Accounting change(1)	--	0.18	0.18	--	--	--	--
Net income per share	$ 0.90	$ 0.97	$ 2.08	$ 1.50	$ 1.39	$ 1.30	$ 1.58
Dividends per share	$ 0.34	$ 0.30	$ 0.64	$ 0.60	$ 0.58	$ 0.56	$ 0.54
Ratio of earnings to fixed charges	15.4		16.4	11.7	7.4	6.2	6.6

	(unaudited) As of October 29,	As of Fiscal Year-End in April,				
Balance Sheet Data:	1994	1994	1993	1992	1991	1990
Total assets	$442,514	$430,253	$401,064	$376,722	$363,085	$361,856
Long-term debt, including current portion	$ 58,120	$ 55,370	$ 55,912	$ 60,726	$ 70,867	$ 78,036
Total liabilities	$151,445	$139,342	$137,678	$130,363	$133,868	$147,271
Shareholders' equity	$291,069	$290,911	$263,386	$246,359	$229,217	$214,585

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(1) Effective April 25, 1993, La-Z-Boy adopted the provisions of Financial Accounting Standards Board Statement No. 109.

SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA OF LA-Z-BOY AFTER GIVING EFFECT TO THE MERGER

The following table sets forth certain unaudited pro forma condensed combined financial data for La-Z-Boy after giving effect to the Merger as if it had occurred as of the beginning of the fiscal year ended April 30, 1994 for the statement of operations data and as of October 29, 1994 for the balance sheet data. The Merger will be accounted for as a purchase, and, accordingly, E/C assets acquired and liabilities assumed will be recorded at their estimated fair values, based upon net realizable values or other analysis, with appropriate recognition given to the effect of current interest rates and income taxes. Because the pro forma fair values used herein are preliminary and subject to further refinement, the purchase accounting adjustments shown herein are preliminary and subject to change. This information should be read in conjunction with the historical financial statements of E/C and La-Z-Boy, including the respective notes thereto, which appear or are incorporated by reference in this Proxy Statement/Prospectus, and in conjunction with the other pro forma financial information, including the notes thereto, appearing elsewhere in this Proxy Statement/Prospectus. See "England/Corsair, Inc. Financial Statements" and "Pro Forma Condensed Combined Financial Information." The pro forma financial data are not necessarily indicative of the results that actually would have occurred had the Merger been consummated on the dates indicated or that may be obtained in the future.

(unaudited)
(In thousands except per share data)

	Six Months Ended Oct. 29, 1994 (26 Weeks)	Fiscal Year Ended April 30, 1994 (53 weeks)
Statement of Operations Data:		
Sales	$454,726	$910,679
Cost of sales	341,349	681,178
Gross profit	113,377	229,501
Selling, general, and administrative expenses	83,409	165,184
Operating profit	29,968	64,317
Interest expense	2,478	4,730
Other income	616	50
Pre-tax income	28,106	59,637
Income taxes	11,765	24,229
Income before accounting change	$ 16,341	$ 35,408
Average shares	18,792	18,920
Income before accounting change per share	$ 0.87	$ 1.87

	(unaudited) As of October 29, 1994
Balance Sheet Data:	
Total assets	$493,542
Long-term debt, including current portion	$ 79,417

Total liabilities	$182,928
Shareholders' equity	$310,614

/TABLE

CAPITALIZATION OF E/C AND LA-Z-BOY

The following table sets forth the capitalization (i) of E/C and La-Z-Boy on an historical basis and (ii) of La-Z-Boy on a pro forma basis as adjusted to give effect to the Merger. The information set forth below should be read in conjunction with the historical financial statements of E/C and La-Z-Boy, including the respective notes thereto, which appear or are incorporated by reference in this Proxy Statement/Prospectus, and in conjunction with the other pro forma financial information, including the notes thereto, appearing elsewhere in this Proxy Statement/Prospectus. See "Available Information," "England/Corsair, Inc. Financial Statements" and "Pro Forma Condensed Combined Financial Information."

	(Dollars in thousands)			
	Unaudited La-Z-Boy Oct. 29, 1994	Unaudited E/C Sept. 30, 1994	Adjust-ments	(unaudited) Pro Forma Combined
Long-term debt:				
Credit lines	$ 15,000	$ 6,417		$ 21,417
Subordinated debt to shareholders		1,224		1,224
Capital lease obligations		6,897		6,897
Other long term notes		244		244
Private placement	11,250			11,250
Industrial revenue bonds	31,870			31,870
8% Unsecured Promissory Notes Due 1999			$ 6,515 (a)	6,515
Total debt	58,120	14,782	6,515	79,417
Less: current portion	1,875	2,290		4,165
Total long term debt	56,245	12,492	6,515	75,252
Shareholders' equity:				
Common stock	17,975	335	317 (a)	18,627
Capital in excess of par value	10,412	0	18,893 (a)	29,305
Retained earnings	263,342	13,530	(13,530)(b)	263,342
Currency translation adjustments	(660)	0	0	(660)
Treasury stock	0	(1,443)	1,443 (b)	0
Total shareholders' equity	291,069	12,422	7,123	310,614
Total capitalization	$ 347,314	$ 24,914	$ 13,638	$ 385,866

The pro forma capitalization has been prepared to reflect the acquisition of E/C by La-Z-Boy for an estimated aggregate price of $32,575 and a value of $30 per share of La-Z-Boy Common Stock. The Plan of Merger requires that at least 50% of the initial consideration be paid in La-Z-Boy Common Stock with the remainder paid in cash and/or La-Z-Boy Notes. Furthermore, additional payments in La-Z-Boy Common Stock may be required if the Surviving Corporation exceeds predetermined Pre-Tax Income as defined and determined in accordance with the Plan of Merger, for the two successive twelve month periods following the Merger. These possible additional payments have not been included in the pro forma capitalization table. For purposes of this pro forma, it is assumed that 60% of the payment will be made in La-Z-Boy Common Stock, 20% is cash, and 20% is La-Z-Boy Notes. Pro forma adjustments reflect:

(a) La-Z-Boy Notes in the amount of $6,515 and 651,500 shares of La-Z-Boy Common Stock issued and valued at $30 per share.

(b) To eliminate E/C treasury stock and retained earnings.

COMPARATIVE PER SHARE DATA

The following table sets forth certain selected financial data on an historical, pro forma combined and pro forma combined equivalent per share basis giving effect to the Merger as if it had occurred at the beginning of the earliest period shown. The information presented herein should be read in conjunction with the other financial information, including the notes thereto, included and incorporated by reference in this Proxy Statement/Prospectus. Pro forma and pro forma equivalent share information is unaudited.

	(Unaudited) Six Months Ended October 29 (La-Z-Boy) or September 30 (E/C), 1994	Year Ended April 30 (La-Z-Boy) or June 30 (E/C), 1994
Income per share before accounting change:		
La-Z-Boy	$ 0.90	$ 1.90
E/C	1.68	5.75
La-Z-Boy pro forma(1)	0.87	1.87
E/C pro forma equivalent(2)	3.18	6.83
Dividends per share:		
La-Z-Boy	$ 0.34	$ 0.64
E/C	10.43	15.88
La-Z-Boy pro forma(1)	0.34	0.64
E/C pro forma equivalent(2)	1.24	2.34
Book Value per share:		
La-Z-Boy	$16.19	$15.91
E/C	41.78	39.60
La-Z-Boy pro forma(1)	16.68	16.39
E/C pro forma equivalent(2)	60.91	59.86

(1) La-Z-Boy pro forma per share data has been calculated assuming 60% of the consideration for the Merger is paid in La-Z-Boy Common Stock, 20% in La-Z-Boy Notes, and 20% in cash. Other assumptions used in computing the La-Z-Boy pro forma amounts are described in "Pro Forma Combined Financial Information."

(2) E/C pro forma equivalent per share data has been computed by multiplying the corresponding pro forma amounts for La-Z-Boy by the number of shares (3.6519467707) of La-Z-Boy Common Stock into which each share of E/C Stock will (as to those shares of E/C Stock which the holder elects to have converted to La-Z-Boy Common Stock) be converted.

COMPARATIVE STOCK PRICES

E/C. E/C has been a privately held corporation since its formation, and no trading market for E/C Stock exists. As of January 31, 1995, there were 22 holders of record of issued and outstanding E/C Stock.

La-Z-Boy. La-Z-Boy Common Stock is traded on the NYSE and the PSE under the symbol "LZB." The closing price of the La-Z-Boy Common Stock on the NYSE on January 12, 1995 (the date preceding the day of public announcement of the proposed Merger) was $31-3/8 and on February __, 1995 was $_____.

THE COMPANIES

ENGLAND/CORSAIR, INC.

E/C was incorporated under the laws of the State of Tennessee in 1964 and is headquartered in the State of Tennessee. E/C is engaged primarily in the manufacture of upholstered furniture. E/C's principal office is located at 402 Old Knoxville Highway, New Tazewell, Tennessee 37825, and its telephone number is (800) 251-9125.

LA-Z-BOY CHAIR COMPANY

La-Z-Boy was incorporated under the laws of the State of Michigan in 1941 and is headquartered in the State of Michigan. La-Z-Boy is engaged primarily in the manufacture of furniture. La-Z-Boy's principal office is located at 1284 North Telegraph Road, Monroe, Michigan 48161, and its telephone number is (313) 242-1444.

LZB ACQUISITION, INC.

LZB Acquisition was incorporated under the laws of the State of Michigan in 1995 and is headquartered in the State of Michigan. LZB Acquisition was formed for the purpose of serving as the Surviving Corporation of the Merger and does not engage in any business at this time. Its principal office is located at 1284 North Telegraph Road, Monroe, Michigan 48161, and its telephone number is (313) 242-1444.

THE MEETING

MATTERS TO BE CONSIDERED AT THE MEETING

At the Meeting, E/C shareholders will be asked to consider and vote upon the Proposal, which is to approve: (a) the Reorganization Agreement; (b) the Plan of Merger; and (c) all of the transactions contemplated by the Reorganization Agreement and the Plan of Merger, including (without limitation) the Merger. E/C shareholders will also consider and vote upon such other matters, if any, as may properly be brought before the Meeting.

THE BOARD OF DIRECTORS OF E/C UNANIMOUSLY APPROVED THE REORGANIZATION AGREEMENT, THE PLAN OF MERGER AND ALL OF THE TRANSACTIONS CONTEMPLATED THEREBY AND RECOMMENDS THAT E/C SHAREHOLDERS VOTE FOR THE APPROVAL OF THE PROPOSAL.

VOTE REQUIRED

Approval of the Proposal requires the affirmative votes of the holders of a majority of all outstanding shares of E/C Stock of both classes (voting together as a single voting group), with each such share entitled to one vote. As of _____, approximately 51.8% of the shares of E/C Stock outstanding and entitled to vote on the Proposal was held by E/C directors, executive officers, and their affiliates. Approval of the Proposal by the requisite vote of E/C shareholders is a condition to, and is required for, consummation of the Merger. No vote of La-Z-Boy shareholders is required in connection with the Merger.

VOTING OF PROXIES

Proxies. Shares of E/C Stock represented by properly executed proxies received at or prior to the Meeting and not thereafter effectively revoked will be voted at the Meeting in the manner specified by the holders of such shares. Properly executed proxies which do not contain voting instructions will be voted FOR the Proposal.

Broker Nonvotes and Abstentions. As of the record date, none of the E/C Stock was held in the name of any broker so no proxies are expected to be withheld due to broker nonvotes. Solely for purposes of determining whether the Proposal has received the shareholder votes required for approval, each abstention is functionally equivalent to a vote "against" the Proposal.

Other Matters. If any other matters are properly presented at the Meeting for consideration, including, among other things, consideration of a motion to adjourn the Meeting to another time and/or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named in the form of proxy enclosed herewith and acting thereunder will have discretion to vote on such matters in accordance with their best judgment. E/C directors have no knowledge of any matters to be presented at the Meeting other than the matters referred to and described in this Proxy Statement/Prospectus.

REVOCABILITY OF PROXIES

The grant of a proxy on the enclosed form of proxy does not preclude a shareholder from voting in person or otherwise revoking a proxy. Attendance at the Meeting will not in and of itself constitute revocation of a proxy. A shareholder may revoke a proxy at any time prior to its exercise by filing with the Secretary of E/C a duly executed revocation or a proxy bearing a later date or by voting in person at the Meeting.

RECORD DATE; SHARES ENTITLED TO VOTE; QUORUM

The record date for the Meeting is _____, 1995. Only E/C shareholders at the close of business on such date are entitled to notice of, and to vote at, the Meeting. At _____, 1995, there were issued and outstanding 297,330 shares of E/C Stock. Shares representing a majority of the aggregate number of outstanding shares of E/C Stock entitled to vote must be represented in person or by proxy at the Meeting in order for a quorum to be present at the Meeting. See "-- Voting of Proxies."

DISSENTERS' RIGHTS

Holders of the E/C Class A Stock and holders of the E/C Class B Stock may have a right pursuant to Section 102(1)(A) of Chapter 23 of the TBCA ("Section 102") to assert dissenters' rights. A copy of Chapter 23 of the TBCA is attached hereto as Annex C. A dissenting shareholder is entitled to obtain payment from the Surviving Corporation of the "fair value" (as defined) of his or her shares. "Fair value" is defined to mean the value of the shares immediately before the effectuation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action.

To assert dissenter's rights, a holder of E/C Stock (a) must deliver to E/C, prior to the shareholder vote on the Proposal, written notice of his or her intent to demand payment for their shares if the proposed Merger is effectuated and (b) must not vote their shares in favor of the Proposal. Holders of E/C Stock who satisfy these requirements are referred to herein as "dissenting shareholders." The Surviving Corporation will send a dissenter's notice to all dissenting shareholders no later than 10 days after the proposed corporate action is authorized by a vote of the shareholders. The dissenter's notice must state where the payment demand must be sent and where and when certificates for certificated shares must be deposited. The notice must also inform holders of uncertificated shares to what extent transfer of the shares will be restricted after the payment demand is received, and must specify a date not less than one month, nor more than two months after the date of the delivery of the dissenter's notice on which the demand for payment must be received by the Surviving Corporation. The dissenter's notice must be accompanied by a form for demanding payment that includes the date of the first announcement to news media or to shareholders of the principal terms of the proposed corporate action and requires that the dissenting shareholder verify whether or not he acquired beneficial ownership of the shares before that date. A shareholder who does not demand payment or deposit his or her share certificates where required, each by the date set in the dissenters' notice, is not entitled to payment for his or her shares under Chapter 23 of the TBCA.

As soon as the Merger is effectuated, or upon receipt of a payment demand, which ever is later, the Surviving Corporation must pay each dissenting shareholder that has satisfied all requirements to assert dissenter's rights, the amount the corporation estimates to be the fair value of his or her shares, plus accrued interest. The payment must be accompanied by (a) the Surviving Corporation's balance sheet as of the end of a fiscal year ending not more than 16 months before the date of payment, an income statement for that year, a statement of changes in shareholders' equity for that year, and the latest available interim financial statements, if any; (b) a statement of the corporation's estimate of the fair value of the shares; (c) an explanation of how the interest was calculated; (d) a statement of the dissenter's right to demand payment; and (e) a copy of Chapter 23 of the TBCA, if not previously provided. A corporation may elect to withhold payment from a dissenter unless

he was the beneficial owner of the shares before the date set forth in the dissenters' notice as the date of the first announcement to news media or to shareholders of the principal terms of the proposed corporate action.

If the Surviving Corporation does not effectuate the proposed action that gave rise to the dissenter's rights within two months after the date set for demanding payment and delivering stock certificates, the Surviving Corporation must return the stock certificates and release the transfer restriction imposed on uncertificated shares.

A dissenter may notify the Surviving Corporation in writing of his or her own estimate of the fair value of the shares and amount of interest due, and demand payment of his or her estimate (less any payment made to the dissenting shareholder for those shares), or reject the Surviving Corporation's offer and demand payment of the fair value of the shares and interest due if (a) the dissenting shareholder believes the amount offered or paid by the Surviving Corporation is less than the fair value of his or her shares or that the interest due is incorrectly calculated, (b) the proposed action has not been effectuated within two months after the date set for demanding payment or (c) the Surviving Corporation, having failed to effectuate the proposed action, does not return delivered stock certificates or release transfer restrictions imposed on uncertificated shares within two months after the date set for demanding payment. A dissenter must notify the Surviving Corporation of his or her demand in writing within one month after the Surviving Corporation made or offered payment for his or her shares.

If a demand for payment remains unsettled, the Surviving Corporation must commence a proceeding within two months after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest. If the Surviving Corporation fails to do so, it must pay each dissenter whose demand remains unsettled the amount demanded. Each dissenter made a party to the proceeding is entitled to judgment for the amount, if any, by which the court finds the fair value of the shares, plus accrued interest, exceeds the amount paid by the Surviving Corporation or the fair value, plus accrued interest, of his or her after-acquired shares for which the Surviving Corporation elected to withhold payment. Court costs and attorneys' fees will be assessed against the Surviving Corporation, unless the court finds it equitable to assess some of such fees against the dissenting shareholder.

SOLICITATION OF PROXIES

The Surviving Corporation will bear the cost of the solicitation of proxies from E/C's shareholders if the Merger is consummated. It is estimated that the costs of soliciting proxies, including the cost of printing and mailing this Proxy Statement/Prospectus, will be approximately $5,500. In addition to solicitation by mail, proxies may be solicited by telephone, telegram, facsimile transmission, or in person. Proxies will be solicited on behalf of E/C by directors, officers, and regular employees of E/C (none of whom will receive any additional compensation for such services, but who may be reimbursed for reasonable out-of-pocket expenses incurred in connection with such solicitation).

THE MERGER AND RELATED TRANSACTIONS

THE MERGER

The following information concerning the Merger, insofar as it relates to matters contained in the Reorganization Agreement, is qualified in its entirety by reference to the Reorganization Agreement, a copy of which is attached to this Proxy Statement/Prospectus as Appendix A. All shareholders are urged to read the Reorganization Agreement in its entirety.

BACKGROUND OF THE MERGER; RECOMMENDATION OF THE BOARD OF DIRECTORS OF E/C; AND REASONS FOR THE MERGER

In late 1993 and early 1994, the E/C Board began to look at various options for the business. In November and December 1993 E/C began preparations for an initial public offering. For various business and economic reasons, management of E/C determined not to go forward with an initial public offering.

Subsequently, E/C underwent a transition of management with the retirement in June, 1994 of its founder Dwight England.

In the fall of 1994, E/C approached and was approached by several furniture manufacturers that were interested in purchasing the assets of E/C or merging with E/C. Some potential suitors toured E/C facilities in the fall of 1994. None of these discussions resulted in either the execution of a letter of intent or formal agreement.

In early October 1994, E/C President and CEO, Rodney D. England, had discussions with La-Z-Boy representatives. Subsequently, officers of La-Z-Boy visited E/C.

In reviewing the merger potential with La-Z-Boy, the E/C Board considered the advantages and disadvantages of the merger with La-Z-Boy and with other suitors and determined that a merger with La-Z-Boy was in the best long term economic interest of E/C's employees and shareholders.

The E/C Board looked at the merger price proposed by La-Z-Boy and the potential for additional payments with the Performance Units. In addition, unlike other potential proposals, the La-Z-Boy proposal offered to the E/C shareholders the potential of a "tax-free reorganization," as provided in Section 368 of the Code.

The E/C Board has concluded that the terms of the Merger are fair to E/C shareholders and that consummation of the Merger is in the best interests of E/C and its shareholders. In reaching these conclusions, the E/C Board has considered, among other things, the price being offered in the Merger in relation to the book value and earnings per share of E/C Stock. The E/C Board has also considered a number of additional factors in approving and recommending the terms of the Merger, including, without limitation, information concerning the financial condition, earnings and dividend records, and prospects of E/C and La-Z-Boy; the ability of the combined entity to compete in relevant markets; the compatibility of the managements of the two organizations; the anticipated tax-free nature of the Merger to E/C shareholders to the extent they receive La-Z-Boy Common Stock in exchange for their shares of E/C Stock; and the financial terms of other recent business combinations in the furniture industry.

THE E/C BOARD RECOMMENDS UNANIMOUSLY THAT SHAREHOLDERS VOTE FOR ADOPTION AND APPROVAL OF THE REORGANIZATION AGREEMENT, PLAN OF MERGER, AND THE MERGER.

EFFECTIVE TIME OF THE MERGER

If the Reorganization Agreement, Plan of Merger, and the Merger are approved by the E/C shareholders at the Meeting, and assuming that all other conditions have then been satisfied (see "Amendments, Conditions, and Termination"), it is expected that the Merger will become effective at 5:00 p.m., Detroit, Michigan time, on the day of the Meeting or as promptly as practicable thereafter. The Merger will become effective on the date and at the time that appropriate certificate and articles of merger are filed and have become effective with the Secretary of State of Tennessee and the Michigan Corporation Bureau, respectively (the "Effective Time").

In the event that the Merger has not been consummated by April 15, 1995, the Reorganization Agreement provides that either La-Z-Boy or E/C may terminate the Reorganization Agreement and abandon the Merger, notwithstanding the approval previously given by the shareholders of E/C. See "Amendments, Conditions, and Termination."

OPERATIONS AFTER THE MERGER

LZB Acquisition will be the Surviving Corporation of the Merger, and, in connection with consummation of the Merger, LZB Acquisition will change its

name to "England/Corsair, Inc." The Board of Directors and officers of the Surviving Corporation will be as follows:

Charle T. Knabusch	-- Director and Chairman
Rodney D. England	-- Director, President, and Chief Executive Officer
Frederick H. Jackson	-- Director and Vice President
Gene M. Hardy	-- Director, Secretary, and Treasurer
Patrick H. Norton	-- Vice President
Otis S. Sawyer	-- Vice President Finance
Dennis C. Valkanoff	-- Vice President
James L. Price	-- Vice President Manufacturing
James P. Klarr	-- Assistant Secretary and Tax Counsel

CONSIDERATION FOR SHARES

Upon the Merger becoming effective, each share of E/C Stock will be converted into the right to receive cash, La-Z-Boy Notes or shares of La-Z-Boy Common Stock, or a combination thereof, as described below, based on total merger consideration (excluding the Performance Units) of $32,575,000 and a value of $30.00 per share of La-Z-Boy Common Stock. Each share of E/C Stock owned by shareholders who comply with the election procedures set forth in the Plan of Merger and described below will be converted into, at their option (but subject to the limitations set forth in the Plan of Merger and described under the captions "Limitation" and "Allocation of Cash, Shares and Notes"), either: $109.558403121 in cash; $109.558403121 principal amount of La-Z-Boy Notes; or 3.6519467707 shares of La-Z-Boy Common Stock. Each share of E/C Stock, regardless of, and in addition to, the election made by the holder thereof, will also be converted into one Performance Unit, as described below.

Each share of E/C Stock owned by a shareholder who does not duly and timely comply with the election procedures will be converted into $109.558403121 in cash per share, subject to the limitations described below under the captions "Limitation" and "Allocation of Cash, Shares and Notes," plus one Performance Unit.

PERFORMANCE UNITS

Performance Units will entitle the holders thereof to receive additional shares of La-Z-Boy Common Stock based on the Pre-Tax Income (as defined in and determined in accordance with the Plan of Merger) of E/C during each of the two successive twelve month periods immediately following the Effective Time. The first such twelve month period is referred to herein and in the Plan of Merger as the "1996 Performance Period" and the amount, if any, payable with respect to each of the Performance Units for the 1996 Performance Period as the "1996 Performance Unit Amount," and the second such twelve month period is referred to herein and in the Plan of Merger as the "1997 Performance Period" and the amount, if any, payable with respect to each of the Performance Units for the 1997 Performance Period as the "1997 Performance Unit Amount."

The 1996 Performance Unit Amount will be determined by, first, multiplying the Pre-Tax Income of E/C above $6,000,000 for the 1996 Performance Period by 1.75 and, second, dividing the resulting number by the number of shares of E/C Stock outstanding as of the Effective Time. The 1997 Performance Unit Amount will be determined in the same manner but based on the Pre-Tax Income of E/C for the 1997 Performance Period above $7,000,000. The total value of shares of La-Z-Boy Common Stock issued pursuant to the Performance Units cannot exceed $20,000,000.

Performance Units will be settled in additional shares of La-Z-Boy Common Stock, the number of which will be determined by dividing the aggregate 1996 Performance Unit Amount and the aggregate 1997 Performance Unit Amount by the closing price of La-Z-Boy Common Stock on the NYSE on the last day of the 1996 Performance Period and the 1997 Performance Period, as the case may be.

LIMITATIONS

The Plan of Merger provides that in the event (i) the aggregate number of shares of La-Z-Boy Common Stock which would be issuable to those E/C shareholders who elected to receive shares of La-Z-Boy Common Stock in the Merger exceeds the Total Share Limitation or the Performance Unit Share Limitation (both as defined below), or (ii) the aggregate amount of cash and La-Z-Boy Notes which would otherwise be paid to E/C shareholders who either elected to receive cash or whose shares were converted into cash because of the failure to comply with the election procedures specified in the Plan of Merger, exceeds the Total Non-Share Limitation (as defined below), or (iii) the aggregate principal amount of La-Z-Boy Notes which would be issuable to E/C shareholders who have elected to receive La-Z-Boy Notes exceeds $10,000,000 (the "Note Limitation"), then the elections made by, or allocations to, one or more of the E/C shareholders will be changed from cash to shares of La-Z-Boy Common Stock, La-Z-Boy Notes to cash or La-Z-Boy Common Stock to cash, as the case may be, in accordance with the procedures set forth in the Plan of Merger and described below under the caption "Allocation of Cash, Shares and Notes."

As a result of these limitations and the allocation procedures,

shareholders of E/C may not receive the type of consideration they elect. In addition, as a result of such limitations, shareholders of E/C electing to receive cash or La-Z-Boy Notes in the Merger may nevertheless receive shares of La-Z-Boy Common Stock whose market value at the Effective Time may be less than the $30.00 price of La-Z-Boy Common Stock upon which the exchange ratio was determined.

The term "Total Non-Share Limitation" means the amount of consideration other than La-Z-Boy Common Stock which, if paid in connection with the Merger, would result in such consideration constituting 50% or more of the aggregate consideration paid by La-Z-Boy to acquire shares of E/C Stock in connection with the Merger, whether pursuant to the Plan of Merger, by operation of law or in lieu of fractional shares, based in all cases on the fair market value of the La-Z-Boy Common Stock at the Effective Time. The term "Total Share Limitation" means that number of shares of La-Z-Boy Common Stock which, if issued in connection with the Merger, would result in La-Z-Boy issuing more than 2,000,000 shares of La-Z-Boy Common Stock, whether issued at time of consummation of the Merger or in settlement of Performance Units. The term "Performance Unit Share Limitation" means that number of shares of La-Z-Boy Common Stock which is equal to the number of shares issued at the time of consummation of the Merger.

ELECTION PROCEDURES

If the Plan of Merger and the Merger are approved by E/C shareholders at the Meeting, and assuming that all other conditions have been satisfied (see "Amendments, Conditions, and Termination"), it is expected that the Merger will become effective on the date of the Meeting or as promptly as practicable thereafter. A Letter of Transmittal and Election Form (a "Form of Election") is being delivered to each E/C shareholder of record on the Record Date ("Electing Shareholders") together with this Proxy Statement/Prospectus. A Form of Election can only be filed with respect to all shares of E/C Stock held by an Electing Shareholder. An election will only be proper if La-Z-Boy shall have received a Form of Election properly completed and signed prior to the commencement of the Meeting and the Form of Election is accompanied by the certificate(s) representing the shares of E/C Stock to which the Form of Election relates. Any shareholder who fails to file a Form of Election prior to the commencement of the Meeting will be deemed to have elected to receive cash in the Merger.

A Form of Election may be revoked by an Electing Shareholder only by written notice received by La-Z-Boy prior to the commencement of the Meeting. In the event that the Merger is not consummated for any reason, any certificate(s) for shares representing E/C Stock which have been deposited with La-Z-Boy in connection with the election procedures will be promptly returned.

La-Z-Boy will determine the validity and timeliness of Forms of Election submitted by E/C shareholders and whether revocations, if any, have been properly made.

ALLOCATION OF CASH, SHARES AND NOTES

In the event that the elections made by E/C shareholders will result in the Total Share Limitation, the Total Non-Share Limitation, the Note Limitation, or the Performance Unit Share Limitation being exceeded, the Plan of Merger provides that the elections made by one or more of the E/C shareholders will be changed from cash to shares of La-Z-Boy Common Stock, from La-Z-Boy Notes to cash or from shares of La-Z-Boy Common Stock to cash in the order provided, and pursuant to the allocation procedures described, below. In certain circumstances such limitations could reduce the total consideration payable in settlement of the Performance Units.

In connection with the initial consideration payable at the time of consummation of the Merger:

(1) If the total principal amount of La-Z-Boy Notes otherwise issuable would exceed the Note Limitation, the principal amount of La-Z-Boy Notes to be issued will be reduced pro rata, and cash will be allocated instead.

(2) If the sum of the principal amount of La-Z-Boy Notes issuable and the cash otherwise payable would exceed the Total Non-Share Limitation, the cash to be paid will be reduced pro rata, and La-Z-Boy Common Stock will be allocated instead.

In connection with each of the two scheduled payments of consideration in satisfaction of Performance Units (each a "Performance Unit Payment"):

If the sum of the number of shares of La-Z-Boy Common Stock previously issued and the number otherwise issuable in connection with such Performance Unit Payment would exceed the Total Share Limitation, the Performance Unit Share Limitation, or both, the amount of such Performance Unit Payment will be reduced pro rata, to the extent necessary to avoid violating the Total Share Limitation or the Performance Unit Share Limitation.

La-Z-Boy will determine whether or not elections have been properly made or revoked. If La-Z-Boy determines that any election was not properly or timely made or was revoked and not replaced, the shares of E/C Stock subject to such election will be treated as shares to be converted into cash.

La-Z-Boy may make equitable changes in the election procedures as may be necessary to fully effect the elections.

As a result of these allocation procedures, shareholders of E/C may not receive the type of consideration they elect, and shareholders who fail to make any election may nevertheless not receive cash.

CASH IN LIEU OF FRACTIONAL SHARES

Each holder of a certificate or certificates representing E/C Stock who would otherwise have been entitled to receive a fraction of a share of La-Z-Boy Common Stock (after taking into account all E/C Stock represented by such certificate(s) then delivered by such holder) upon consummation of the Merger will receive, in lieu thereof, an amount of cash determined by multiplying such fraction by $30.00. Each holder of Performance Units who would otherwise have been entitled to receive a fraction of a share of La-Z-Boy Common Stock (after taking into account all Performance Units held by such holder) in respect of any 1996 Performance Unit Amount and/or 1997 Performance Unit Amount will receive, in lieu thereof, cash in an amount determined by multiplying such fraction by the closing price of La-Z-Boy Common Stock on the NYSE on the last day of the 1996 Performance Period or the 1997 Performance Period, as the case may be.

PAYMENT FOR SHARES

La-Z-Boy will make available cash, La-Z-Boy Notes and shares of La-Z-Boy Common Stock sufficient in amounts to make the payments to be made to E/C shareholders in the Merger promptly following the Effective Time. The Forms of Election accompanying this Proxy Statement/Prospectus are to be used in surrendering certificates representing outstanding shares of E/C Stock. Shareholders are urged to carefully review the instructions which form a part of the Forms of Election. Promptly after the Effective Time, and upon receipt by La-Z-Boy of such certificates, together with a duly executed letter of transmittal, there will be issued to the persons entitled thereto (i) a check in the amount to which such persons are entitled, after giving effect to any tax withholdings to the extent required by applicable law; (ii) a certificate evidencing the number of shares of La-Z-Boy Common Stock to which such persons are entitled; and/or (iii) a La-Z-Boy Note in the principal amount to which such persons are entitled. No interest will be paid or will accrue on the cash amounts payable upon the surrender of any certificate representing E/C Stock. If payment is to be made to a person other than the registered holder of the share certificate surrendered, it is a condition of such payment or delivery that the certificate so surrendered is properly endorsed or otherwise in proper form for transfer and that the person requesting such payment or delivery shall pay any transfer or other taxes required by reason of the payment or delivery to a person other than the registered holder of the certificate surrendered or establish to the satisfaction of the Surviving Corporation of the Merger or La-Z-Boy that such tax has been paid or is not applicable. Nine months following the Effective Time, E/C shareholders who have not submitted their certificates for exchange will be entitled to look only to La-Z-Boy with respect to the consideration due upon surrender of their certificates.

Neither La-Z-Boy, LZB Acquisition nor E/C will be liable to any holder of certificates formerly representing shares of E/C Stock for any amount paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

No transfer of shares of E/C Stock will be made on the stock transfer books of the Surviving Corporation of the Merger at or after the Effective Time.

THE REORGANIZATION AGREEMENT

The terms of the Reorganization Agreement and Plan of Merger are the result of the arm's-length negotiations between representatives of E/C and La-Z-Boy. In the Reorganization Agreement, E/C and La-Z-Boy have made numerous representations and warranties to one another with respect to, among other things, their organization and good standing, authorized and issued capital stock, corporate authority, required filings and financial statements. In addition, E/C has made certain other representations and warranties to La-Z-Boy concerning its employee benefit plans and arrangements, labor matters, pending and threatened litigation, certain tax matters, environmental matters, title to properties and insurance arrangements, among others.

The representations and warranties and covenants and agreements of E/C contained in or made pursuant to the Reorganization Agreement will survive the Merger, but the E/C shareholders will not have any personal liability or responsibility for any breach or non-performance thereof, whether occurring prior or subsequent to consummation of the Merger. However, the amount, if any, the E/C shareholders are to receive in respect of Performance Units will depend

upon the level of Pre-Tax Income achieved by E/C during the two years following the Merger, and the Computation Standards for Pre-Tax Income attached as Exhibit A to the Plan of Merger specifically provide that payments, reserves or accruals resulting from any breach or non-performance of any warranty or covenant of E/C contained in the Reorganization Agreement, or any liabilities of E/C existing at the Effective Time and not reflected in the financial statements or disclosure schedules delivered by E/C to La-Z-Boy as provided in the Reorganization Agreement, will be treated as deductions in computing Pre-Tax Income.

ACCORDINGLY, BREACHES OF THE REPRESENTATIONS AND COVENANTS OF E/C CONTAINED IN THE REORGANIZATION AGREEMENT COULD REDUCE THE AMOUNT OF LA-Z-BOY COMMON STOCK RECEIVED BY THE E/C SHAREHOLDERS IN RESPECT OF THE PERFORMANCE UNITS, THEREBY REDUCING THE TOTAL CONSIDERATION TO BE RECEIVED BY THE E/C SHAREHOLDERS IN RESPECT OF THE MERGER.

E/C has agreed, pending consummation of the Merger, to give La-Z-Boy or its representatives full access to all its premises, books, records, and financial and operating data, and that it will continue to operate its business in the ordinary course, except as otherwise consented to by La-Z-Boy. E/C has also agreed that neither it nor any of its subsidiaries nor any of their respective officers or directors will initiate or solicit any other acquisition proposals for E/C or participate in any negotiations concerning any such proposals.

DISTRIBUTIONS PRIOR TO CLOSING

As provided in the Reorganization Agreement, neither La-Z-Boy nor E/C may either declare or pay any dividends on or make any distributions in respect of their capital shares prior to the Effective Time, except:

(1) La-Z-Boy may declare and pay dividends on the La-Z-Boy Common Stock in accordance with its prior practice; and

(2) E/C may (i) pay to its shareholders the cash dividend previously declared in the amount of 60% of its taxable income for the period of July 1, 1994 to December 31, 1994; (ii) declare and pay to its shareholders dividends in an amount equal to 40% of its taxable income for the period of January 1, 1995 to the day before the Effective Time; and (iii) declare and pay to its shareholders dividends in an amount equal to 50% of the net proceeds receivable by E/C under any policies owned by E/C on the life of Arnold Dwight England.

CONDITIONS TO THE MERGER

The obligation of La-Z-Boy and E/C to consummate the Merger is subject to certain conditions, including (without limitation) the following:

(i) the Reorganization Agreement and Plan of Merger shall have been approved and adopted by the requisite vote of the E/C shareholders;

(ii) the shares of La-Z-Boy Common Stock issuable in the Merger shall have been authorized for listing on the NYSE and PSE upon official notice of issuance;

(iii) other than the filing of the LZB Acquisition Certificate of Merger with the Corporation and Securities Bureau of the Michigan Department of Commerce and the filing of the E/C Articles of Merger with the Secretary of State of the State of Tennessee, all authorizations, consents, orders or approvals of, or declarations or filings with, and all expirations of waiting periods imposed by, any governmental entity (collectively, the "Consents") which are prescribed by law as necessary for the consummation of the Merger and the other transactions contemplated by the Reorganization Agreement, other than immaterial Consents the failure to obtain which would have no material adverse effect on the consummation of the Merger or the other transactions contemplated by the Reorganization Agreement, or on the corporation surviving the Merger, shall have been filed, occurred or been obtained (all such authorizations, consents, orders, approvals, declarations or filings and the lapse of all such waiting periods being referred to as the "Requisite Regulatory Approvals"), as the case may be and all such Requisite Regulatory Approvals shall be in full force and effect;

(iv) the Registration Statement, of which this Proxy Statement/Prospectus forms a part, shall have become effective under the Securities Act and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened;

(v) the sale of the La-Z-Boy Common Stock shall have been qualified or registered with the appropriate "Blue Sky" authorities of all states in which qualification or registration is required and such qualifications or registrations shall not have been suspended or revoked;

(vi) no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition (an

"Injunction") preventing the consummation of the Merger or any of the transactions contemplated by the Reorganization Agreement shall be in effect, nor shall any proceeding by any governmental entity seeking any such Injunction be pending, nor shall any lawsuit or governmental proceeding be pending or threatened against La-Z-Boy, LZB Acquisition or E/C or any of their respective directors, seeking substantial damages in connection with the transactions contemplated by the Reorganization Agreement;

(vii) no statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced by any governmental entity which prohibits, restricts or makes illegal consummation of the Merger;

(viii) there shall not be any action taken, or any law, rule, regulation, order, judgment or decree proposed, promulgated, enacted, entered, enforced or deemed applicable to the Merger or any of the transactions contemplated by the Reorganization Agreement, by any governmental entity or by any court or other tribunal, including the entry of a preliminary injunction, which, (A) in connection with the grant of a Requisite Regulatory Approval, imposed any condition or restriction upon La-Z-Boy, LZB Acquisition or E/C which would so materially adversely impact the economic or business benefits of the transactions contemplated by the Reorganization Agreement as to render inadvisable, in the reasonable judgment of the La-Z-Boy Board, the LZB Acquisition Board or the E/C Board, the consummation of the Merger (a "Materially Burdensome Condition"); or (B) in the reasonable opinion of any party, (1) makes the Reorganization Agreement, the Plan of Merger, the Merger, or any of the other transactions contemplated by the Reorganization Agreement, illegal, (2) results in a material delay in the ability of La-Z-Boy, LZB Acquisition or E/C to consummate the Merger or any of the other transactions contemplated by the Reorganization Agreement, (3) requires the divestiture by La-Z-Boy, LZB Acquisition or E/C of a material portion of the business of E/C, taken as a whole, or La-Z-Boy, taken as a whole, or (4) otherwise prohibits or restricts or delays in a material respect consummation of the Merger or any of the other transactions contemplated by the Reorganization Agreement or impairs in a material respect the contemplated benefits to La-Z-Boy, LZB Acquisition or E/C of the Reorganization Agreement, the Merger or any of the other transactions contemplated by the Reorganization Agreement; and

(ix) the E/C shareholders designated in a schedule to the Reorganization Agreement as affiliates of E/C shall have executed and delivered to La-Z-Boy an agreement under Rule 145 under the Securities Act requiring that transfers of La-Z-Boy Common Stock after the Merger comply with the requirements of Rule 145 and other applicable provisions of the Securities Act.

The obligation of La-Z-Boy and LZB Acquisition (sometimes referred to collectively as the "LZB Companies") to effect the Merger is subject to the satisfaction by E/C or waiver by the LZB Companies of certain additional conditions, including (without limitation) the following:

(i) the representations and warranties of E/C in the Reorganization Agreement must be true and correct in all material respects as of the date of the Reorganization Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Effective Time as though made on and as of such time, except as otherwise contemplated by the Reorganization Agreement;

(ii) E/C shall have performed in all material respects all obligations required to be performed by it under the Reorganization Agreement at or prior to the Effective Time;

(iii) E/C shall have obtained the consent or approval of each person (other than those of certain governmental entities) whose consent or approval shall be required in order to permit the succession by the corporation surviving the Merger pursuant to the Plan of Merger to any obligation, right or interest of E/C under any loan or credit agreement, note, mortgage, indenture, lease, license or other agreement or instrument;

(iv) the LZB Companies shall have received the opinion of Miller, Canfield, Paddock and Stone, P.L.C., dated the effective date of the Registration Statement and the Effective Time, to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

(v) the LZB Companies shall have received from Baker, Donelson, Bearman & Caldwell, counsel to E/C, (A) an appropriate letter regarding the Registration Statement, this Proxy Statement/Prospectus and certain related matters, and (B) an opinion as to such matters as are customary for transactions of the type contemplated by the Reorganization Agreement, all in form and substance reasonably acceptable to the LZB Companies.

(vi) the total debt of E/C shall not exceed $30,000,000 at the Effective Time;

(vii) the LZB Companies shall have received the tax lock-up letters described under "Certain Federal Income Tax Consequences" from all E/C shareholders who have elected to receive La-Z-Boy Common Stock in the Merger and from those E/C shareholders designated in a schedule delivered to the LZB Companies pursuant to the Reorganization Agreement;

(viii) BDO Seidman shall have delivered to the LZB Companies its opinion with respect to E/C's status as an electing small business corporation under the Code, in form and content acceptable to the LZB Companies;

(ix) each of the officers and directors of E/C shall have delivered to the LZB Companies documents, in form and substance reasonably satisfactory to the LZB Companies, pursuant to which such officers and directors forever waive and release any and all claims they might otherwise have (whether under the charter or bylaws of E/C, the articles of incorporation or bylaws of either of the LZB Companies, by contract, or otherwise) for indemnification or for the payment of advancing of expenses relating in any way to any disputes which may arise between such officer or director and either the Reorganization Agreement or the transactions contemplated hereby; and

(x) each holder of E/C Class A Stock shall have executed and delivered to E/C (with copies to the LZB Companies) documents, in form and substance satisfactory to La-Z-Boy in its reasonable judgment, acknowledging that any and all employment contracts between such person and E/C have been terminated and releasing E/C and LZB Acquisition from any further liability thereunder, including (but not limited to) any liability with respect to such termination.

The obligation of E/C to effect the Merger is subject to the satisfaction by the LZB Companies or the waiver by E/C of certain additional conditions, including (without limitation) the following:

(i) the representations and warranties of the LZB Companies set forth in the Reorganization Agreement shall be true and correct in all material respects as of the date of the Reorganization Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Effective Time as though made on and as of such time, except as otherwise contemplated by the Reorganization Agreement;

(ii) the LZB Companies shall have performed in all material respects all obligations required to be performed by them under the Reorganization Agreement at or prior to the Effective Time;

(iii) the LZB Companies shall have obtained the consent or approval of each person (other than those of certain governmental entities) whose consent or approval shall be required in connection with the transactions contemplated by the Reorganization Agreement under any loan or credit agreement, note, mortgage, indenture, lease, license or other agreement or instrument to which any of the LZB Companies is a party or is otherwise bound;

(iv) E/C shall have received the opinion of Miller, Canfield, Paddock and Stone, P.L.C., dated the effective date of the Registration Statement and the Effective Time, to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

(v) E/C shall have received from Miller, Canfield, Paddock and Stone, P.L.C., (A) an appropriate letter regarding the Registration Statement, this Proxy Statement/Prospectus and certain related matters, (B) an opinion, dated the Effective Time, as to such matters as are customary for transactions of the type contemplated by the Reorganization Agreement, all in form and substance reasonably acceptable to E/C; and

(vi) E/C shall have received the tax lock-up letters described under "Certain Federal Income Tax Consequences."

TERMINATION; LIQUIDATED DAMAGES; TERMINATION FEE

The Reorganization Agreement and the Plan of Merger, and the transactions contemplated thereby, may be terminated at any time prior to the Effective Time, whether before or after approval of the matters presented in connection with the Merger by the shareholders of E/C:

(i) by mutual consent of E/C and the LZB Companies if the Board of Directors of each so determines by a vote or a majority of the members of the entire Board;

(ii) by E/C or either of the LZB Companies upon written notice to the others if (A) any Requisite Regulatory Approval shall have been denied or any Materially Burdensome Condition shall have been imposed, or (B)

any governmental entity of competent jurisdiction shall have issued a final nonappealable order enjoining or otherwise prohibiting the consummation of the transactions contemplated by the Reorganization;

(iii) by E/C or either of the LZB Companies upon written notice to the others if the Merger shall not have been consummated on or before April 15, 1995, provided that a party may not terminate under this provision if such party is in breach in any material respect of the Reorganization Agreement;

(iv) by E/C or either of the LZB Companies upon written notice to the others if any approval of the shareholders of E/C required for the consummation of the Merger shall not have been obtained by reason of the failure to obtain the required vote at the Meeting;

(v) by E/C or the LZB Companies upon written notice to the others if there shall have been a material breach of any of the representations or warranties or covenants and agreements set forth in the Reorganization Agreement on the part of E/C (in the case of the LZB Companies) or either of the LZB Companies (in the case of E/C);

(vi) by either of the LZB Companies upon written notice to E/C if, after recommending in this Proxy Statement/Prospectus that shareholders approve the Reorganization Agreement and the Plan of Merger, the E/C Board shall withdraw, modify, or amend such recommendation in any respect materially adverse to the LZB Companies; or

(vii) by either of the LZB Companies upon written notice to E/C if E/C shall have authorized, recommended, proposed, or announced an intention to authorize, recommend, or propose, or entered into an agreement with any person (other than any of the LZB Companies) to effect, a "Takeover Proposal" (as defined in the Reorganization Agreement) or shall fail to publicly oppose a tender offer or exchange offer by another person based on a Takeover Proposal.

In the event of termination of the Reorganization Agreement by E/C or the LZB Companies, the Reorganization Agreement will become void and have no effect except (i) with respect to certain specified provisions of the Reorganization Agreement relating to confidentiality, expenses, the effect of termination, employees, liquidated damages, termination fees, third party beneficiaries and governing law, and (ii) subject to the payment of specified liquidated damages, no party shall be relieved or released from any liabilities or damages arising out of the breach by such party of any provision of the Reorganization Agreement or the Plan of Merger.

In the event that (i) at any time prior to termination of the Reorganization Agreement E/C authorizes, recommends, publicly proposes or publicly announces an intention to authorize, recommend or propose, or enters into an agreement with any person (other than any of the LZB Companies) to effect a Takeover Proposal or shall fail to publicly oppose a tender offer or exchange offer by another person based on a Takeover Proposal, or (ii) any approval of the shareholders of E/C required for consummation of the Merger shall not have been obtained by reason of the failure to obtain the required vote of shareholders, or (iii) E/C fails to hold the Meeting, or (iv) the E/C Board shall have withdrawn, modified or amended its recommendation that E/C shareholders approve and adopt the Reorganization Agreement and the Plan of Merger in any respect materially adverse to the LZB Companies; or (v) the LZB Companies, or either of them, shall terminate the Reorganization Agreement due to a material breach of any of the covenants and agreements set forth therein on the part of E/C, E/C shall, within 10 days after notice of the occurrence thereof by La-Z-Boy, pay to La-Z-Boy the sum of $500,000 as liquidated damages.

In the event that E/C shall terminate the Reorganization Agreement due to the material breach of any of the covenants and agreements set forth therein on the part of the LZB Companies, or either of them, La-Z-Boy shall, within 10 days after notice of the occurrence thereof by E/C, pay to E/C the sum of $500,000 as liquidated damages.

EXPENSES

If the Merger is consummated, all costs and expenses incurred in connection with this Agreement will be paid by the Surviving Corporation, and if the Merger is not consummated, all such costs and expenses will be paid by the party incurring the same.

AMENDMENT; WAIVER

The Reorganization Agreement may be amended by the parties thereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the shareholders of E/C, provided, that after any such approval, no amendment shall be made which by law requires further approval by such shareholders, without such further approval. The Reorganization Agreement may not be amended except in writing.

At any time prior to the Effective Time, the parties to the Reorganization

Agreement, by action taken or authorized by their respective Boards of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties thereto, (ii) waive any inaccuracies in the representations and warranties contained therein or in any document delivered pursuant thereto, and (iii) waive compliance with any of the agreements or conditions contained therein. Any agreement on the part of a party to the Reorganization Agreement to any such extension or waiver must be in a written instrument.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following summary describes the material federal income tax consequences of the Merger. This summary is taken from the opinion delivered by Miller, Canfield, Paddock and Stone, P.L.C., which opinion is based on certain assumptions, matters of reliance and on representations made by La-Z-Boy and E/C, and is subject to certain exceptions and limitations included in such opinion. A copy of the opinion has been filed as an Exhibit to the Registration Statement of which this Proxy Statement/Prospectus is a part. This summary does not discuss, and the opinion does not cover, the tax consequences that may be relevant to certain shareholders of E/C entitled to special treatment under the Internal Revenue Code of 1986, as amended (the "Code"). This summary also does not discuss, and the opinion does not cover, the tax consequences to E/C shareholders who acquired their shares pursuant to the exercise of employee stock options, warrants or otherwise as compensation. In addition, the opinion assumes the E/C shareholders hold their shares as capital assets and does not address state, local or foreign tax consequences of the Merger.

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., the Merger will be treated as a reorganization within the meaning of Section 368(a)(1)(A) and 368(a)(2)(D) of the Code, and La-Z-Boy, LZB Acquisition and E/C will each be treated as a party to the reorganization under Section 368(b) of the Code.

In light of such opinion, E/C believes that:

(i) No gain or loss will be recognized by La-Z-Boy, LZB Acquisition or E/C as a consequence of the Merger.

(ii) No gain or loss will be recognized by an E/C shareholder upon the exchange of E/C Stock solely for La-Z-Boy Common Stock.

(iii) Gain or loss will be recognized by an E/C shareholder upon the receipt of cash in lieu of a fractional interest in a share of La-Z-Boy Common Stock to which such shareholder is entitled. The payment of cash in lieu of fractional share interests will be treated as if the fractional shares were distributed as part of the exchange and then were redeemed by La-Z-Boy, and will be treated as having been received as distributions in full payment in exchange for the stock redeemed as provided in Section 302(a) of the Code. Accordingly, any gain or loss recognized by an E/C shareholder upon the receipt of cash in lieu of a fractional interest in a share of E/C Stock to which such shareholder is entitled will be taxable as a capital gain or loss (long-term or short-term, depending on whether the shareholder had held the share of E/C Stock giving rise to such fractional interest for more than one year at the Effective Time), provided such E/C Stock was held as a capital asset at the Effective Time.

(iv) The Federal income tax basis of a share of La-Z-Boy Common Stock received by an E/C shareholder receiving solely La-Z-Boy Common Stock in exchange for his E/C Stock and recognizing no income, gain or loss on the exchange will be approximately 27.382655% of the basis of each share of E/C Stock exchanged therefor.

(v) The holding period of the La-Z-Boy Common Stock received by a non-dissenting E/C shareholder will include the period during which the E/C Stock exchanged therefor was held, provided such E/C Stock was held as a capital asset at the Effective Time.

(vi) Income, gain or loss may be recognized by an E/C shareholder who receives a La-Z-Boy Note and/or cash in exchange for the shareholder's E/C Stock. Any such income or gain recognized by an E/C shareholder upon receipt of a La-Z-Boy Note and/or cash may be characterized as capital gain or as ordinary (dividend) income depending upon whether the receipt of the La-Z-Boy Note and/or cash has the effect of the distribution of a dividend as interpreted under the Code and law currently in effect. If gain realized upon the receipt of a La-Z-Boy Note and/or cash has the "effect of the receipt of a dividend" or is treated as "substantially equivalent to a dividend" under the Code, then such shareholder will include such gain in gross income as ordinary (dividend) income to the extent of his ratable share of the undistributed earnings and profits of E/C. The remaining gain recognized by said shareholder will be taxable as a capital gain (long-term or short-term, depending on whether such E/C Stock had been held for more than one year at the Effective Time) unless such E/C Stock was not held as a capital asset at such time. Such income, gain or loss will be recognized as of the Effective Time, unless the exchange qualifies for deferral as an installment sale under the Code and the shareholder does not elect to

have the installment method not apply. In determining whether such distribution will be treated as "substantially equivalent to a dividend," rules similar to those of Code Section 302 (discussed in paragraph (vii) below) will generally be applicable.

(vii) An E/C shareholder who dissents to the proposed transaction and receives only cash in exchange for shares of E/C Stock will be treated as having received a distribution in redemption of the shareholder's shares, and will be taxed under the rules of Code Section 302. If such redemption is treated as a distribution in full payment for the shareholder's E/C stock pursuant to Code Section 302(a), such gain or loss will be taxable as a capital gain or loss (long-term or short-term, depending on whether such E/C Stock had been held for more than one year at the Effective Time), provided such Common Stock was held as a capital asset at such time. Alternatively, if the payment of cash to a dissenting E/C shareholder is not treated as in exchange for such shareholder's E/C stock under Code Section 302(a), such payment will be treated as a distribution to which Section 301 of the Code applies. In such event, such shareholder generally will include such payment in gross income as a dividend to the extent of his ratable share of the undistributed earnings and profits, and the remainder of the payment will generally first be applied to reduce the shareholder's basis in his E/C Stock and the remainder will generally be taxable as a capital gain (long-term or short-term, depending on whether such E/C Stock had been held for more than one year at the Effective Time) unless such E/C Stock was not held as a capital asset at such time. Such shareholder will recognize capital gain or loss (measured by the difference between the amount of cash received and the shareholder's tax basis in the shares of E/C Stock exchanged) if the shareholder has completely terminated his actual and constructive ownership interest (described below) in E/C and in La-Z-Boy within the meaning of Section 302(b)(3). If the shareholder has not completely terminated his interest in E/C and in La-Z-Boy under Section 302(b)(3), the amount of cash received may be taxed as ordinary (dividend) income (and proper adjustment of the basis in the remaining stock must be made) unless the exchange qualifies for capital gain or loss treatment under one of the other exceptions from dividend treatment contained in Section 302(b). These exceptions include an exchange that is "not essentially equivalent to a dividend" under Section 302(b)(1), or that results in a "substantially disproportionate" reduction in a shareholder's stock interest under Section 302(b)(2). For purposes of applying the Section 302(b) tests described above, a shareholder of E/C will be considered to own all or a portion of any E/C stock and of any portion of any La-Z-Boy stock owned directly or indirectly by his or her parents, spouse, children and grandchildren; a partner's proportionate share of any stock held by a partnership of which the shareholder is a partner; a portion of the stock held by a trust of which the shareholder is a beneficiary or is treated as the owner for tax purposes; a beneficiary's share of any stock held by a corporation in which the shareholder owns 50% or more value of the stock. In addition, a shareholder will be considered to own stock that the shareholder has an option to acquire. Also, a shareholder that is a partnership, estate, trust, or corporation may be considered to own stock owned by its partners, grantors, beneficiaries, or shareholders, as the case may be, but there is no "double" attribution from such partnership, trust, estate or corporation to another shareholder. Moreover, in certain cases, an individual shareholder may be able to avoid constructive ownership of stock owned by family members for purposes of Section 302(b)(3) by meeting the requirements of Section 302(c)(2). Any shareholder of E/C who does not receive any La-Z-Boy Common Stock in exchange for his stock in E/C, but whose spouse, parents, children, or grandchildren own La-Z-Boy Common Stock directly or indirectly, is urged to consult with his or her tax advisor about the agreement provided for under Section 302(c)(2) and the other requirements of Code Section 302.

(viii) In addition to receiving Merger consideration received at the Effective Time, shareholders of E/C will receive one Performance Unit for each share of E/C Stock surrendered in the Merger. For Federal income tax purposes, the Performance Units will be treated as "contingent consideration" received in the Merger. The Internal Revenue Service ("IRS") has issued safeharbor guidelines set forth in Revenue Procedure 84-42, 1984-1 CB 521 applicable to the receipt of shares of capital stock as contingent consideration in a merger qualifying under Code Section 368. These guidelines include the requirement that the maximum amount of contingent consideration that may be issued under the agreement is stated and the requirement that at least fifty (50%) percent of the maximum number of shares in the agreement, which may be issued are issued in the initial distribution (i.e., at the Effective Time).

E/C believes that the IRS requirements regarding the receipt of "contingent consideration" in a tax-free reorganization will be satisfied, and that an E/C shareholder's receipt of a Performance Unit at the Effective Time will generally not give rise to current Federal income tax. In addition, the receipt of La-Z-Boy Common Stock under the Performance Units will be taxed under the Code's rules applicable to "fixed period contingent payment installment sales" set forth in Temporary Treasury Regulation Section 15A.453-1(c)(3), as outlined below. Under these

rules, the receipt of La-Z-Boy Common Stock will not be taxable to the E/C shareholders in the year of receipt except for the portion of the La-Z-Boy Common Stock (the "Imputed Interest Amount") treated as interest income under the Code. In this regard, the Imputed Interest Amount will generally equal the excess of (a) the fair market value as of the day of receipt of the additional La-Z-Boy Common Stock over (b) such fair market value amount discounted back to the Effective Time using the Code's prescribed discount rate.

It should be noted that actions taken by E/C shareholders after consummation of the Merger in connection with the disposition of shares of La-Z-Boy Common Stock received in the Merger could cause the Merger to fail to satisfy the "continuity of interest" requirement under the Code and thus cause the tax consequences described above to be different. The shareholders of E/C have executed tax lock-up letters designated to prevent such disqualifying dispositions. See "Tax Lock-up Letters" below.

THE DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. THE DISCUSSION DOES NOT ADDRESS THE STATE, LOCAL OR FOREIGN TAX ASPECTS OF THE MERGER. THE DISCUSSION IS BASED ON CURRENTLY EXISTING PROVISIONS OF THE CODE, EXISTING AND PROPOSED TREASURY REGULATIONS THEREUNDER AND CURRENT ADMINISTRATIVE RULINGS AND COURT DECISIONS. IN ADDITION, THE DISCUSSION REGARDING THE RECEIPT OF CONTINGENT CONSIDERATION BY THE E/C SHAREHOLDERS IS ONLY A SUMMARY OF THE APPLICABLE RULES AND SHOULD NOT BE RELIED UPON. ALL OF THE FOREGOING ARE SUBJECT TO CHANGE AND ANY SUCH CHANGES COULD AFFECT THE CONTINUING VALIDITY OF THIS DISCUSSION. EACH E/C SHAREHOLDER SHOULD CONSULT SUCH SHAREHOLDER'S OWN TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE MERGER TO SUCH SHAREHOLDER, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL AND FOREIGN TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL LAWS OR OTHER TAX LAWS.

TAX LOCK-UP LETTERS

Consummation of the Reorganization is conditioned upon there being executed and delivered certain "tax lock-up letters" by all of the holders of E/C Stock who will receive shares of La-Z-Boy Common Stock in the Merger. These tax lock-up letters essentially prohibit sales or dispositions of the shares of La-Z-Boy Common Stock subject thereto prior to the second anniversary of the consummation of the Merger other than pursuant to "Permitted Transfers." For purposes of the foregoing, a "Permitted Transfer" is (i) a disposition by will or under the laws of descent and distribution; (ii) an offering, sale or other disposition by any shareholder which is not a natural person to any corporation in which the direct or indirect parent of such shareholder owns, directly or indirectly, 100% of the outstanding capital stock of such corporation; (iii) a transfer by operation of law; or (iv) a disposition to any person who receives shares of La-Z-Boy Common Stock in the Merger.

RESALE OF LA-Z-BOY COMMON STOCK; RESTRICTIONS ON TRANSFER

The shares of La-Z-Boy Common Stock to be issued in the Merger will be registered under the Securities Act and will be transferable under the Securities Act, except for shares issued to any shareholder who may be deemed to be an "affiliate" of E/C for purposes of Rule 145 under the Securities Act. Affiliates may not sell shares of La-Z-Boy Common Stock acquired in connection with the Merger except pursuant to an effective registration statement under the Securities Act covering such shares or in compliance with Rule 145 or another applicable exemption from the registration requirements of the Securities Act.

In addition, shareholders of E/C executing and delivering "tax lock-up letters" will be subject to the restrictions on disposition set forth therein. See "Tax Lock-up Letters."

STOCK LISTING

The shares of La-Z-Boy Common Stock to be issued in the Merger will be approved for listing on the NYSE and the PSE subject to official notice of issuance and to the approval by the shareholders of E/C of the Merger.

MANAGEMENT OF THE SURVIVING CORPORATION AFTER THE MERGER

It is anticipated that, upon consummation of the Merger, the Board of Directors of the Surviving Corporation will consist of four persons, one of whom will be Mr. Rodney D. England, the current Chairman of the Board, President, and Chief Executive Officer of E/C, and the remainder of whom will be current officers of La-Z-Boy. In addition, following consummation of the Merger, it is expected that (i) Mr. England will become the President and Chief Executive Officer of the Surviving Corporation, (ii) Mr. Otis S. Sawyer, the current Vice President Finance of E/C, will become Vice President Finance of the Surviving Corporation, (iii) Mr. Dennis C. Valkanoff, the current Vice President Business Development of E/C, will become a Vice President of the Surviving Corporation, (iv) Mr. James L. Price, the current Vice President Manufacturing of E/C, will become Vice President Manufacturing of the Surviving Corporation, and (v) the remaining officers of the Surviving Corporation will consist of current officers of La-Z-Boy.

PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial statements are presented to illustrate the financial statement effect of the Merger, as described previously in this Proxy Statement/Prospectus, and should be read in conjunction with the historical financial statements of E/C and La-Z-Boy contained elsewhere herein and incorporated herein by reference. The pro forma condensed combined financial statements have been prepared assuming that the Merger will be accounted for as a purchase and, accordingly, the cost of E/C assets acquired and liabilities assumed will be allocated at their estimated fair values, based upon appraisals, net realizable values, or other analysis, with appropriate recognition given to the effect of current interest rates and income taxes. The excess of the net assets acquired over the purchase price will be recorded as goodwill. The pro forma fair values used herein are preliminary and subject to further refinement.

The accompanying unaudited pro forma condensed combined balance sheet adjusts the historical balance sheets of La-Z-Boy and E/C at October 29, 1994 and September 30, 1994, respectively, as if the Merger had occurred as of that period end.

The accompanying unaudited pro forma condensed combined statements of operations adjust the historical statements of operations of La-Z-Boy and E/C for their respective fiscal years ended April 30, 1994 and June 30, 1994 and for the six month periods ended October 29, 1994 and September 30, 1994, respectively, as if the Merger had become effective at the beginning of the period.

The pro forma condensed combined financial statements may not be indicative of the combined results of operations or combined financial position that actually would have been achieved if the Merger had been in effect as of the date and for the periods indicated or which may be obtained in the future.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
REFLECTING LA-Z-BOY AFTER GIVING EFFECT TO THE MERGER
(Dollars in thousands)

	Unaudited La-Z-Boy 10/29/94	Unaudited E/C 9/30/94	Pro Forma Adjustments(1)	Unaudited Pro Forma Balance
Current Assets				
Cash and equivalents	$ 12,299	$ 367	$(6,515)(b)	$ 6,151
Receivables	193,004	3,525		196,529
Inventories	75,807	10,081		85,888
Deferred income taxes	15,849			15,849
Other current assets	8,735	398		9,133
Total current assets	305,694	14,371	(6,515)	313,550
Property, plant, and equipment	96,663	21,656		118,319
Goodwill	20,307		20,943 (b)	41,250
Other long-term assets	19,850	573		20,423
Total assets	$442,514	$36,600	$14,428	$493,542
Current Liabilities				
Current portion of long-term debt	$ 1,875	$ 2,290		$ 4,165
Accounts payable	27,170	7,160		35,168
Other current liabilities	51,106	2,096		52,364
Total current liabilities	80,151	11,546		91,697
Long-term debt	56,245	12,492	$ 6,515 (b)	75,252
Deferred income taxes	6,763	140	790 (a)	7,693
Other long-term liabilities	8,286	0		8,286
Shareholder's equity	291,069	12,422	7,123 (b)	310,614
Total liabilities and shareholders' equity	$442,514	$36,600	$14,428	$493,542

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(1) The pro forma condensed combined balance sheet has been prepared to reflect the acquisition of E/C by La-Z-Boy for an estimated aggregate price of $32,575 and a value of $30 per share of La-Z-Boy Common Stock. The Plan of Merger requires that at least 50% of the initial consideration be paid in La-Z-Boy Common Stock with the remainder paid in cash and/or La-Z-Boy notes. Furthermore, additional payments in La-Z-Boy Common Stock may be required if the Surviving Corporation exceeds predetermined Pre-Tax Income, as defined and determined in accordance with the Plan of Merger in the two successive twelve month periods following the Merger. These possible additional payments have not been reflected in the pro forma condensed combined balance sheet. For purposes of these pro forma adjustments, it is assumed that 60% of the initial consideration will be made in La-Z-Boy Common Stock, 20% in cash, and 20% in La-Z-Boy notes. Pro forma adjustments are made to reflect:

(a) The estimated deferred income tax liability arising upon termination of E/C's S-corporation tax status.

(b) Consideration given in the form of cash payment of $6,515, La-Z-Boy Notes of $6,515 at 8% for four years, and 651,500 shares of La-Z-Boy Common Stock issued and valued at $30 per share, with the excess of acquisition cost ($32,575) over the estimated fair market value of net assets acquired ($11,632) resulting in $20,943 of goodwill.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT
OF OPERATIONS REFLECTING LA-Z-BOY
AFTER GIVING EFFECT TO THE MERGER
(in thousands, except per share data)

	La-Z-Boy Year Ended (53 weeks) 4/30/94	E/C Year Ended 6/30/94	(Unaudited) Pro Forma Adjustments(1)	(Unaudited) Pro Forma Balance
Sales	$ 804,898	$ 105,781		$ 910,679
Cost of sales	593,890	87,288		681,178
Gross profit	211,008	18,493		229,501
Selling, general, and administrative expense(3)	150,700	14,484		165,184
Operating profit	60,308	4,009		64,317
Interest expense	2,822	1,387	$ 521 (a)	4,730
Other income	669	79	(698)(b)	50
Pre-tax income	58,155	2,701	(1,219)	59,637
Income taxes	23,438	122	872 (c) (203)(d)	24,229
Income before accounting change	$ 34,717	$ 2,579	$(1,888)	$ 35,408
Pro forma taxes		994		
Pro forma net income		$ 1,707		
Average shares and equivalent shares outstanding	18,268		652(2)	18,920
Income per share before accounting change	$ 1.90			$ 1.87

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(1) The pro forma condensed combined statement of operations has been adjusted by the following to reflect the Merger as if it were effective at the beginning of the period:

(a) Additional annual interest expense of $521 attributed to assumed issuance of La-Z-Boy Notes of $6,515 at 8%.

(b) Amortization of estimated goodwill on a straight line basis over 30 years.

(c) Reflects additional income taxes on historical earnings of E/C as if E/C was not an S corporation during the period.

(d) Reduction of income taxes related to additional expenses, excluding non-deductible amortization, at an effective rate of 38.9%.

(2) Assumes 651,500 shares of La-Z-Boy Common Stock are issued to E/C shareholders, as described in note 1 to the pro forma condensed combined balance sheet.

(3) During the fourth quarter of fiscal 1994 E/C recorded a charge of $600,000 in connection with a one-time bonus paid to its former chief executive officer.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
REFLECTING LA-Z-BOY AFTER GIVING EFFECT TO THE MERGER
(In thousands, except per share data)

	(Unaudited) La-Z-Boy 26 Weeks Ended 10/29/94	(Unaudited) E/C 6 Months Ended 9/30/94(1)	(Unaudited) Pro Forma Adjustments(2)	(Unaudited) Pro Forma Balance
Sales	$ 404,973	$ 49,753		$ 454,726
Cost of sales	300,470	40,879		341,349
Gross profit	104,503	8,874		113,377
Selling, general, and administrative expenses	76,051	7,358		83,409
Operating profit	28,452	1,516		29,968
Interest expense	1,414	803	$ 261 (a)	2,478
Other income	887	78	(349)(b)	616
Pre-tax income	27,925	791	(610)	28,106
Income taxes	11,577	36	254 (c) (102)(d)	11,765
Net income	$ 16,348	$ 755	$(762)	$ 16,341
Pro forma income taxes		290		
Pro forma net income		$ 501		
Average shares and equivalent shares outstanding	18,140		652 (3)	18,792
Income from continuing operations per share	$ 0.90			$ 0.87

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(1) E/C's fiscal year ends on June 30; therefore, its operating results for the six months ended September 30, 1994 include the fourth quarter of its fiscal year ended June 30, 1994. During the fourth quarter of fiscal 1994, E/C recorded a charge of $600,000 in connection with a one-time bonus paid to its former chief executive officer.

(2) The pro forma income statement has been adjusted by the following to reflect the Merger as if effective at the beginning of the period:

(a) Additional interest expense of $261 attributed to assumed issuance of La-Z-Boy Notes of $6,515 at 8%.

(b) Amortization of estimated goodwill on a straight line basis over 30 years.

(c) Reflects additional income taxes on historical earnings of E/C as if E/C was not an S corporation during the period.

(d) Reduction of income taxes related to additional expenses, excluding non-deductible amortization, at an effective rate of 38.9%.

(3) Assumes 651,500 shares of La-Z-Boy Common Stock are issued to E/C shareholders, as described in note 1 to the pro forma condensed combined balance sheet.

ENGLAND/CORSAIR, INC.

SELECTED FINANCIAL DATA

The following table sets forth certain condensed historical financial data of E/C and is based on the financial statements of E/C, including the notes thereto, which appear elsewhere in this Proxy Statement/Prospectus and should be read in conjunction therewith. See "England/Corsair, Inc. Financial Statements." Interim unaudited data for the three months ended September 30, 1994 and 1993 reflect, in the opinion of management of E/C, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of such data. Results for the three months ended September 30, 1994 and 1993 are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year as a whole.

(In thousands except per share data)

	(unaudited) Three Months Ended September 30,		Fiscal Years Ended June 30,				
Statement of Operations Data:	1994	1993	1994	1993	1992	1991	1990
Net sales	$ 23,063	$ 24,602	$ 105,781	$ 99,435	$ 86,175	$ 72,729	$ 65,242
Cost of sales	18,924	20,072	87,288	79,905	69,107	60,157	53,947
Gross profit	4,139	4,530	18,493	19,530	17,068	12,572	11,295
Selling, general, and administrative expenses(3)	2,979	3,097	14,484	12,632	10,040	8,422	7,707
Operating profit	1,160	1,433	4,009	6,898	7,028	4,150	3,588
Interest expense - net	358	299	1,318	1,073	1,305	1,833	1,421
Miscellaneous income	24	16	10	57	70	187	57
Pre-tax income	826	1,150	2,701	5,882	5,793	2,504	2,224
Income taxes(1)	35	24	122	(499)	2,100	930	820
Net income	$ 791	$ 1,126	$ 2,579	$ 6,381	$ 3,693	$ 1,574	$ 1,404
Pro forma income taxes(1)	305	423	994	2,165			
Pro forma net income	$ 521	$ 727	$ 1,707	$ 3,717			
Weighted average shares used in per share calculations	297	298	297	298	298	322	339
Net income per share - historical					$ 12.39	$ 4.90	$ 4.14
Pro forma net income per share	$ 1.75	$ 2.44	$ 5.75	$ 12.47			
Dividends per share(2)	$ .48	$ 2.18	$ 15.88	$ 8.81	$ 2.00	-0-	-0-

	(unaudited) As of September 30,	As of June 30,				
Balance Sheet Data:	1994	1994	1993	1992	1991	1990
Total assets	$36,600	$ 34,367	$ 28,416	$ 23,335	$ 24,923	$ 24,724
Long-term debt, including current portion	$14,782	$ 14,094	$ 7,619	$ 7,057	$ 9,225	$ 9,909
Total liabilities	$24,178	$ 22,593	$ 14,499	$ 13,080	$ 17,765	$ 17,778
Shareholders' equity	$12,422	$ 11,774	$ 13,917	$ 10,255	$ 7,158	$ 6,946

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(1) Beginning July 1, 1992, E/C elected to be treated as an "S corporation" for Federal income tax purposes and accordingly was not subject to Federal or certain state income tax at the corporate level. The 1994 and 1993 fiscal periods contain an illustration of "pro forma income taxes" which includes an additional estimated provision for income taxes based on pre-tax income as if E/C had not been an S corporation. E/C, for the 1993 fiscal year elected to adopt Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes" (FAS 109), and the pro forma provisions for income taxes for periods ending 1994 and 1993 have been reported in accordance with FAS 109. The adoption of FAS 109 did not have a material effect on E/C's results of operations.

(2) Dividends for the fiscal year ended June 30, 1994 include a non-recurring distribution of AAA earnings (previously undistributed taxable earnings since the S corporation election) in connection with a change in E/C's debt arrangements and in management structure.

(3) During the fourth quarter of fiscal 1994, E/C recorded a charge of $600,000 in connection with a one-time bonus paid to its former chief executive officer.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results Of Operations

Year Ended June 30, 1994 Versus Year Ended June 30, 1993

E/C experienced a compounded growth rate in net sales of 15% from the period 1990 through 1993. During this same time period gross profits as a percent of net sales averaged 18.7%, and income before taxes averaged 5.0%. However, sales for the fiscal year ended June 30, 1994 grew at only 6.4% and income before taxes was 2.6% of sales, as shown in the table below.

(Dollars in Thousands)

	1994	1993	1992	1991	1990
Net sales	$105,781	$ 99,435	$ 86,175	$ 72,729	$ 65,242
Gross profits	$ 18,493	$ 19,530	$ 17,068	$ 12,572	$ 11,295
As a % to sales	17.5%	19.6%	19.8%	17.3%	17.3%
Income before taxes	$ 2,701	$ 5,882	$ 5,793	$ 2,504	$ 2,224
As a % to sales	2.6%	5.9%	6.7%	3.4%	3.4%

Management believes that the decline in the rate of sales growth can be attributed to a decision to limit the number of new products introduced into the market in the spring of 1993. Management's decision was based on a desire to minimize any disruption to a new manufacturing process implemented in the third quarter of the fiscal year ended June 30, 1993, which was undertaken in an effort to reduce direct labor and training expenses. Management anticipated that this manufacturing re-engineering would initially cause a reduction in productivity and an increase in employee turnover until fully implemented. During 1994, management noted that productivity has increased and exceeded the levels being attained prior to the re-engineering. It is management's belief that the new production system, which is based on group incentive pay, will provide a higher quality product at a lower overall cost to manufacture.

Cost of goods sold for the fiscal year ended June 30, 1994 was 82.5% of sales compared to 80.4% for the fiscal year ended June 30, 1993. Management attributes the majority of the decrease in gross margin to the lack of new product introduction in 1993. The segment of the market in which E/C operates is very price sensitive. As a product ages, its profit margins tend to decline due to material and labor cost increases unless the product is re-engineered or replaced with a new style. At the 1994 fall furniture market, E/C made significant introductions of new product, which began shipping in January 1995.

Margins were further depressed in fiscal 1994 by freight concessions designed to stimulate west coast sales. In February 1994, management began the process of phasing out these freight concessions, which has not yet been completed.

Selling and administrative expenses as a percent of net sales were 13.7% for the fiscal year ended June 30, 1994 compared to 12.7% for the fiscal year ended June 30, 1993. Over half of the increase in selling and administrative costs can be attributed to a one time $600,000 bonus paid to the former chief executive officer.

Also, in anticipation of the former chief executive officer's retirement, and to prepare E/C for future expansion, additional salaries and relocation costs were incurred in adding new executive level positions in manufacturing, marketing, and finance.

Non-recurring legal and accounting fees relating to the preparation for a public offering (which was abandoned) further increased fiscal 1994 administrative costs. Additional legal fees were incurred in the drafting of a plan for management succession, which required the re-drafting of corporate bylaws.

Interest expense for the fiscal year ended June 30, 1994 increased to 1.3% of sales from 1.2%. In anticipation of the chief executive officer's retirement, E/C borrowed the funds necessary to restructure its existing debt and distribute substantially all undistributed S corporation earnings to the shareholders. The increase in interest expense resulted from additional debt incurred to finance the distributions and the increase in long term leases used to finance additional transportation equipment purchases.

Quarter Ended September 30, 1994 Versus September 30, 1993

Sales declined $1,539,000 for the quarter ended September 30, 1994 when compared to the quarter ended September 30, 1993. Management attributes part of the decline in sales revenue to its decision to limit new product introductions in the fiscal year ended June 30, 1993. Other conditions depressing sales include the devaluation of the Canadian dollar, which depressed Canadian sales, and soft retail conditions experienced during the quarter ended September 30, 1994.

	(Dollars in Thousands) September 30, 1994	September 30, 1993
Net sales	$23,063	$24,602
Gross profit	$ 4,139	$ 4,530
As a % of Sales	17.9%	18.4%
Income before taxes	$ 826	$ 1,150
As a % of Sales	3.6%	4.7%

Gross profit as a percent of sales declined 0.5% in the quarter ended September 30, 1994 when compared to the quarter ending September 30, 1993. Management attributes the decline in gross margins to the lack of new product introduction in 1993.

Selling, general and administrative expenses were 12.9% of net sales for the quarter ended September 30, 1994 compared to 12.6% for the quarter ended September 30, 1993. The slight increase in expenses is primarily attributable to additional administrative compensation.

Interest expense increased from $299,000 to $358,000 due to additional capital leases on transportation equipment and additional borrowing levels due to the management succession plan.

Year Ended June 30, 1993 Versus June 30, 1992

Sales for the fiscal year ended June 30, 1993 grew at 15.4% over the fiscal year ended June 30, 1992 in line with continued market penetration. Gross margins remained in line with the prior year. Income before taxes was 5.9% of sales, down 0.8% from the fiscal year ended June 30, 1992.

Selling, general and administrative expenses increased to 12.7% of sales for the fiscal year ended June 30, 1993 compared to 11.7% for the fiscal year ending June 1992. The majority of the increase was due to increases in advertising expense, professional fees, warranty expenses, and 401(k) plan expenses.

E/C instituted a 401(k) retirement plan for the first time in the fiscal year ended June 1993. Professional fees increased due to consulting associated with E/C's decision to elect S corporation status for Federal tax reporting. An increase in warranty expense resulted from quality problems experienced as a result of the manufacturing re-engineering instituted in the third quarter of 1993. Management believes that quality control procedures have been more effective since that initial period.

Liquidity And Capital Resources

Year Ended June 30, 1994 Versus June 30, 1993

Cash increased by $109,000 during the year ended June 30, 1994. During 1994, E/C generated $5,419,000 in cash from operations as compared with $8,124,000 during 1993. Net income of $2,579,000, depreciation and amortization totaling $2,574,000, and increases in accounts payable and accrued liabilities of $1,577,000 provided operating cash totaling $6,730,000, which was partially offset by an increase in accounts receivable of $1,596,000.

For the fiscal year ended June 30, 1993 E/C generated $6,381,000 in operating cash flow from net income along with $3,172,000 in cash flow resulting from an increase in accounts payable and depreciation of $1,908,000. An increase in inventory caused a reduction of operating cash flow totaling $1,529,000.

For the fiscal year ended June 30, 1994 E/C raised additional capital by issuing long-term debt in the amount of $3,375,000 net of repayments.

In 1994, a primary use of investing cash flows was $3,272,000 used to purchase plant and equipment (including a new 120,000 square foot manufacturing facility) compared to $2,965,000 in 1993. In both 1993 and 1994, transportation equipment additions were financed with long term capital leases. For the fiscal year ended June 30, 1994 dividends totaling $4,722,000

were paid to shareholders as part of the plan for management succession. Dividend distributions for 1993 totaled $3,234,000. In 1994, certain shareholders also loaned approximately $1,288,000 to E/C in the form of subordinated debt.

To accomplish the 1994 plan of succession and to restructure its existing debt, E/C negotiated a new loan agreement which provides a credit facility of $7,500,000, including a $3,750,000 term loan at 6.95% with the remainder as a revolving credit bearing interest at the prime lending rate less 1/2%. The bank loan agreement requires no principal payments for a period of three years at which time the entire facility becomes a term note payable over four years with a ten year amortization and a balloon payment at the end of the seventh year.

Quarter Ended September 30, 1994 Versus September 30, 1993

Cash increased by $149,000 for the quarter ended September 30, 1994. During this quarter, E/C generated $1,280,000 in cash from operations as compared to $1,000,000 for the quarter ending September 30, 1993. In the quarter ended September 30, 1994 net income of $791,000, depreciation and amortization totaling $813,000, and an increase in accounts payable of $897,000 provided cash totaling $2,501,000, which was partially offset by an increase in accounts receivable of $563,000 and an increase in inventories of $530,000.

For the quarter ended September 30, 1993 net income of $1,126,000, depreciation and amortization totaling $592,000, and a decline in accounts receivable of $185,000 provided cash from operations totaling $1,903,000, which was partially offset by an increase in inventories of $805,000 and an increase in prepaid expenses of $126,000.

For the quarter ended September 30, 1994, $544,000 was used to purchase machinery and equipment compared to $243,000 for the quarter ended September 30, 1993.

Dividends distributed for the quarter ending September 30, 1994 were $143,000 as compared to $648,000 for September 30, 1993.

As of September 30, 1994 E/C had $6,469,000 outstanding against the loan agreement. A portion of the $2,478,000 proceeds received during the three months ended September 30, 1994 were used to retire debt with another bank and other lenders whose loans had been collateralized by real property owned by E/C.

Year Ended June 30, 1993 Versus June 30, 1992

Cash increased by $12,000 for the fiscal year ended June 30, 1993. For the year ended June 30, 1993 E/C generated $8,124,000 in cash from operations compared to $4,679,000 for the year ended June 30, 1992. In 1993 net income of $6,381,000, depreciation and amortization of $1,908,000, and increases in payables and accrued expenses totaling $3,172,000 less the reduction in deferred income taxes of $784,000 provided cash totaling $10,677,000. The primary use of operating cash flows in 1993 was to fund an increase in inventories of $1,529,000 and to reduce income taxes payable by $934,000.

In 1992, net income of $3,693,000, depreciation and amortization of $1,802,000, and a decrease in inventories totaling $1,093,000 provided cash totaling $6,588,000. The primary use of operating cash flows in 1992 was to reduce payables and accrued expenses totaling $2,290,000.

For the year ended June 30, 1993, cash in the amount of $2,965,000 was used to purchase plant and equipment, compared to capital expenditures totaling $983,000 in 1992. Transportation equipment was financed with long-term capital leases in both 1993 and 1992. In 1993, dividends totaling $3,234,000 were paid to shareholders.

Management believes that cash provided by operating activities, the bank loan agreement, and the availability of favorable transportation equipment leases will be sufficient to fund anticipated growth and to meet E/C's capital requirements through fiscal 1995 and for the foreseeable future.

BUSINESS AND PROPERTIES

E/C is a manufacturer of upholstered furniture which is targeted at moderate price points and sold under the England/Corsair brand name. E/C's products include motion and stationary upholstered furniture consisting of sofas, love seats, sleepers, matching chairs, recliners and accent chairs and occasional tables. E/C offers imported occasional table products manufactured from oak, maple and pine veneers which are designed to be coordinated with the upholstered products.

Based on reported sales, E/C is in the top 40 largest U.S. residential furniture manufacturers according to Furniture Today. E/C's current product offerings include 45 separate style collections, each of which is comprised of pieces available in various combinations of colors, fabrics and styles, including colonial, traditional, contemporary, country and transitional styles.

E/C's products are sold through independent sales representatives primarily to independent furniture retailers and specialty retailers, as well as to certain regional and national chains. E/C maintains approximately 2,000 active accounts located in all 50 states, most of which are independent furniture retailers.

E/C produces its products to order at its six manufacturing facilities located in New Tazewell, Tennessee. E/C's present facilities comprise approximately 685,000 square feet of manufacturing space.

MARKET PRICE OF STOCK AND DIVIDENDS

E/C has been a privately held corporation since its formation, and no trading market for E/C Stock exists. E/C declared cash dividends of $0.48 per share in the first quarter of the current fiscal year, $2.18, $3.75, $0.00, and $9.95, respectively, in the first through fourth quarters of the fiscal year ended June 30, 1994, and $0.00, $6.25, $0.00, and $2.56, respectively, in the first through fourth quarters of the fiscal year ended June 30, 1993.

MANAGEMENT AND RELATED MATTERS

Directors and Executive Officers

NAME	AGE	DIRECTOR SINCE	YRS. OF CO. SERVICE	BUSINESS EXPERIENCE
Rodney D. England President, CEO and Chairman of the Board	43	1987	26	He has been employed with E/C continuously since 1966, except for military service from 1970-1972.
H. Wayne England Executive Vice President, Sales and Marketing	60	1969	25	He has direct responsibility for the outside sales force and assists in merchandising and marketing.
Richard D. England Vice President Administration	37	1989	22	He has held several positions from Plant Manager to Vice President of Manufacturing to Vice President of Administration.
James L. Price Vice President of Manufacturing	50	1994	1	He has been in the furniture industry for 25 years. He served as Vice President of Manufacturing for Goode Manufacturing from 1992 to 1993, General Manager of Schnadig Corporation from 1991 to 1992, and Vice President Manufacturing of T.P.I. from 1989 to 1991, all of which are engaged in the furniture business.
Otis S. Sawyer Vice President Finance	37	1994	1	He was Controller of Council Craftsmen, Inc. (casegoods) from 1988 to 1993. He holds an MBA degree and is a certified public accountant.
Walter Winding	54	1994	1	He has been an independent consultant since 1994. He was a Partner and Director of H.M. Graphics since 1993. He was President and CEO of Schweiger Industries (furniture) from 1983 to 1993.

Executive Compensation

The following table provides information for each of E/C's last three completed fiscal years concerning the compensation of its Chief Executive Officer and of each other executive officer who served as such during the fiscal year ended June 30, 1994 and whose total salary and bonus for such year exceeded $100,000.

SUMMARY COMPENSATION TABLE

		Annual Compensation			
(a)	(b)	(c)	(d)	(e)	(f)
Name and Principal Position	Year	Salary($)	Bonus($)	Other Annual Compensation($)	All Other Compensation($)
Rodney D. England	1994	142,196	8,695	1,181	2,498
CEO/President	1993	96,937	16,628	1,665	2,398
	1992	77,820	30,431	1,485	925
H. Wayne England	1994	120,406	8,516	5,891	5,921
Vice President	1993	107,640	21,249	5,157	6,717
Marketing	1992	101,430	37,848	3,005	3,690

PRINCIPAL SHAREHOLDERS

The following table sets forth information provided by the persons indicated with respect to the beneficial ownership (as defined under applicable rules of the Commission) of shares of E/C Stock as of _____, 1995 by (i) each person known by E/C to be the owner of more than 5% of the outstanding shares of E/C Stock, (ii) each director of E/C and executive officer named in the Summary Compensation Table, and (iii) all directors and executive officers of E/C as a group:

NAME AND ADDRESS(1)	NUMBER OF SHARES	PERCENTAGE OF BENEFICIAL OWNERSHIP(2)
Rodney D. England(2)(3)	52,284	17.6%
H. Wayne England(2)	41,657	14.0%
Richard D. England(2)(4)	60,125	20.2%
Christopher C. England(2)(5)	55,511	18.7%
James O. England(2)	33,934	11.4%
Linda E. Duff(2)(6)	41,295	13.9%
James L. Price	0	0.0%
Otis S. Sawyer	0	0.0%
Walter Winding	0	0.0%
All directors and executive officers as a group (seven persons)	154,066	51.8%

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(1) Unless otherwise noted, E/C believes that all persons named in the above table have (i) sole voting and investment power with respect to all shares of E/C Stock owned by them, except to the extent that authority is shared by spouses under applicable law, and (ii) record and beneficial ownership of such shares. Each such person has an address at 402 Old Knoxville Highway, New Tazewell, Tennessee 37825.

(2) Rodney, Richard, Christopher, and James England and Linda Duff are children of the late Arnold Dwight England, the founder of E/C. H. Wayne England was Arnold England's brother and is the uncle of the above named shareholders.

(3) Includes (i) 46,576 shares (15.7% of E/C Stock) held by Mr. Rodney England individually and (ii) 5,708 shares (1.9%) held as trustee with sole voting and investment power.

(4) Includes (i) 33,934 shares (11.4% of E/C Stock) held by Mr. Richard England individually, (ii) 9,228 shares (3.1%) held as trustee with sole voting and investment power, and (iii) 16,963 shares (5.7%) held as co-trustee with shared voting and investment power.

(5) Includes (i) 31,795 shares (10.7% of E/C Stock) held by Mr. Christopher England individually, (ii) 8,562 shares (2.9%) held as trustee with sole voting and investment power, and (iii) 15,154 shares (5.1%) held as co-trustee with shared voting and investment power.

(6) Includes (i) 30,924 shares (10.4% of the E/C Stock) held by Ms. Duff individually, (ii) 8,562 shares (2.9%) held as trustee with sole voting and investment power, and (iii) 1,809 shares (less than 1%) held as co-trustee with shared voting and investment power.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On June 1, 1994 in connection with the reorganization of E/C, certain shareholders of E/C loaned E/C approximately $1,288,000. The following persons individually loaned E/C the amounts set forth opposite their names:

Rodney D. England	$ 285,290
Richard D. England	178,106
James O. England	178,106
Christopher C. England	159,973
Linda E. Duff	152,589
The Lisa Epperson Trust	80,392
	$1,034,456

In addition, various related trusts, for which the individuals named above serve as trustees or co-trustees, loaned an aggregate amount of approximately $253,784. The loans are evidenced by unsecured promissory notes dated June 1, 1994. These notes bear interest at an annual rate of 7% and mature in 1999. The proceeds of the notes were used for working capital. At December 31, 1994 the outstanding balance of these notes was $1,159,415.

LA-Z-BOY CHAIR COMPANY

La-Z-Boy was incorporated under the laws of the State of Michigan in 1941 and is headquartered in the State of Michigan. La-Z-Boy is engaged primarily in the manufacture of furniture. La-Z-Boy's principal office is located at 1284 North Telegraph Road, Monroe, Michigan 48161, and its telephone number is (313) 242-1444. For additional information regarding La-Z-Boy and its operations, see "Incorporation of Certain Documents by Reference" and the documents described therein.

DESCRIPTION OF LA-Z-BOY CAPITAL STOCK

The following description of the capital stock of La-Z-Boy does not purport to be complete and is subject to and qualified in its entirety by reference to the full texts of La-Z-Boy's Articles of Incorporation, as amended (the "La-Z-Boy Articles"), and its By-Laws (the "La-Z-Boy Bylaws" and together with the La-Z-Boy Articles, the "La-Z-Boy Charter Documents"), which are exhibits to the Registration Statement of which this Proxy Statement/Prospectus is a part and are incorporated herein by reference. The summaries provided herein of certain provisions of the Michigan Business Corporation Act, as amended (the "MBCA"), also do not purport to be comprehensive and are qualified in their entirety by reference to the full text of such statutory provisions. See also "Comparison of Shareholder Rights and Charter Documents" below.

GENERAL

La-Z-Boy's total authorized capital stock consists of: (a) 40,000,000 shares of La-Z-Boy Common Stock, of which approximately 17,969,000 shares were issued and outstanding as of January 28, 1995 and approximately 3,855,000 shares are reserved for future issuance (including in the Merger), and (b) 5,000,000 shares of Preferred Stock (the "La-Z-Boy Preferred Stock"), none of which shares have been issued or are currently reserved for future issuance. Except as otherwise required by the La-Z-Boy Articles or the MBCA, authorized but unissued shares of either class may be issued at the discretion of the La-Z-Boy Board without need for any further action by the shareholders of La-Z-Boy.

LA-Z-BOY PREFERRED STOCK

As permitted by the MBCA, the La-Z-Boy Articles authorize the La-Z-Boy Board at any time, and from time to time, to divide the La-Z-Boy Preferred Stock into one or more series, having such voting powers, full, limited, or none, such designations, preferences, privileges, powers, and relative, participating, optional, or other special rights, and such qualifications, limitations, and restrictions thereon as shall be stated and expressed in the resolutions of the La-Z-Boy Board providing for the issuance thereof. With respect to any series designated by the La-Z-Boy Board, it also is authorized to, among other things, specify the number of shares comprising such series, the dividend rate or rates on the shares of such series and the preference or relation which such dividends shall bear to any other class or series of La-Z-Boy stock, and the redemption rights, if any, any purchase, retirement, or sinking fund, any conversion rights, and any special voting rights relating to such series.

Shares of any series of La-Z-Boy Preferred Stock hereafter designated and issued and which subsequently are redeemed or otherwise acquired by La-Z-Boy would return to the status of authorized and unissued shares of La-Z-Boy Preferred Stock, without designation as to series, and thereafter may be

reissued by the La-Z-Boy Board.

It is possible for La-Z-Boy Preferred Stock (or additional shares of La-Z-Boy Common Stock) to be issued for the purpose of making an acquisition by an unwanted suitor of a controlling interest in La-Z-Boy more difficult, time-consuming, or costly or to otherwise discourage an attempt to acquire control of La-Z-Boy. Under such circumstances, the availability of authorized and unissued shares of La-Z-Boy Preferred Stock and La-Z-Boy Common Stock may make it more difficult for shareholders to obtain a premium for their shares. Such authorized and unissued shares could be used to create voting or other impediments or to frustrate a person seeking to obtain control of La-Z-Boy by means of a merger, tender offer, proxy contest, or other means. Such shares could be privately placed with purchasers who might cooperate with the La-Z-Boy Board in opposing such an attempt by a third party to gain control of La-Z-Boy. The issuance of new shares of La-Z-Boy Preferred Stock or La-Z-Boy Common Stock also could be used to dilute ownership of a person or entity seeking to obtain control of La-Z-Boy. Although La-Z-Boy does not currently contemplate taking such action, shares of La-Z-Boy Common Stock or one or more series of La-Z-Boy Preferred Stock could be issued for the purposes and effects described above and the La-Z-Boy Board reserves its rights (consistent with its fiduciary responsibilities) to issue such stock for such purposes.

LA-Z-BOY COMMON STOCK

Subject to the rights and preferences, if any, of any then outstanding shares of La-Z-Boy Preferred Stock, the holders of La-Z-Boy Common Stock are entitled to receive such dividends as may from time to time be lawfully declared by the La-Z-Boy Board. With respect to every issue submitted to them as La-Z-Boy shareholders at a meeting of shareholders or otherwise (including, without limitation, the election of directors), such holders are entitled to one vote per share of La-Z-Boy Common Stock. In the event of liquidation they are entitled, after payment in full of the liquidation preference, if any, on any then outstanding shares of La-Z-Boy Preferred Stock, to share ratably in all assets of La-Z-Boy available for distribution to holders of shares of La-Z-Boy Common Stock. Holders of shares of La-Z-Boy Common Stock do not have preemptive rights and are not entitled to cumulate votes in the election of La-Z-Boy directors. All shares of La-Z-Boy Common Stock now issued and outstanding are, and all such shares to be issued in the Merger will be, fully paid and nonassessable.

The registrar and transfer agent for the La-Z-Boy Common Stock is American Stock Transfer & Trust Company.

CERTAIN ARTICLES PROVISIONS

Under Article VIII of the La-Z-Boy Articles, La-Z-Boy may not consummate a "Business Combination" involving any corporation, person, or other entity that is a 10%-or-more "beneficial owner" (as therein broadly defined) of shares of La-Z-Boy stock entitled to vote in the election of La-Z-Boy directors (a "Related Entity"), without the approval of the Business Combination by the affirmative vote of the holders of at least 67% of the outstanding shares entitled to vote in the election of La-Z-Boy directors, unless: (a) certain "fair price" and related conditions specified in paragraph (2)(a) of Article VIII are satisfied; (b) a memorandum of understanding concerning the Business Combination was approved by a majority of the La-Z-Boy directors before the Related Entity became such; (c) after the Related Entity became such, the Business Combination has been approved by a majority of "Continuing Directors;" or (d) the Business Combination relates to or is with a corporation a majority of the outstanding shares of each class of equity of which is owned by La-Z-Boy and following consummation of the Business Combination La-Z-Boy shareholders (other than the Related Entity) will retain their proportionate voting and equity interests in La-Z-Boy or the resulting combined entity.

For purposes of Article VIII, a "Business Combination" includes any merger or consolidation of La-Z-Boy with or into a Related Entity; sale, exchange, or lease of all or any substantial part of the assets of La-Z-Boy to a Related Entity; or issuance or transfer by La-Z-Boy of voting securities of La-Z-Boy or rights to acquire such voting securities if issued or exchanged with a Related Entity for any sort of consideration. As defined in that article, any La-Z-Boy director who was a member of the La-Z-Boy Board on the date Article VIII was adopted by the La-Z-Boy shareholders and any other La-Z-Boy director who has been elected by the La-Z-Boy shareholders prior to the time that the Related Entity involved in the proposed Business Combination became a Related Entity, or who, if so elected following the time the Related Entity became such, was elected upon the recommendation of a majority of the then Continuing Directors in office to succeed a Continuing Director.

Article X of the La-Z-Boy Articles provides that Article VIII (and Article X itself) may not be amended or repealed except by the affirmative vote of at least 67% of all shares of La-Z-Boy stock entitled to vote with respect thereto, unless such amendment or repeal is approved and recommended to the La-Z-Boy shareholders by a majority of those members of the La-Z-Boy Board who would then qualify as Continuing Directors. Article X also requires the affirmative vote of at least 67% of all La-Z-Boy shares entitled to vote in the election of directors for any amendment of the La-Z-Boy Bylaws by La-Z-Boy shareholders.

CERTAIN MBCA PROVISIONS

Chapter 7A of the MBCA provides that a "business combination" (as therein defined) between a covered Michigan corporation or any of its subsidiaries and an "interested shareholder" (generally, a 10%-or-more beneficial owner of voting shares) or any affiliate thereof may not be consummated for at least five years after the interested shareholder became such (or at any time thereafter unless certain price and other conditions are also satisfied) without approval (a) by 90% of the votes of each class of stock entitled to be cast by the corporation's shareholders, and (b) by 2/3 of the votes of each class entitled to be cast, excluding shares beneficially owned by the interested shareholder, its affiliates and associates. Chapter 7A "business combinations" include, among other transactions, mergers, significant asset transfers, certain disproportionate issuances of shares to an interested shareholder, certain reclassifications and recapitalizations disproportionately favorable to such a shareholder, and the adoption of a plan of liquidation or dissolution in which such a shareholder would receive anything other than cash, but do not include purchases of shares from other shareholders in the open market, a tender offer, or otherwise.

Currently, Chapter 7A does not apply to La-Z-Boy. However, although the La-Z-Boy Board has no present plans or intentions to take such an action, the chapter permits the La-Z-Boy Board at any time, by resolution and without a shareholder vote, to cause La-Z-Boy to become subject, with respect to specifically identified or unidentified interested shareholders, to the supermajority vote requirements of the chapter.

Chapter 7B of the MBCA divests of their normal voting rights any shares of a covered Michigan corporation that are acquired in a "control share acquisition" (as defined in that chapter) unless, before or after the acquisition, the shareholders of the corporation approve those rights. Two votes are required for approval: (a) a majority of votes cast by all holders of shares entitled to vote (voting by class in certain circumstances), and (b) a majority of all such votes cast, excluding "interested shares" (i.e., in general, shares controlled for voting purposes by the person that has made or proposes to make the control share acquisition, any member of a group with that person concerning the acquisition, or any officer or employee-director of the corporation). Subject to certain exceptions (including acquisitions by gift or inheritance, in satisfaction of a good faith security interest, or pursuant to a merger agreement to which the corporation is a party), a "control share acquisition" is an acquisition of outstanding voting shares of the corporation or the right to direct the vote of such shares which, when added to shares previously owned or controlled for voting purposes by any person, would entitle the person, alone or as part of a group, to exercise or direct the exercise of voting power in the election of the corporation's directors within any of the following ranges of voting power: over 1/5 but less than 1/3, over 1/3 but less than a majority, or a majority.

In addition to applying to certain other Michigan corporations, Chapter 7B applies to any Michigan corporation which, like La-Z-Boy: (a) has its principal place of business in Michigan, (b) has 100 or more shareholders of record, excluding certain types of holders specified in the chapter ("excluded holders"), and (c) without giving effect to any excluded holders, has over 10% of its shares held of record by, or over 10% of its record shareholders who are, Michigan residents. Chapter 7B permits a covered corporation to opt out of coverage by means of an amendment to its articles of incorporation or bylaws (including by a bylaw amendment adopted by directors), but La-Z-Boy has not elected to be excluded from coverage. If such an election were made in the future, it would be effective only with respect to a control share acquisition occurring after the amendment making such election and before any subsequent repeal of such amendment.

Under Chapter 7B, unless otherwise provided in the articles of incorporation or bylaws of a covered corporation before a control share acquisition has occurred, in the event that the corporation's shareholders approve full voting rights for the shares acquired in such an acquisition and the acquiring person has acquired a majority of all voting power of the corporation, the corporation's shareholders (other than the acquiring person) would have dissenters' rights to receive the "fair value" of their shares from the corporation. In addition, if authorized in the covered corporation's articles of incorporation or bylaws before a control share acquisition has occurred, shares acquired in a control share acquisition are redeemable for their fair value at the option of the corporation during certain periods specified in the chapter. For each of these purposes, "fair value" is defined in the chapter as a value not less than the highest per share price paid by the acquiring person in the control share acquisition. Currently, neither of the La-Z-Boy Charter Documents includes any provisions which would eliminate dissenters' rights, or would permit redemption of an acquiring person's shares, under the circumstances described above.

Section 368 of the MBCA prohibits a corporation that has shares registered on a national securities exchange, such as La-Z-Boy, from privately purchasing any of such listed shares at a per share price in excess of the average market price per share for the 30 business days prior to the date of purchase from any person holding more than 3% of its shares, if such person has owned the listed

shares for less than two years, unless the purchase has been authorized in advance by the holders of the corporation's shares entitled to vote thereon, meets the requirements of a provision in the corporation's articles of incorporation permitting such a purchase, or is otherwise authorized by the MBCA. The La-Z-Boy Articles do not contain any provision relevant to Section 368. If the redemption provisions of Chapter 7B discussed above were to be made applicable to La-Z-Boy, as could occur through an amendment of the La-Z-Boy Bylaws by the La-Z-Boy Board, the shareholder vote requirement of Section 368 would not apply to any redemption pursuant to Chapter 7B. However, the La-Z-Boy Board has no present plans or intentions to adopt any such bylaw amendment.

CERTAIN POTENTIAL ANTI-TAKEOVER EFFECTS

The supermajority vote requirements of Articles VIII and X of the La-Z-Boy Articles and the provisions of MBCA Chapter 7A (which, while not currently applicable to La-Z-Boy, can be made applicable at any time by resolution of the La-Z-Boy Board) do not prevent the acquisition of a significant or even controlling voting interest in La-Z-Boy through the purchase of shares in the open market, a tender offer, or otherwise. However, if the prospective acquiror's acquisition terms are unacceptable to the La-Z-Boy Board, such provisions can present substantial impediments to actions, such as a follow-up merger, that a party obtaining such a voting interest may wish or need to take in order to accomplish its acquisition goals. In addition, MBCA Chapter 7B presents substantial direct impediments to the acquisition of a significant or controlling interest in La-Z-Boy on terms unacceptable to the La-Z-Boy Board. Such provisions of the La-Z-Boy Articles and the MBCA, therefore, may prevent, hamper, or discourage persons unwilling or unable to negotiate acceptable acquisition terms with the La-Z-Boy Board from undertaking or succeeding in an "unfriendly" takeover attempt. The broad authority of the La-Z-Boy Board concerning the terms of any series of La-Z-Boy Preferred Stock and its general authority to issue shares of such series, additional shares of La-Z-Boy Common Stock, and rights (including so-called "poison pill" rights) to acquire shares of either class of capital stock, as well as the classified structure of the La-Z-Boy Board discussed in the next section of this Proxy Statement/Prospectus, also may have such anti-takeover effects.

COMPARISON OF SHAREHOLDER RIGHTS AND CHARTER DOCUMENTS

In the event the proposed Merger is consummated and E/C merges into LZB Acquisition, shareholders of E/C whose shares of E/C Stock are converted into shares of La-Z-Boy Common Stock will become shareholders of La-Z-Boy. Upon the consummation of the Merger, the rights of La-Z-Boy shareholders will be governed by the provisions of the La-Z-Boy Charter Documents and the MBCA. Currently, the rights of E/C shareholders are governed by E/C's Restated Charter (the "E/C Charter"), its Amended and Restated Bylaws (the "E/C Bylaws" and, together with the E/C Charter, the "E/C Charter Documents"), the Tennessee Business Corporation Act ("TBCA"), and, where applicable, certain other Tennessee statutes.

There are differences between the La-Z-Boy Charter Documents and the E/C Charter Documents. Moreover, although the MBCA and the TBCA are similar in many respects, there are differences between the Michigan and Tennessee statutes which may affect shareholders' rights.

Certain differences between the rights of holders of La-Z-Boy Common Stock and the rights of holders of E/C Stock are summarized below. The following discussion is not meant to be relied upon as an exhaustive list or detailed description of such differences and is not intended to constitute a detailed comparison or description of the provisions of the La-Z-Boy Charter Documents, the E/C Charter Documents, the MBCA, the TBCA, or any other Tennessee statutes. The following discussion is qualified in its entirety by reference to the La-Z-Boy Charter Documents, the E/C Charter Documents, and the laws of the State of Michigan and of the State of Tennessee, and holders of E/C Stock are referred to the complete texts of such documents and laws. Additional information concerning the La-Z-Boy Common Stock also is provided above under "Description of La-Z-Boy Capital Stock."

CAPITAL STRUCTURE

Unlike La-Z-Boy, which has only one authorized class of common stock, there are two classes of E/C Stock: the E/C Class A Stock, and the E/C Class B Stock. The voting rights of holders of the E/C Class A Stock are comparable to those of holders of La-Z-Boy Common Stock discussed above. Shares of E/C Class B Stock have no voting rights with respect to election of E/C directors and have no other voting rights, except in certain special cases set forth in the E/C Charter or the TBCA.

Under certain circumstances specified in the E/C Charter, all outstanding shares of E/C Class B Stock automatically would convert into shares of E/C Class A Stock, and the E/C Charter also provides for automatic conversion of shares of one class into shares of the other depending on whether the shares are held by persons who then hold certain specified positions with E/C. No comparable conversion provisions apply to shares of La-Z-Boy Common Stock.

As further discussed above, La-Z-Boy also has an authorized class of

Preferred Stock, whereas the only authorized classes of capital stock of E/C are the E/C Class A Stock and the E/C Class B Stock.

BOARD OF DIRECTORS; REMOVAL; VACANCIES

The La-Z-Boy Bylaws provide for a board of directors divided into two classes of four directors each and one class of three directors. As contemplated by the La-Z-Boy Bylaws, La-Z-Boy directors are elected by class for three-year, staggered terms. The E/C Bylaws provide for nine directors to constitute the entire board, five of which directors are required to be the following five officers of E/C: Chief Executive Officer, Executive Vice President, Vice President Administration, Vice President Manufacturing, Vice President Finance. Under the TBCA, all directors of a corporation are to be elected annually, unless the corporation's charter provides for a longer term. The E/C Charter does not contain any such provisions.

As permitted by the TBCA, the E/C Charter Documents provide that any E/C director may be removed for cause by vote of a majority of the entire E/C Board. The MBCA does not authorize the removal of directors by directors. Any E/C director also may be removed at any time, with or without cause, by the holders of E/C shares entitled to vote thereon; the same is true with respect to removal of any La-Z-Boy director by the shareholders of La-Z-Boy.

The La-Z-Boy Bylaws delegate to incumbent directors the power to fill any vacancies on the La-Z-Boy Board, however occurring, by the affirmative vote of two-thirds of the remaining directors though less than a quorum. Any person so appointed to fill a vacancy would hold office for the unexpired portion of the term of the director whose place was filled. The E/C Bylaws do not permit any E/C Board action to fill any vacancy on the E/C Board caused by a vote of E/C shareholders, but any other vacancy may be filled by the E/C Board until the next annual meeting of E/C shareholders. Where E/C Board action to fill a vacancy is permitted, the affirmative vote of a simple majority of directors remaining on the E/C Board is all that is required.

DISSENTERS' RIGHTS

Under the MBCA, shareholders that otherwise would be entitled to exercise dissenters' rights with respect to an articles or charter amendment, a merger, disposition of assets, or other extraordinary transaction do not have any dissenters' rights if (a) the stock affected is either listed on a national securities exchange or held of record by at least 2,000 shareholders or (b) the holders of such stock are to receive cash or shares (or any combination thereof) and such shares, if any, are either listed on a national securities exchange or held of record by more than 2,000 shareholders. Under the TBCA, shareholders that otherwise would be entitled to exercise dissenters' rights do not have such rights if the stock affected is listed on a national securities exchange or is a national market system security, but the type of consideration to be received for such stock does not affect the availability of dissenters' rights. The E/C Stock is neither listed on a national securities exchange nor a national market system security. Except as noted in the next subsection of this Proxy Statement/Prospectus or in the discussion of Chapter 7B of the MBCA under "Description of La-Z-Boy Capital Stock," the matters with respect to which shareholders of a Michigan corporation such as La-Z-Boy and shareholders of a Tennessee corporation such as E/C may have dissenters' rights are generally comparable. The procedural provisions of the MBCA and applicable Tennessee law relating to dissenters' rights also do not differ significantly.

CERTAIN DIFFERENCES CONCERNING SHAREHOLDER VOTING AND EXTRAORDINARY TRANSACTIONS

Both under MBCA, and under the TBCA and other Tennessee statutes, the amendment of a corporation's articles of incorporation or charter, and, in circumstances in which a shareholder vote is required for approval of a merger, disposition of assets, or other extraordinary corporate transaction, such a transaction, requires the affirmative vote of a majority of the outstanding stock entitled to vote, and a majority of the outstanding stock of any class, series, or similar category entitled to vote separately, subject, in each case, to such "supermajority" voting requirements as may be provided for in the corporation's articles of incorporation or charter and to such special supermajority or other unusual voting requirements as are imposed by statute.

As more fully discussed under "Description of La-Z-Boy Capital Stock," Article VIII of the La-Z-Boy Articles under some circumstances requires a supermajority shareholder vote for approval of certain Business Combinations (as therein defined), and, although Chapter 7A of the MBCA does not currently apply to La-Z-Boy, to the extent (if ever) that the La-Z-Boy Board may at some time in the future determine to make the chapter applicable, Chapter 7A also would impose supermajority voting requirements for certain business combinations (as therein defined). Absent such requirements, some Article VIII Business Combinations and Chapter 7A business combinations would require majority shareholder approval and no shareholder approval would be required for others. As also further discussed above, any amendment of Article VIII of the La-Z-Boy Articles not recommended by Continuing Directors (as therein defined) and any shareholder amendment of the La-Z-Boy Bylaws also requires a supermajority vote.

The E/C Charter does not contain any supermajority shareholder voting requirements. In addition, although the Tennessee Business Combination Act contains provisions generally similar to Chapter 7A of the MBCA, that statute does not apply to a non-public corporation (like E/C) absent an express election to be covered in the corporation's charter, and the E/C Charter does not contain such an election.

In addition, as also discussed under "Description of La-Z-Boy Capital Stock," Chapter 7B would divest voting shares of La-Z-Boy acquired in a control share acquisition (as therein defined) of their normal voting rights unless and until approved by the shareholder votes specified in the chapter, and Section 368 of the MBCA in some cases would require shareholder approval for an above-market purchase by La-Z-Boy of shares of La-Z-Boy Common Stock. The Tennessee Control Share Acquisition Act contains provisions comparable to those of Chapter 7B of the MBCA, and the TBCA contains provisions comparable to those of Section 368 of the MBCA, but such Tennessee statutory provisions do not apply to a closely-held, non-public corporation like E/C.

The MBCA contains a provision, for which there is no counterpart under Tennessee law, that affords voting rights (as well as dissenters' rights) to shareholders of an acquiring corporation concerning a merger with or an acquisition of shares or assets of another entity where the consideration for the merger or acquisition is to be shares of the acquiring corporation's common stock (or convertibles) and the merger or acquisition would have a specified substantial dilutive effect. Except in that respect and as otherwise indicated above, the MBCA and the La-Z-Boy Charter Documents, and the applicable Tennessee statutes and the E/C Charter Documents, respectively, provide similar shareholder voting rights with respect to mergers, asset dispositions, and other extraordinary transactions, as well as concerning amendments to the respective Charter Documents of La-Z-Boy and E/C.

DERIVATIVE PROCEEDINGS

The MBCA provides that a shareholder of a corporation may commence and maintain a derivative proceeding (i.e., a lawsuit brought in the right of the corporation to recover damages or other relief for the benefit of the corporation) only if the shareholder was a shareholder of the corporation at the time of the act or omission complained of (or is a successor by operation of law to one who was a shareholder at that time); the shareholder fairly and adequately represents the interests of the corporation in enforcing the corporation's right; the shareholder continues to be a shareholder until the time of judgment, unless the failure to continue to be a shareholder is the result of corporate action in which he did not acquiesce and the derivative proceeding was commenced prior to the termination of his status as a shareholder; and, prior to commencing the proceeding, the shareholder has made a written demand upon the corporation to take suitable action and certain other conditions concerning such demand have been satisfied. The TBCA also permits a corporate shareholder to commence a derivative proceeding if the shareholder was a shareholder of the corporation when the transaction complained of occurred (or a successor to one who was), but does not expressly require the shareholder to continue being a shareholder after that time or expressly impose any other conditions comparable to those in the MBCA for commencement or maintenance of such a proceeding.

DIRECTOR LIABILITY; INDEMNIFICATION

The MBCA authorizes a corporation to provide in its articles of incorporation that a director will not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, subject to certain exclusions. The TBCA authorizes a corporation to provide for a similar limitation on directors' liability in its charter. The La-Z-Boy Articles and the E/C Charter each contain such a liability limiting provision. Under both the MBCA and the TBCA, such a provision does not eliminate or limit a director's liability for breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, the unlawful payment of dividends or distributions, or for any transaction from which the director derived an improper personal benefit.

Both the MBCA and the TBCA require a corporation to indemnify its directors, officers, employees, and agents under certain circumstances (in the case of the TBCA, subject to any charter provisions to the contrary) and permit broader indemnification of such persons under other circumstances relating to derivative or other proceedings brought against such a person by virtue of such person having served in such a capacity with or at the request of the corporation. Both statutes also permit the advancement of expenses relating to such proceedings under certain conditions.

Both the La-Z-Boy Charter Documents and the E/C Charter Documents require indemnification of directors and officers to the fullest extent permitted by applicable law. The La-Z-Boy Charter Documents also provide for mandatory advancement of expenses of such an indemnitee under certain circumstances, whereas advancement of expenses is not mandatory in any case with respect to E/C indemnitees.

OTHER MATTERS

The La-Z-Boy Bylaws require that La-Z-Boy call a special meeting of the shareholders whenever requested by shareholders owning, in the aggregate, at least 75% of the entire capital stock of the corporation entitled to vote at such special meeting. While the TBCA requires that a special meeting of shareholders be held upon the demand of the holders of at least 10% of all the votes entitled to be cast on any issue proposed to be considered at the meeting (and the E/C Bylaws also so provide), the MBCA does not have such a requirement. It does provide, however, that upon the application of at least 10% of all the shares entitled to vote at a meeting and for good cause shown, a court may order a special meeting of shareholders to be called and held, for the transaction of such business as the court may designate.

Any of the La-Z-Boy Bylaws (other than a provision in Article VIII(a) of the La-Z-Boy Bylaws that corresponds to the provision in the La-Z-Boy Articles requiring a supermajority vote for shareholder action to amend or repeal the La-Z-Boy Bylaws) may be amended or repealed, and new bylaws may be adopted, by the affirmative vote of a majority of the La-Z-Boy Board. The E/C Bylaws authorize their amendment or alteration, and the adoption of new bylaws, by majority vote of all of the voting stock of E/C issued and outstanding. In the absence of any contrary provisions in the E/C Charter Documents, the TBCA also authorizes the E/C Board to amend the E/C Bylaws, acting by a majority of a quorum.

Tennessee has a statute, designated as the Tennessee Investor Protection Act ("TIPA"), regulating certain tender offers (defined therein as "takeover offers") for equity securities of an "offeree company" (defined in TIPA to include, any Tennessee corporation involved in a takeover offer for its equity securities and which has substantial assets located in Tennessee). Among other exclusions from its definition of "takeover offer," any offer made on substantially equal terms to the holders of any class of equity of an offeree company is excluded, if the number of holders does not exceed 50 at the time of the offer. Also excluded is an offer made on substantially equal terms to all shareholders of an offeree company and recommended by that company's board of directors, if the terms of the offer, including any inducements to officers or directors not available to all shareholders, have been disclosed to the shareholders. Where applicable, TIPA requires the filing of a registration statement by the offeror with the Tennessee Commissioner of Insurance and Commerce (the "Tennessee Commissioner") and delivery to the Tennessee Commissioner by both offeror and offeree company of all solicitation materials used in connection with the takeover offer. It also prohibits "fraudulent, deceptive, or manipulative acts or practices" by either side in connection with the offer.

There is no Michigan statute comparable to TIPA and, although TIPA by its terms purports to govern takeover offers for certain corporations not organized under the laws of Tennessee, the U.S. Court of Appeals for the Sixth Circuit has held TIPA to be unconstitutional as so applied. The Sixth Circuit Court of Appeals also has held provisions of The Tennessee Control Share Acquisition Act which purports to extend the scope of the Tennessee counterparts of MBCA Chapters 7A and 7B to certain non-Tennessee corporations unconstitutional as so applied.

DESCRIPTION OF THE LA-Z-BOY NOTES

GENERAL

The La-Z-Boy Notes, known as the "La-Z-Boy Chair Company 8% Unsecured Promissory Notes Due 1999," are unsecured obligations of La-Z-Boy to be issued under the Indenture. The aggregate principal amount of the Notes outstanding at any time under the Indenture is limited to $10,000,000. The Notes will be substantially in the form set forth in the Indenture. See "Description of the Indenture" for a summary of the provisions of the Indenture.

INTEREST RATE AND PAYMENT

The La-Z-Boy Notes will provide for 8% simple interest per annum on the unpaid principal balance, payable annually.

SCHEDULED PRINCIPAL PAYMENTS

The principal of the La-Z-Boy Notes will be payable in four equal annual installments.

OPTIONAL PREPAYMENT

The La-Z-Boy Notes will be subject to prepayment, in whole or in part, without penalty or premium, at the option of La-Z-Boy, at any time after issuance. The prepayment price will be an amount equal to the sum of the outstanding principal balance plus all accrued and unpaid interest thereon.

RANKING

The La-Z-Boy Notes will be unsecured indebtedness of La-Z-Boy. With respect to any assets of La-Z-Boy deposited, in trust, for the equal and pro rata benefit of the holders of the La-Z-Boy Notes, such holders will have a lien of first priority against such assets. With respect to those assets of La-Z-Boy assigned to other creditors of La-Z-Boy as collateral for credit extended to La-Z-Boy by such other creditors, the rights of the holders of the La-Z-Boy Notes will be subordinate to the rights of such creditors. With respect to the remaining assets of La-Z-Boy, the rights of the holders of the La-Z-Boy Notes will rank equally with those of other general creditors of La-Z-Boy.

LIMITED TRANSFERABILITY

There is currently no trading market for the La-Z-Boy Notes and it is unlikely that any such market will develop. La-Z-Boy does not intend to take any steps to facilitate the development of a trading market for the La-Z-Boy Notes. The La-Z-Boy Notes will be transferable only upon the death of the holder.

DESCRIPTION OF INDENTURE

The following is a summary of certain provisions of the Indenture. The following summary does not purport to be complete and is subject to, and qualified in its entirety by, all the provisions of the Indenture. Where reference is made to particular provisions of the Indenture, such provision, including definitions of certain terms, are incorporated herein by reference. A copy of the executed Indenture may be obtained by writing La-Z-Boy at 1284 North Telegraph Road, Monroe, Michigan 48161.

GENERAL

The Indenture provides that the principal of and the interest on the La-Z-Boy Notes will be payable at an office of La-Z-Boy maintained for such purpose in the City of Monroe, State of Michigan; provided, however, that at the option of La-Z-Boy, the principal of and interest on the La-Z-Boy Notes may be paid by check mailed to the registered holders of the La-Z-Boy Notes (Section 301). The Notes are to be issued as registered Notes in any denomination as La-Z-Boy may determine. (Section 302). The La-Z-Boy Notes may be transferred only upon the death of the Holder pursuant to the applicable laws of descent, such permitted transfer will be without service charge other than any tax or other governmental charge imposed in connection therewith, subject to the limitations provided in the Indenture. (Section 304).

The Indenture limits the aggregate principal amount of the La-Z-Boy Notes that may be outstanding at any time to $10,000,000 (Section 301). The Indenture also provides that the La-Z-Boy Notes will mature on the fourth anniversary of the Effective Time and bear 8% simple interest, and will have such other terms and provisions, as provided in the Indenture.

The Indenture provides that the La-Z-Boy Notes are solely obligations of La-Z-Boy and that no personal liability whatever, under any circumstances or conditions, shall attach to or be incurred by the incorporators, shareholders,

officers or directors of La-Z-Boy because of the incurring of the indebtedness authorized by the Indenture, or by reason of any of the obligations, covenants or agreements, express or implied, in the Indenture or in any of the La-Z-Boy Notes (Article Twelve).

CERTAIN COVENANTS OF LA-Z-BOY

The Indenture requires La-Z-Boy to (i) duly and punctually pay the principal of and interest on the La-Z-Boy Notes and comply with all other terms, agreements and conditions contained therein, or made in the Indenture for the benefit of the La-Z-Boy Notes; (ii) maintain an office where the La-Z-Boy Notes may be presented, surrendered for payment, transferred or exchanged and where notices upon La-Z-Boy may be served; (iii) under certain conditions segregate and hold in trust for the benefit of the persons entitled thereto a sum sufficient to pay the principal or interest becoming due on the La-Z-Boy Notes; (iv) deliver to the Designated Representative, within 120 days after the end of each fiscal year a written statement to the effect that La-Z-Boy has fulfilled all its obligations under the Indenture throughout such year; and (v) preserve its corporate existence (Sections 1001, 1002, 1003 and 1005).

La-Z-Boy is required to maintain a list indicating the names and addresses of the holders of the La-Z-Boy Notes, the aggregate amount of the La-Z-Boy Notes outstanding and the amount of each La-Z-Boy Note outstanding. If, and so long as La-Z-Boy acts as its own Paying Agent, the list maintained by La-Z-Boy must indicate (i) whether there has been any default in the payment of any sums due and payable under any of the La-Z-Boy Notes outstanding (a "Payment Default"); (ii) if there has been such a Payment Default, the date of such Payment Default; (iii) if there has been such a Payment Default, whether such Payment Default has been cured; and (iv) if such a Payment Default has been cured, the date of such cure (Section 701).

REDEMPTION PROVISIONS

The La-Z-Boy Notes will be redeemable, at any time, in whole or in part, at the option of La-Z-Boy, at one hundred percent (100%) of their principal amount together with accrued interest to the redemption date (Article Eleven).

MERGER AND CONSOLIDATION

The Indenture will permit, without the consent of Holders of the La-Z-Boy Notes, the consolidation or merger of La-Z-Boy with or into any other corporation, if (i) La-Z-Boy is the continuing corporation or if the successor corporation is incorporated under the laws of the United States, any State thereof or the District of Columbia and expressly assumes the obligations of La-Z-Boy under the Indenture; and (ii) immediately after giving effect to such transactions, no Event of Default shall have happened and be continuing (Section 801).

EVENTS OF DEFAULT

Each of the following events is defined as an Event of Default under the Indenture with respect to the La-Z-Boy Notes: (i) default in the payment of any principal and interest on the La-Z-Boy Notes, when due, continued for 30 days (a "Payment Default"); (ii) failure to observe or perform any other covenant contained in the Indenture for the benefit of the La-Z-Boy Note Holders continued for 60 days after written notice from the Designated Representative or the Holders of at least fifty percent (50%) in principal amount of the outstanding La-Z-Boy Notes; or (iii) certain events of bankruptcy, insolvency or reorganization (Section 101).

The Indenture provides that if an Event of Default, other than a Payment Default, shall have occurred and be continuing, the Designated Representative and the Holders of not less than fifty percent (50%) in principal amount of the La-Z-Boy Notes outstanding may declare the principal and the interest accrued thereon, if any, to be due and payable immediately. Upon certain conditions such declarations may be annulled and past defaults (except for Payment Defaults or defaults in compliance with certain covenants) may be waived by the Holders of a majority in principal amount of the La-Z-Boy Notes outstanding (Sections 501 and 513).

The Indenture provides that if a Payment Default shall have occurred and be continuing any Holder may notify La-Z-Boy in writing of the occurrence of an Event of Default with respect to such Holder's La-Z-Boy Note(s) only and may declare the principal and the interest accrued thereon, if any, to be due and payable immediately.

Under the Indenture La-Z-Boy must give to the Designated Representative and the Holders of the La-Z-Boy Notes notice of all uncured defaults, other than a Payment Default, known to it with respect to the La-Z-Boy Notes within 90 days after such a default occurs (the term "default" includes the events specified above without notice of grace periods) (Section 602).

No Holder of any Note may institute any action under the Indenture unless (i) such Holder gives La-Z-Boy written notice of a continuing Payment Default; (ii) the Holders of not less than fifty percent (50%) in the aggregate

principal amount of the La-Z-Boy Notes outstanding requests the Designated Representative to institute proceedings in respect of an Event of Default; (iii) such Holder or Holders offer the Designated Representative such reasonable indemnity as the Designated Representative may require; (iv) the Designated Representative fails to institute an action for 60 days thereafter; and (v) no inconsistent direction is given to the Designated Representative during such 60-day period by the Holders of a majority in aggregate principal amount of the La-Z-Boy Notes outstanding (Section 506).

The Holders of a majority in aggregate principal amount of the La-Z-Boy Notes outstanding have the right, subject to certain exceptions, to waive an Event of Default, direct the time, method and place of conducting any proceeding for any remedy available to the Designated Representative, or exercising any power conferred on the Designated Representative with respect to the La-Z-Boy Notes (Section 511).

The Indenture provides that, in case an Event of Default (other than a Payment Default) shall occur and be continuing, the Designated Representative, in exercising its rights and powers under the Indenture, will be required to use the degree of care of a prudent man in the conduct of his own affairs (Section 601). The Indenture further provides that the Designated Representative shall not be required to expend or risk his own funds or otherwise incur any financial liability in the performance of any of his duties under the Indenture unless it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is reasonably assured to it (Section 601).

La-Z-Boy must furnish to the Designated Representative within 120 days after the end of each fiscal year a statement signed by certain officers of La-Z-Boy to the effect that a review of the activities of La-Z-Boy during such year and of its performance under the Indenture and the terms of the La-Z-Boy Notes has been made, and to the best of the knowledge of the signatories based on such review, La-Z-Boy is not in default in the performance and observance of the terms of the Indenture, or, if La-Z-Boy is in default, specifying such default (Section 1004).

DEFEASANCE

Under the terms of the Indenture, La-Z-Boy, at its option, (i) will be "Discharged" (defined herein as in the Indenture) from any and all obligations in respect of the La-Z-Boy Notes (except in each case for certain obligations to register the transfer of La-Z-Boy Notes, replace stolen, lost or mutilated La-Z-Boy Notes, or hold moneys for payment in trust) or (ii) need not comply with certain restrictive covenants of the Indenture (including those described above under "Certain Covenants of La-Z-Boy"), if La-Z-Boy deposits in trust for the benefit of the Holders, money or U.S. Government Obligations which passes through the payment of interest thereon and principal thereof which will provide for the payment of the principal of and interest on the La-Z-Boy Notes on the dates such payments are due in accordance with the terms of the La-Z-Boy Notes.

MODIFICATION OF THE INDENTURE

Under limited circumstances, the Indenture may be modified by La-Z-Boy and the Designated Representative without the consent of the Holders of any La-Z-Boy Notes. In addition, with certain exceptions, the Indenture or the rights of the Holders of the La-Z-Boy Notes may be modified by La-Z-Boy and the Designated Representative with the consent of the Holders of a majority in aggregate principal amount of the La-Z-Boy Notes affected by such modification then outstanding, but no such modification may be made which would (i) change the maturity of any payment of principal of, or any premium on, or any installment of interest on, any La-Z-Boy Note, or reduce the principal amount thereof or the interest thereon, or change the method of computing the amount of principal thereof or interest thereon on any date or change any place of payment where, or the coin or currency in which, any La-Z-Boy Note or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof; (ii) reduce the percentage in principal amount of the outstanding La-Z-Boy Notes, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences, provided for in the Indenture; or (iii) modify any of the provisions of certain Sections of the Indenture including the provisions summarized in this paragraph, except to increase any such percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each outstanding La-Z-Boy Note affected thereby (Section 902).

THE DESIGNATED REPRESENTATIVE

Mr. Rodney D. England, having offices at 402 Old Knoxville Highway, New Tazewell, Tennessee 37825, will act as Designated Representative under the Indenture.

DESCRIPTION OF THE PERFORMANCE UNITS

The Performance Units will constitute general unsecured obligations of La-Z-Boy to issue additional shares of La-Z-Boy Common Stock to former E/C shareholders in respect of the Merger. For a description of the terms of the Performance Units, see "The Merger and Related Transactions -- Performance Units." The Performance Units will be non-transferable and will not be listed on any exchange; there is therefore no expectation that any trading market will be established for the Performance Units.

LEGAL MATTERS

The legality of the La-Z-Boy Common Stock, the La-Z-Boy Notes, and the Performance Units will be passed upon for La-Z-Boy by its counsel, Miller, Canfield, Paddock and Stone, P.L.C., 150 West Jefferson, Suite 2500, Detroit, Michigan 48226. Rocque E. Lipford, the sole shareholder of Rocque E. Lipford, P.C., which is a principal of Miller, Canfield, Paddock and Stone, P.L.C., is a director of La-Z-Boy.

Certain legal matters will be passed upon for E/C by its counsel, Baker, Donelson, Bearman & Caldwell, 2200 Riverview Tower, Knoxville, Tennessee 37902.

EXPERTS

The financial statements of E/C included in this Proxy Statement/Prospectus and in the Registration Statement have been audited by BDO Seidman, independent certified public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of that firm as experts in auditing and accounting in giving said reports.

The financial statements incorporated in this Proxy Statement/Prospectus by reference to the Annual Report on Form 10-K of La-Z-Boy for the fiscal year ended April 30, 1994, have been so incorporated in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

A representative of BDO Seidman is expected to be present at the Meeting. This representative will have an opportunity to make statements if he or she so desires and will be available to respond to appropriate questions.

ENGLAND/CORSAIR, INC.
FINANCIAL STATEMENTS

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

England/Corsair, Inc.
Tazewell, Tennessee

We have audited the accompanying balance sheets of England/Corsair, Inc. as of June 30, 1994 and 1993, and the related statements of income, stockholders' equity and cash flows for each of the three years in the period ended June 30, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of England/Corsair, Inc. at June 30, 1994 and 1993, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 1994, in conformity with generally accepted accounting principles.

High Point, North Carolina
August 12, 1994

BDO SEIDMAN

ENGLAND/CORSAIR, INC.

BALANCE SHEETS
(IN THOUSANDS)

June 30,	1994	1993
ASSETS		
Current		
Cash	$ 218	$ 109
Receivables:		
Trade, less allowance of $68 for possible losses	833	397
Factors (Note 1)	2,129	986
Inventories (Note 2)	9,551	10,004
Other, including prepaid expenses	326	129
TOTAL CURRENT ASSETS	13,057	11,625
PROPERTY AND EQUIPMENT, less accumulated depreciation and amortization (Notes 3, 5 and 6)	20,795	16,325
OTHER, including cash surrender value of insurance (face amount $3,050) on officers' lives, less loans of $40	515	466
	$34,367	$ 28,416

ENGLAND/CORSAIR, INC.

BALANCE SHEETS (CONCLUDED)
(IN THOUSANDS EXCEPT SHARE AMOUNTS)

June 30,	1994	1993
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	$ 6,397	$ 5,294
Accruals:		
Compensation	1,577	1,158
Employee benefits (Note 6)	241	202
Income taxes	58	66
Interest	86	70
Current maturities of long-term debt (Note 5)	860	780
Current maturities of capital lease obligations (Note 6)	1,826	1,190
TOTAL CURRENT LIABILITIES	11,045	8,760
LONG-TERM DEBT, less current maturities (Note 5)	6,885	3,590
CAPITAL LEASE OBLIGATIONS, less current maturities (Note 6)	4,523	2,059
DEFERRED INCOME TAXES (Note 7)	140	90
TOTAL LIABILITIES	22,593	14,499
COMMITMENTS (Note 6)		
STOCKHOLDERS' EQUITY		
Common stock (Notes 6 and 9):		
Class A, without par value - shares authorized, 500,000; issued 262,252	262	--
Class B, without par value - shares authorized, 500,000; issued 72,678	73	--
Common stock, $1 par - shares authorized, 500,000; issued 334,930	--	335
Retained earnings	12,882	15,025
Treasury stock, at cost, 37,600 shares of Class A Common stock	(1,443)	(1,443)
TOTAL STOCKHOLDERS' EQUITY	11,774	13,917
	$34,367	$ 28,416

See accompanying summary of accounting policies and notes to financial statements.

ENGLAND/CORSAIR, INC.

STATEMENTS OF INCOME
(IN THOUSANDS)

Year ended June 30,	1994	1993	1992
NET SALES	$105,781	$ 99,435	$ 86,175
COST OF SALES	87,288	79,905	69,107
GROSS PROFIT ON SALES	18,493	19,530	17,068
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	14,484	12,632	10,040
OPERATING INCOME	4,009	6,898	7,028
OTHER INCOME (EXPENSE)			
Interest expense	(1,387)	(1,139)	(1,359)
Interest income	69	66	54
Miscellaneous - net	10	57	70
TOTAL OTHER INCOME (EXPENSE)	(1,308)	(1,016)	(1,235)
INCOME BEFORE TAXES ON INCOME	2,701	5,882	5,793
TAXES ON INCOME (BENEFIT) (Note 7)	122	(499)	2,100
NET INCOME	$ 2,579	$ 6,381	$ 3,693
PRO FORMA AMOUNTS (Note 9)			
INCOME BEFORE TAXES	$ 2,701	$ 5,882	
INCOME TAXES AT 36.8%	994	2,165	
NET INCOME	$ 1,707	$ 3,717	
PRO FORMA INCOME PER SHARE	5.75	12.47	

See accompanying summary of accounting policies and notes to financial statements.

ENGLAND/CORSAIR, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	Common Stock		Treasury Stock		Retained
	Shares	Amount	Shares	Amount	earnings
BALANCE, July 1, 1991	307,800	$308	36,500	$ 1,361	$ 8,212
ADD - net income for the year	-	-	-	-	3,693
DEDUCT:					
S Corporation distributions	-	-	-	-	(597)
10% stock dividend	27,130	27	-	-	(27)
BALANCE, June 30, 1992	334,930	335	36,500	1,361	11,281
ADD - net income for the year	-	-	-	-	6,381
DEDUCT:					
S Corporation distributions	-	-	-	-	(2,637)
Purchase of treasury stock	-	-	1,100	82	-
BALANCE, June 30, 1993	334,930	335	37,600	1,443	15,025
ADD - net income for the year	-	-	-	-	2,579
DEDUCT - S Corporation distributions	-	-	-	-	(4,722)
BALANCE, June 30, 1994	334,930	$335	37,600	$ 1,443	$ 12,882

See accompanying summary of accounting policies and notes to financial statements.

ENGLAND/CORSAIR, INC.

STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

Year ended June 30,	1994	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 104,185	$ 108,455	$ 93,995
Cash paid to suppliers and employees	(97,395)	(98,137)	(86,662)
Interest paid	(1,370)	(1,098)	(1,377)
Interest received	69	66	54
Income taxes paid, net of refunds received	(80)	(1,219)	(1,424)
Other receipts	10	57	93
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,419	8,124	4,679
CASH FLOWS FROM INVESTING ACTIVITIES			
Distributions to stockholders	(4,722)	(3,234)	-
Capital expenditures	(3,272)	(2,965)	(983)
Increase in cash surrender value of insurance	(19)	(11)	(25)
Purchase of treasury stock	-	(82)	-
NET CASH USED IN INVESTING ACTIVITIES	(8,013)	(6,292)	(1,008)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	5,170	-	(1,500)
Principal payments on long-term debt	(1,795)	(790)	(1,159)
Principal payments under capital lease obligations	(672)	(1,030)	(1,009)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	2,703	(1,820)	(3,668)
NET INCREASE IN CASH	109	12	3
CASH, at beginning of year	109	97	94
CASH, at end of year	$ 218	$ 109	$ 97

See accompanying summary of accounting policies and notes to financial statements.

ENGLAND/CORSAIR, INC.

STATEMENTS OF CASH FLOWS (CONCLUDED)
(IN THOUSANDS)

Year ended June 30,	1994	1993	1992
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net income	$ 2,579	$6,381	$ 3,693
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,574	1,908	1,802
Deferred income taxes	50	(784)	(116)
Provision for losses on accounts receivable	17	64	33
Loss on disposition of assets	-	-	22
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(1,596)	94	(325)
Decrease (increase) in inventories	453	(1,529)	1,093
Decrease (increase) in prepaid expenses and other assets	(227)	(248)	(25)
Increase (decrease) in payables and accrued expenses	1,577	3,172	(2,290)
Increase (decrease) in income taxes payable	(8)	(934)	792
Total adjustments	2,840	1,743	986
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 5,419	$8,124	$ 4,679

See accompanying summary of accounting policies and notes to financial statements.

ENGLAND/CORSAIR, INC.

SUMMARY OF ACCOUNTING POLICIES

ORGANIZATION AND BUSINESS

The Company was incorporated in Tennessee in 1964 and is engaged primarily in the design, manufacture and sale of upholstered residential furniture. In addition, the Company imports and sells occasional tables.

SALES RECOGNITION AND CREDIT RISK

Sales are made to the retail furniture industry primarily in the United States and Canada. Sales are recognized when delivered and accepted by the customer. The Company uses factoring arrangements to minimize the risk on accounts receivable. The Company has no concentrated sales or credit risk with any individual customer.

INVENTORIES

Inventories are valued at the lower of cost (first-in, first-out) or market. Routine maintenance, operating and office supplies are not inventoried.

PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment are stated at cost. Depreciation is computed using straight-line and accelerated methods for financial reporting purposes over the following estimated useful lives:

	Years
Buildings and land improvements	5 - 30
Machinery and equipment	5 - 10
Furniture, fixtures and office equipment	3 - 10
Transportation equipment	3 - 7
Other vehicles	3 - 7

For income tax reporting purposes, depreciation is computed under the same methods used for financial reporting purposes except for additions after June 30, 1986 for which the straight-line method is used for financial reporting purposes and accelerated methods are used for income tax reporting purposes.

PRO FORMA DATA

Pro forma adjustments are presented to reflect a provision for income taxes based upon pro forma income before taxes as if the Company had not been an S Corporation for the years ended June 30, 1994 and 1993.

See accompanying notes to financial statements.

ENGLAND/CORSAIR, INC.

SUMMARY OF ACCOUNTING POLICIES
(CONCLUDED)

TAXES ON INCOME

In July 1992, the Company elected S Corporation status for federal income tax purposes (see Note 7).

For the year ended June 30, 1993, the Company elected early adoption of the method for accounting for income taxes pursuant to the Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" (SFAS 109). SFAS 109, effective for fiscal years beginning after December 15, 1992, requires, among other things, a liability approach to calculating deferred income taxes. This change had no material effect on earnings for the year ended June 30, 1993.

Deferred income taxes are provided on the difference in earnings determined for tax and financial reporting purposes. Since July 1, 1992 deferred taxes are provided for certain state income taxes only, as these states do not recognize the S Corporation election.

EMPLOYEE BENEFITS

The Company does not provide post-employment or retirement benefits to its employees. Accordingly, the provisions of the Financial Accounting Standards Board's Statements of Financial Accounting Standards No. 106 "Employers' Accounting for Post-retirement Benefits other than Pensions" and No. 112 "Employers' Accounting for Postemployment Benefits" do not have an effect on the financial condition or results of operations of the Company.

STATEMENTS OF CASH FLOWS

For purposes of the statements of cash flows, the Company considers investments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 1994 or 1993.

FREIGHT REVENUES AND COSTS

Freight revenues are classified as an offset against freight costs which are classified as a cost of sales.

See accompanying notes to financial statements.

ENGLAND/CORSAIR, INC.

NOTES TO FINANCIAL STATEMENTS
(IN THOUSANDS)

1. ACCOUNTS RECEIVABLE AND FACTORING AGREEMENT

The Company factors most of its customer accounts receivable with two factors. Of the receivable invoices factored, most are factored without recourse. Under the terms of the agreement, the Company may receive advances prior to the due dates of the factored invoices. Such advances, available from ninety to one hundred percent of the factored receivables, bear interest at the prime rate.

2. INVENTORIES

Inventories are summarized as follows:

	1994	1993
Finished products, including tables	$ 2,784	$ 3,713
Work-in-process	516	631
Raw materials	6,251	5,660
Total inventories	$ 9,551	$10,004

3. PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following:

	1994	1993
Land	$ 987	$ 987
Buildings and improvements	12,021	10,330
Machinery and equipment (Note 5)	4,558	4,341
Furniture, fixtures and office equipment	2,436	1,746
Transportation equipment (Note 5)	10,268	6,452
Other vehicles	1,465	1,255
Totals	31,735	25,111
Less accumulated depreciation and amortization	(10,940)	(8,786)
Net property and equipment	$20,795	$ 16,325

4. NOTES PAYABLE

In July 1994, the Company entered into an agreement with a bank which provides for a line of credit up to a maximum of $3,750 with interest at the lesser of the prime rate less .5 percent or the LIBOR rate plus 1.2 percent.

ENGLAND/CORSAIR, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS)

4. NOTES PAYABLE (CONCLUDED)

Any amounts outstanding under this line of credit at September 1, 1997 will convert to a term loan with monthly payments beginning in September 1997 with the remaining balance to be paid in August 2001. The payments will be based upon an amortization period of ten years.

In addition to the line of credit, the agreement also provides for borrowings of an additional $3,750. Under a bridge loan provided by the bank, $3,750 was outstanding at June 30, 1994 (see note 5).

5. LONG-TERM DEBT

Long-term debt consists of:

	1994	1993
Note to bank payable $43 per month, including interest at 6.95%, beginning September 1997, with the remaining balance of approximately $2,600 due August 2001, collateralized by property and equipment (see Note 4)	$3,750	$ --
Notes to shareholders payable $64 per quarter, plus interest at 7% beginning August 1994 through May 1999 (subordinated)	1,288	--
Note to bank payable $47 per quarter, plus interest at the prime rate plus 1% through November 1995 with the remaining balance due November 1995, collateralized by property	265	1,443
Note to bank payable $50 per quarter, plus interest at the prime rate plus .75%, through August 1995 with the remaining balance due November 1995, collateralized by property	1,145	1,345

ENGLAND/CORSAIR, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS)

5. LONG-TERM DEBT (CONCLUDED)

Industrial revenue bond payable $13 per quarter, plus interest at 90% of the prime rate through September 2008 with a final payment due October 2008, collateralized by property	725	775
Note payable $4 per month, including interest at 10% through February 2002, collateralized by property and guaranteed by a stockholder	276	299
Other, collateralized by property and transportation equipment	296	508
Totals	7,745	4,370
Less current maturities	860	780
Total long-term debt	$6,885	$3,590

At June 30, 1994, the approximate aggregate amounts of long-term debt maturing in each of the next five years are as follows: 1995 - $860; 1996 - $1,370; 1997 - $355; 1998 - $570; and 1999 - $640. Certain of the above loan agreements contain covenants with respect to working capital, total indebtedness, capital expenditures, stockholders' equity, earnings and dividends. At June 30, 1994, the Company was in compliance with the provisions of the agreements.

6. COMMITMENTS

Leases

The Company leases showroom facilities, a manufacturing facility, a research facility, equipment and delivery equipment under operating leases that expire over the next five years. In most cases, management expects that in the normal course of business, leases will be renewed or replaced with other leases. Rent expense was approximately $520, $685 and $490 for years ended June 30, 1994, 1993 and 1992, respectively. In addition, the Company leases equipment (primarily trucks used as transportation equipment) under capital leases expiring at various dates through May, 1998.

ENGLAND/CORSAIR, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS)

6. COMMITMENTS (CONTINUED)

Following is an analysis of leased property under capital leases by major classes:

Asset balances at June 30,	1994	1993
Transportation equipment	$9,590	$6,191
Machinery and equipment	306	306
	9,896	6,497
Less accumulated amortization	4,415	3,477
Net leased property under capital leases	$5,481	$3,020

As of June 30, 1994, future net minimum lease payments under capital leases and future minimum rental payments required under operating leases that have initial or remaining noncancelable terms in excess of one year are as follows:

	Capital leases	Operating leases
1995	$2,170	$ 150
1996	1,785	20
1997	1,430	20
1998	1,190	10
1999	389	--
Thereafter	176	--
Total minimum lease payments	7,140	$ 200
Less amount representing interest, calculated at the Company's incremental borrowing rate	(791)	
Present value of net minimum lease payments	$6,349	

6. COMMITMENTS

(CONCLUDED)

EMPLOYEE BENEFITS

The Company maintains a self-insurance program for that portion of health care costs not covered by insurance. The Company is liable for claims up to $60 per participant annually, and aggregate claims up to $2,170 annually. Self-insurance costs are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred but not reported.

WORKMEN'S COMPENSATION

In July 1992, the Company began a self-insurance plan for workmen's compensation coverage. The Company is liable for claims up to $250 per employee and aggregate claims up to $1,100 annually. Self insurance costs are accrued based upon the aggregate of the expected liability for claims filed which have not been paid. The plan requires the Company to maintain $1,000 of letters of credit as security to cover potential claims.

STOCKHOLDERS' AGREEMENTS

The Company has agreements with its stockholders whereby the Company agrees to purchase all shares of a stockholder upon death at an amount established by the Board of Directors (currently $61 per share). The amount may be paid in cash or with notes to be repaid over a period not to exceed 60 months with interest at 5%.

RETIREMENT PLAN

In August 1992, the Company adopted a tax-qualified employee benefit plan which meets the criteria of Section 401(k) of the Internal Revenue Code. Under the Plan, participants may elect to defer from 1% to 25% of their compensation into the Plan up to specified limits per year ($9 during 1994). The Company contributes an additional amount equal to 25% of the employee contributions, limited to $1 per employee. Participants become fully vested in contributions made by the Company on a graduated scale defined in the Plan document. Company contributions were approximately $147 and $149 in the years ended June 30, 1994 and 1993, respectively.

ENGLAND/CORSAIR, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS)

7. TAXES ON INCOME (BENEFIT) Provisions for federal and state income taxes in the statements of income are made up of the following components:

Year ended June 30,	1994	1993	1992
Current:			
Federal	$ -	$ -	$1,925
State	72	285	245
	72	285	2,170
Deferred taxes (benefit):			
Federal	-	(764)	(60)
State	50	(20)	(10)
	50	(784)	(70)
Total taxes on income (benefit)	$122	$(499)	$2,100

The absence of a provision for federal income taxes for the years ended June 30, 1994 and 1993 is due to the election by the Company, and consent by its stockholders to include their respective shares of taxable income of the Company in individual federal tax returns (S Corporation election). As a result of the election, federal deferred taxes were eliminated and included in income for the year ended June 30, 1993.

The following summary reconciles income taxes at the maximum federal statutory rate with the effective rate.

	1994 %	1993 %	1992 %
Provision for Federal income taxes at the statutory rate	-	-	34.0
Increase (decrease) due to:			
State income taxes	4.5	4.5	2.8
Federal income taxes eliminated due to S corporation election	-	(13.0)	-
Other	-	-	(.5)
Taxes on income (benefit)	4.5	(8.5)	36.3

ENGLAND/CORSAIR, INC.

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
(IN THOUSANDS)

7. TAXES ON INCOME (BENEFIT) (CONCLUDED)

The components of the deferred income taxes at June 30, 1994 and 1993 are as follows:

	1994	1993
Deferred tax assets:		
Inventories	$ 3	$ 9
Allowance for doubtful accounts	3	3
Accrued expenses	31	8
Total deferred tax assets	37	20
Deferred tax liability - depreciation	177	110
Total net deferred tax liability	$140	$ 90

8. SUPPLEMENTAL CASH FLOW INFORMATION

Capital lease obligations of approximately $3,772 and $2,382 were incurred when the Company entered into leases for delivery vehicles and equipment in the years ended June 30, 1994 and 1993, respectively. The Company did not enter into capital lease obligations during the year ended June 30, 1992.

9. COMMON STOCK

During the year ended June 30, 1994, the Company entered into a plan whereby its existing common stock was exchanged for newly created Class A common stock and Class B common stock. The Class A common stock is voting stock which can only be held by individuals actively involved in the management of the Company. The Class B common stock is non-voting stock. The relative rights, preferences and limitations of the shares are otherwise the same.

ENGLAND/CORSAIR, INC.

BALANCE SHEETS
(IN THOUSANDS EXCEPT SHARES)

	September 30, 1994 (UNAUDITED)	June 30, 1994
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 367	$ 218
Accounts Receivable less allowance for losses of $68	1,096	833
Accounts Receivable from factors	2,429	2,129
Inventories (Note 3)	10,081	9,551
Prepaid Expense	398	326
Total Current Assets	14,371	13,057
Net Property and Equipment	21,656	20,795
Other Assets	573	515
	$ 36,600	$ 20,795
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 7,160	$ 6,397
Current Portion of Long Term Debt	2,290	2,686
Accrued Liabilities	2,096	1,962
Total current liabilities	11,546	11,045
Long Term Debt		
Long Term Notes Payable	6,661	6,457
Long Term Notes Payable to Shareholders	1,224	1,288
Obligations under long term capital leases	6,897	6,349
Less Current Portion	(2,290)	(2,686)
Long Term Debt	12,492	11,408
Deferred Taxes	140	140
Total Long Term Liabilities	12,632	11,548
Total Liabilities	24,178	22,593
Commitments (Note 4)		
Stockholders Equity:		
Common stock (Notes 6 and 9):		
Class A, without par value - shares authorized, 500,000; issued 262,252	262	--
Class B, without par value - shares authorized, 500,000; issued 72,678	73	--
Common stock, $1 par - shares authorized, 500,000; issued 334,930	--	335
Retained Earnings	13,530	12,882
Less Treasury Stock at cost, 37,600 shares of Class A common stock	(1,443)	(1,443)

Total Stockholders Equity	12,422	11,774
	$ 36,600	$ 34,367

See accompanying notes to unaudited financial statements.

ENGLAND/CORSAIR, INC.

INCOME STATEMENTS (UNAUDITED)
(IN THOUSANDS EXCEPT PER SHARE DATA)

	Three Months Ended September 30, 1994	September 30, 1993
Net Sales	$ 23,063	$ 24,602
Cost of Sales	18,924	20,072
Gross Profit	4,139	4,530
Selling, general and administrative expenses	2,979	3,097
Operating Profit	1,160	1,433
Interest Expense	(374)	(318)
Interest Income	16	19
Miscellaneous Income	24	16
Income before taxes	826	1,150
Income Taxes	35	24
Net Income	$ 791	$ 1,126
Pro forma income taxes	$ 305	$ 423
Pro forma net income	$ 521	$ 727
Average Shares	297	298
Pro forma net income Per Share	$ 1.75	$ 2.44
Dividends Per Share	$ 0.48	$ 2.18

See accompanying notes to unaudited financial statements.

ENGLAND/CORSAIR, INC.

STATEMENT OF CASH FLOWS (UNAUDITED)
(IN THOUSANDS)

	Three Months Ended	
	September 30, 1994	September 30, 1993
Cash flows from operating activities:		
Net income	$ 791	$1,126
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	813	592
Decrease (increase) in accounts receivable	(563)	185
Decrease (increase) in inventories	(530)	(805)
Decrease (increase) in prepaid and other	(128)	(126)
(Decrease) increase in payables and other	897	28
Total adjustments	489	(126)
Cash provided by operating activities:	1,280	1,000
Cash flows from investing activities:		
Distributions to shareholders	(143)	(648)
Capital expenditures	(544)	(243)
Increase in cash surrender value	(2)	(31)
Net cash used in investing activities:	(689)	(922)
Cash flows from financing activities:		
Proceeds from issuance of long term debt	2,478	806
Principal payments on long term debt	(2,253)	(362)
Principal payments under capital leases	(667)	(446)
Net cash used in financing activities	(442)	(2)
Net increase in cash	149	76
Cash, beginning of period	218	109
Cash, ending of period	$ 367	$ 185
Supplemental disclosures:		
Cash paid during period - income taxes*	$ 3	$ 1
Cash paid during period - interest	$ 440	$ 302

*E/C is an S corporation for tax purposes. All federal taxes are paid by the shareholders.

See accompanying notes to unaudited financial statements.

ENGLAND/CORSAIR, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

Note 1 - In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position as of September 30, 1994 and the results of operations and cash flows for the three months ended September 30, 1994 and September 30, 1993.

Note 2 - The results of operations for the three months ended September 30, 1994 are not necessarily indicative of the results to be expected for the full year.

Note 3 - Inventories are summarized as follows:

	(in Thousands)	
	September 30, 1994	June 30, 1994
Finished products, including tables	$ 3,229	$2,784
Work-in-process	599	516
Raw materials	6,253	6,251
Total Inventories	$10,081	$9,551

Note 4 - On January 13, 1995, the Company, La-Z-Boy Chair Company ("La-Z-Boy") and LZB Acquisition, Inc. ("LZB"), a wholly-owned subsidiary of La-Z-Boy, executed an agreement which provides for the acquisition of the Company by LZB pursuant to the terms of the Amended and Restated Reorganization Agreement, on the effective date, holders of the Company's stock will receive, at their election, either shares of La-Z-Boy's common stock, La-Z-Boy's 8% Unsecured Promissory Notes due 1999 and/or cash. Holders of the Company's stock will also receive Performance Units which will provide for additional considerations in respect of the Merger if certain defined performance goals are achieved by the Company subsequent to the Merger.

ANNEX A

AMENDED AND RESTATED REORGANIZATION AGREEMENT

dated as of January 13, 1995

among

La-Z-Boy Chair Company
LZB Acquisition, Inc.
and
England/Corsair, Inc.

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EXHIBITS

AMENDED AND RESTATED
REORGANIZATION AGREEMENT

THIS AMENDED AND RESTATED REORGANIZATION AGREEMENT (this "Agreement") is entered into as of January 13, 1995, by and among La-Z-Boy Chair Company, a Michigan corporation ("LZB"); LZB Acquisition, Inc., a Michigan corporation ("LZB Acquisition"); and England/Corsair, Inc., a Tennessee corporation ("E/C").

PREMISES:

A. The parties have executed and delivered a Reorganization Agreement dated as of January 13, 1995 (the "Original Agreement") and a Plan of Merger dated as of January 13, 1995 (the "Original Plan").

B. The parties desire to amend and restate the Original Agreement and the Original Plan in their entirety as set forth in this Agreement and the Amended and Restated Plan of Merger attached hereto as Exhibit 1 and made a part hereof (the "Plan of Merger").

C. This Agreement, together with the Plan of Merger, sets forth the terms and conditions of the reorganization of the E/C and the LZB Companies through the Merger, in which E/C will be merged with and into LZB Acquisition, LZB Acquisition (the surviving corporation of the Merger) will continue to be a wholly owned subsidiary of LZB, holders of E/C Stock will exchange their shares of E/C Stock for Merger Consideration pursuant to conversion formulas and procedures set forth in the Plan of Merger.

D. The Plan of Merger is being executed and delivered by the parties thereto contemporaneously with the execution and delivery of this Agreement.

E. The respective Boards of Directors of E/C, LZB, and LZB Acquisition have determined that it is in the best interests of E/C, LZB, and LZB Acquisition and their respective shareholders for E/C to be merged with and into LZB Acquisition upon the terms and subject to the conditions set forth in this Agreement and the Plan of Merger and in accordance with the TBCA and the MBCA.

F. The respective Boards of Directors of E/C, LZB, and LZB Acquisition have adopted resolutions approving this Agreement, the Plan of Merger, and the Merger, and the Board of Directors of E/C has resolved to recommend approval of this Agreement, the Plan of Merger, and the Merger to its shareholders.

G. For federal income tax purposes, it is intended that the Merger shall qualify as a reorganization under the provisions of Section 368 of the Code.

H. E/C and the LZB Companies desire to make certain representations, warranties, and agreements in connection with the transactions contemplated herein and also to prescribe various conditions to the consummation of such transactions.

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants, and agreements set forth herein, and intending to be legally bound hereby, the parties agree as follows:

1. DEFINITIONS AND RULES OF CONSTRUCTION.

1.1. Definitions. As used in this Agreement, the following terms have the following meanings:

"Acquisition Event" means that E/C shall have authorized, recommended, proposed, or announced an intention to authorize, recommend, or propose, or entered into an agreement with any person (other than either of the LZB Companies) to effect a Takeover Proposal or shall have failed to publicly oppose a tender offer or exchange offer by another person based on a Takeover Proposal.

"Agreement" means this Agreement, as the same may from time to time be amended or supplemented.

"Alpha" means Alpha Aviation, Inc., a Tennessee corporation.

"CERCLA" means the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. sections 9601 et seq.

"Closing" means the consummation of the transactions which this Agreement provides are to occur on the Closing Date.

"Closing Date" is defined in Section 3.1.

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

"Debt" means the following to the extent any item is not duplicative of another item: (a) all items of borrowing which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a balance sheet as of the date at which Debt is to be determined; (b) all Guaranties, letters of credit, and endorsements (other than of notes, bills, and checks presented to banks for collection or deposit in the ordinary course of business); and (c) all items of

borrowing secured by any Encumbrance existing on any property owned by the person whose Debt is to be determined, whether or not the borrowings secured thereby shall have been incurred or assumed by such person.

"E/C" means England/Corsair, Inc., a Tennessee corporation.

"E/C Agreement" means any of the following, whether oral or written, to which E/C or any Subsidiary is a party: (a) any consulting agreement not terminable on 60 days or less notice; (b) any union, guild, or collective bargaining agreement; (c) any agreement with any officer or other key employee of E/C or any Subsidiary the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving E/C of the nature contemplated by this Agreement; (d) any agreement with respect to any officer of E/C or any Subsidiary providing any term of employment or compensation guarantee; (e) any agreement or plan, including any stock option plan, stock appreciation rights plan, restricted stock plan, or stock purchase plan, any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement; (f) any noncompetition or similar agreement which restricts the conduct of any business by E/C or any Subsidiary; (g) any loan or line of credit agreement, note, or other credit facility of E/C or any Subsidiary or any guarantees by E/C or any Subsidiary of the indebtedness of any other person; (h) any agreement providing for the payment or receipt by E/C or any Subsidiary of $100,000 or more in any twelve-month period; or (i) any agreement between E/C and any Subsidiary.

"E/C Balance Sheet Date" means November 25, 1994.

"E/C Benefit Plans" means all plans, contracts, programs, and arrangements for the benefit of the employees of E/C or any of its Subsidiaries, including (but not limited to) employment agreements, collective bargaining agreements, pensions, profit sharing arrangements, bonuses, deferred compensation, retirement, stock option, severance, hospitalization, insurance, salary continuation, vacation, day care, scholarship, and other employee benefit plans, programs, or arrangements now maintained by E/C or any Subsidiary or under which

E/C or any Subsidiary has any obligations in respect of any current or former employee.

"E/C Class A Stock" means the Class A Common Stock, without par value, of E/C.

"E/C Class B Stock" means the Class B Common Stock, without par value, of E/C.

"E/C Disclosure Schedule" means the disclosure schedule to be delivered to the LZB Companies by E/C pursuant to Section 6.10.

"E/C Financial Statements" means: (a) the balance sheet as of June 30, 1994, the related statements of income, retained earnings, and changes in cash flows of E/C for the year ended June 30, 1994, the notes thereto and the audit report prepared in connection therewith by its independent certified public accountants; and (b) the balance sheet as of November 25, 1994, the related statements of income, retained earnings, and changes in cash flows of E/C for the period from July 1, 1994 to November 25, 1994, and the notes thereto.

"E/C Formerly Owned Property" means all E/C Property owned or leased by E/C or any Subsidiary at any time in the past but not owned or leased as of the Effective Time.

"E/C Intellectual Property" means all intellectual property of E/C or any Subsidiary including, without limitation, all copyrights, patents, invention disclosures, trade secrets, trademarks, trade names, and service marks, whether registered or common law, and all applications therefor that are pending or in the process of preparation in the United States and in foreign countries, that are directly or indirectly owned, licensed, used, required for use, or controlled in whole or in part by E/C or any Subsidiary.

"E/C Leased Personal Property" means all personal property that is currently being leased by E/C or any Subsidiary.

"E/C Permits" means all permits, licenses, variances, exemptions, orders, and approvals of all Governmental Entities which are necessary for the operation of the business of E/C or any Subsidiary or the use, operation, or ownership of any of the E/C Real Estate.

"E/C Property" means any parcel of real estate now or heretofore owned by E/C or any Subsidiary or in which E/C or any Subsidiary has or had any interest, including any lessee's interest or any interest held as security for an obligation, and all E/C Formerly Owned Property.

"E/C Real Estate" means all real property that is owned, leased, or subleased by E/C or any of its Subsidiaries or as to which any of them has any interest of any kind including, without limitation, all office, manufacturing, and warehouse facilities and ground leases.

"E/C Real Estate Documents" means all deeds, leases, subleases, and other agreements and instruments relating to any of the E/C Real Estate.

"E/C Stock" means either or both of the E/C Class A Stock and the E/C Class B Stock.

"E/C Shareholder Meeting" means a meeting of E/C's shareholders to be held for the purpose of voting upon the approval of this Agreement, the Plan of Merger, and the Merger.

"Effective Time" is defined in Section 2.4.

"Encumbrance" means any pledge, lien, security interest, encumbrance, mortgage, claim, proxy, voting trust, voting agreement, obligation, option, equity interest, demand, lease, sublease, tenancy, license, easement, or rights of occupancy or use by another person or any other interest whatsoever.

"Environmental Laws" means: (a) the Toxic Substance Control Act, 15 U.S.C. sections 2601 et seq.; (b) the National Historic Preservation Act, 16 U.S.C. sections 470 et seq.; (c) the Coastal Zone Management Zone Act of 1972, 16 U.S.C. sections 1451 et seq.; (d) the Rivers and Harbors Act of 1899, 33 U.S.C. sections 401 et seq.; (e) the Clean Water Act, 33 U.S.C. sections 1251 et seq.; (f) the Flood Disaster Protection Act, 42 U.S.C. sections 4001 et seq.; (g) the National Environmental Policy Act, 42 U.S.C. sections 4321 et seq.; (h) RCRA; (i) the Clean Air Act, 42 U.S.C. sections 7401 et seq.; (j) CERCLA; (k) the Hazardous Materials Transportation Act, 49 U.S.C. sections 1801 et seq.; (l) the Safe Drinking Water Act, 42 U.S.C. sections 300f et seq.; (m) the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. sections 11001 et seq.; (n) the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. sections 136 et seq.; (o) the Occupational Safety and Hygiene

Act, 29 U.S.C. sections 685 et seq.; and (p) all other federal, state, county, municipal, local, foreign, and other statutes, laws, regulations, and ordinances which relate to or deal with protection of human health or the environment; all as may be from time to time amended.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchanges" means the New York Stock Exchange and the Pacific Stock Exchange.

"GAAP" means generally accepted accounting principles consistently applied.

"Governmental Entity" means any court, commission, administrative agency, or other governmental authority or instrumentality, whether federal, state, or local, and whether domestic or foreign.

"Guaranties" means all obligations (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) of a person guaranteeing any Debt of any other person in any manner, whether directly or indirectly, including, without limitation, all obligations incurred through an agreement, contingent, or otherwise, by such Person: (a) to purchase such Debt or obligation or any property or assets constituting security therefor; (b) to advance or supply funds (i) for the purchase or payment of such Debt or obligation, (ii) to maintain working capital or other balance sheet conditions or otherwise to advance or make available funds for the purchase or payment of such Debt or obligation; (c) to lease property or to purchase securities or other property or services primarily for the purpose of assuring the owner of such Debt or obligation; or (d) otherwise to assure the owner of the Debt or obligation against loss in respect thereof.

"Hart-Scott-Rodino Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, being Section 7A of the Clayton Act, as amended.

"Hart-Scott-Rodino Filings" means the filing by E/C and LZB of appropriate premerger notification forms with respect to the Merger with the Federal Trade Commission on the Justice Department pursuant to the Hart-Scott-Rodino Act.

"Hazardous Substance(s)" means: (a) any flammable or combustible substance, explosive, and/or radioactive material, hazardous waste, toxic substance, pollutant, contaminant, and/or any related materials or substance identified in and/or regulated by any of the Environmental Laws; and (b) asbestos, polychlorinated biphenyls, urea formaldehyde, chemicals and/or chemical wastes, explosives, known carcinogens, petroleum products and by-products (including fractions thereof), and radon.

"ICC" means the Interstate Commerce Commission.

"Indenture" means the Indenture pursuant to which the LZB Notes will be issued, which shall be in form and substance satisfactory to E/C and LZB.

"IRS" means the United States Internal Revenue Service.

"LZB" means La-Z-Boy Chair Company, a Michigan corporation.

"LZB Acquisition" means LZB Acquisition, Inc., a Michigan corporation and a wholly owned subsidiary of LZB.

"LZB Common Stock" means the Common Stock, $1.00 par value, of LZB.

"LZB Company" means either LZB or LZB Acquisition.

"LZB Disclosure Schedule" means the disclosure schedule delivered to E/C by the LZB Companies prior to the execution of this Agreement.

"LZB Notes" means 8% Unsecured Promissory Notes Due 1999 of LZB issued pursuant to the Indenture, which shall be in form and substance satisfactory to E/C and LZB and which shall be consistent with the outline of the terms thereof set forth in Exhibit 2.

"LZB Preferred Stock" means the Preferred Stock of LZB.

"LZB SEC Documents" means the following documents heretofore filed with or furnished to the SEC by LZB (including, in each case, all documents incorporated by reference therein): (a) Annual Report on Form 10-K for the fiscal year ended April 30, 1994; (b) Quarterly Reports on Form 10-Q for the fiscal quarters ended July 30, 1994 and October 29, 1994; (c) Current Report on Form

8-K dated June 2, 1994; (d) Annual Report to Shareholders for the fiscal year ended April 30, 1994; and (e) definitive Proxy Statement for the annual meeting of shareholders held on July 25, 1994.

"Material" (whether or not capitalized), when used with any reference to any event, change, or effect with respect to a specified person, means an event, change, or effect which is material in relation to the condition (financial or otherwise), assets, liabilities, businesses, results of operations, or prospects of such person (and its Subsidiaries, if any) taken as a whole. In addition to the foregoing, when used with reference to E/C, an event, change, or effect is "material" if any resulting cost or loss of profits to E/C or the Surviving Corporation exceeds or may exceed $25,000 (prior to giving effect to any Tax consequences thereof).

"Material adverse effect" (whether or not capitalized), when used with respect to a specified person, means a material adverse effect on either (a) the business, assets, liabilities, results of operations, condition (financial or otherwise), or prospects of such person (and its Subsidiaries, if any) taken as a whole, or (b) the ability of any of such person to perform its obligations hereunder or to consummate the transactions contemplated hereby. In addition to the foregoing, when used with reference to E/C, "material adverse effect" means any cost or loss of profits to E/C or the Surviving Corporation in an amount exceeding $100,000 (prior to giving effect to any Tax consequences thereof).

"Materially Burdensome Condition" means any action taken, or any statute, rule, regulation, or order enacted, entered, enforced, or deemed applicable to the Merger or any of the transactions contemplated hereby, by any Governmental Entity which, in connection with the grant of a Requisite Regulatory Approval, imposes any condition or restriction upon E/C, either of the LZB Companies, or the Surviving Corporation which would so materially adversely impact the economic or business benefits of the transactions contemplated by this Agreement as to render inadvisable, in the reasonable judgment of the Board of Directors of E/C or either LZB Company, the consummation of the Merger.

"MBCA" means the Business Corporation Act of the State of Michigan, as amended.

"Merger" means the merger of E/C with and into LZB Acquisition pursuant to the Plan of Merger and this

Agreement.

"Merger Consideration" means any one or more of the following: (a) LZB Common Stock; (b) LZB Notes; (c) cash; and (d) Performance Units.

"Michigan Certificate of Merger" means a certificate of merger with respect to the Merger, to be filed with the Michigan Corporation Bureau in accordance with the MBCA.

"Michigan Corporation Bureau" means the Corporation and Securities Bureau of the Michigan Department of Commerce.

"Merger Securities" means: (a) the LZB Common Stock to be issued as part of the Merger Consideration; (b) LZB Notes to be issued as part of the Merger Consideration; (c) the Performance Units; and (d) the LZB Common Stock to be issued in payment of the Performance Units.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Performance Units" is defined in the Plan of Merger.

"Person" (whether or not capitalized) means any entity, whether a natural person, trustee, corporation, partnership, limited liability company, joint stock company, trust, unincorporated organization, business association or firm, joint venture, government or agency, instrumentality, or public subdivision thereof, court, or otherwise.

"Plan of Merger" means the Amended and Restated Plan of Merger dated as of January 13, 1995 between E/C and LZB Acquisition, in the form of Exhibit 1.

"Proxy Statement/Prospectus" means the proxy statement/prospectus constituting part of the Registration Statement.

"RCRA" means the Resource Conservation and Recovery Act of 1976, 42 U.S.C. sections 6901 et seq.

"Registration Statement" means a Registration Statement on Form S-4 to be filed with the SEC pursuant to the Securities Act by LZB in connection with its issuance of the Merger Securities.

"Requisite Regulatory Approvals" means all authorizations, consents, orders, or approvals of, all declarations or filings with, and the expiration or early termination of all waiting periods by, any Governmental Entity which are prescribed by law as necessary for the consummation of the Merger and the other transactions contemplated hereby (including, but not limited to, expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Act and all required filings with and actions by the ICC), other than the filing of the Tennessee Articles of Merger and the Michigan Certificate of Merger.

"Returns" means all returns, declarations, reports, statements, and other documents required to be filed in respect of Taxes.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Subsidiary" means, when used in respect of any person, any corporation or other organization, whether incorporated or unincorporated, of which such person directly or indirectly owns or controls securities or other interests having by their terms ordinary voting power to elect 50 percent or more of the board of directors or others performing similar functions with respect to such corporation or other organization, or any organization in which such person is a general partner.

"Surviving Corporation" means LZB Acquisition as the surviving corporation of the Merger.

"Takeover Proposal" means any tender or exchange offer, proposal for a merger, consolidation, or other business combination involving E/C, or any proposal or offer to acquire in any manner 10 percent or more of any class of E/C's capital stock or 10 percent or more of E/C's assets, other than the transactions contemplated by this Agreement.

"Taxes" means all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, unemployment and payroll related, excise, severance, stamp, occupation, premium, property, or windfall profits taxes, customs, duties, or other taxes, fees, assessments, or charges of

any kind whatever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto.

"TBCA" means the Tennessee Business Corporation Act, as amended.

"Tennessee Articles of Merger" means articles of merger with respect to the Merger, to be filed with the Tennessee Secretary of State in accordance with the TBCA.

"Violation" means, with respect to any document, any event or condition which conflicts with, gives rise to or results in any violation of or default (with or without notice or lapse of time, or both) under, or gives rise to a right of termination, cancellation, or acceleration of any obligation or the loss of a material benefit under, or the creation of an Encumbrance on assets pursuant to, any provision of such document.

"Voting Debt" means bonds, debentures, notes, or other indebtedness the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of the issuer thereof on any matter.

1.2. Plurals. Any defined term used in this Agreement in the plural form shall be deemed to include all members of the relevant class.

1.3. Gender. Any masculine, feminine, or neuter word or term used in this Agreement shall be deemed also to include the other genders.

2. THE MERGER AND RELATED TRANSACTIONS.

2.1. Plan of Merger. The Plan of Merger sets forth: (a) the name of each corporation planning to merge, the name of the Surviving Corporation, and the name of each corporation whose securities will be issued in connection with the Merger; (b) as to each of E/C and LZB Acquisition, the designation and number of outstanding shares of each class, specifying the classes entitled to vote, and the manner (if any) in which the number of shares is subject to change before the Effective Time; (c) the terms and conditions of the Merger; (d) the manner and basis of converting the outstanding shares of E/C Stock into Merger Consideration; (e) a statement that no amendment to or restatement of the articles of incorporation of the Surviving Corporation will be effected by the Merger; and (f) certain other details and provisions applicable to the Merger. LZB Acquisition shall be the Surviving Corporation.

The Plan of Merger is intended to constitute the "plan of merger" contemplated by Section 48-21-102 of the TBCA and the "plan of merger" contemplated by Section 701 of the MBCA.

2.2. E/C Shareholder Meeting. E/C shall take all steps necessary to duly call, give notice of, convene, and hold the E/C Shareholder Meeting as soon as is reasonable after the date on which the Registration Statement becomes effective, and E/C will, through its Board of Directors, recommend to its shareholders approval of this Agreement, the Plan of Merger, and the Merger (unless, in the written opinion of E/C's independent counsel, such recommendation is not consistent with the fiduciary duties of E/C's Board of Directors).

2.3. LZB Acquisition Shareholder Action. Prior to the Effective Time, LZB, as the sole shareholder of LZB Acquisition, shall take all action proper or convenient for the consummation of the Merger by LZB Acquisition.

2.4. Articles and Certificate of Merger; Effective Time. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date: (a) the Tennessee Articles of Merger shall be duly prepared, executed, and acknowledged by the Surviving Corporation and thereafter delivered for filing to the Secretary of State of the State of Tennessee, as provided in the TBCA; and (b) the Michigan Certificate of Merger shall be duly prepared, executed, and acknowledged by the Surviving Corporation and thereafter delivered for filing to the Michigan Corporation Bureau, as provided in the MBCA. "Effective Time" means the later of: (i) the time at which the Merger becomes effective under the laws of the State of Tennessee; or (ii) the time at which the Merger becomes effective under the laws of the State of Michigan. It is contemplated that E/C, LZB, and LZB Acquisition will agree in writing to provide in the Tennessee Articles of Merger and the Michigan Certificate of Merger for identical effective times under the laws of both states.

3. THE CLOSING.

3.1. Closing Date. Subject to the terms and conditions hereof, the Closing will take place at 10:00 a.m., Detroit, Michigan time, on the third business day following the satisfaction (or waiver, subject to applicable law) of the last to be satisfied (or waived) of the conditions set forth in Sections 7.1, 7.2.3, and 7.3.3 or such other time and date as the parties agree to in writing (the "Closing Date") at the offices of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan. All transactions occurring and all documents executed and/or delivered at the Closing shall be deemed to occur simultaneously, and no transaction shall be deemed to have occurred and no document shall be deemed to

have been executed or delivered unless all transactions shall have occurred and all such documents shall have been executed and delivered.

3.2. Sales and Transfer Taxes. All applicable sales, transfer, stamp, documentary, and other similar taxes and governmental fees, if any, which may be due or payable as a result of the Merger shall be borne and paid by the Surviving Corporation if the Merger is consummated and otherwise shall be borne and paid by the party incurring the same.

3.3. Further Assurances. From time to time subsequent to the Closing Date, E/C and LZB Acquisition shall at the request of LZB execute and deliver such additional documents, instruments, certifications, papers, and other assurances as may be requested by LZB as necessary, appropriate, convenient, useful, or desirable to effectively carry out the intent of this Agreement and/or the Plan of Merger.

4. REPRESENTATIONS AND WARRANTIES.

4.1. Representations and Warranties of E/C. E/C represents and warrants to the LZB Companies as follows:

4.1.1. Organization, Standing, and Power. E/C is a corporation duly incorporated, validly existing, and in good standing under the laws of its jurisdiction of incorporation, has all requisite power and authority (corporate and other) to own, lease, and operate its properties and to carry on its business as now being conducted, and is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary other than in such jurisdictions where the failure to so qualify would not have a material adverse effect on E/C. Section 4.1.1 of the E/C Disclosure Schedule will correctly set forth the jurisdictions in which E/C is qualified to do business. True and complete copies of the charter and bylaws of E/C as currently in effect have been delivered to LZB.

4.1.2. Capital Structure.

(a) The authorized capital stock of E/C consists solely of 500,000 shares of E/C Class A Stock and 500,000 shares of E/C Class B Stock. As of the date of this Agreement, 224,652 shares of E/C Class A Stock are issued and outstanding, and 72,678 shares of E/C Class B Stock are issued and outstanding. All outstanding shares of E/C Stock have been duly authorized and validly issued and are fully paid and nonassessable and not subject to any preemptive rights. 37,600 shares of E/C

Class A Stock and no shares of E/C Class B Stock are held by E/C as treasury shares. No shares of any class of E/C's capital stock are reserved for issuance for any purpose.

(b) E/C owns 50 percent of the issued and outstanding shares of capital stock of Alpha. All such shares of capital stock of Alpha have been duly authorized and validly issued, are fully paid and nonassessable, and are owned by E/C free and clear of any Encumbrance except as will be set forth in Section 4.1.2(b) of the E/C Disclosure Schedule. Section 4.1.2(b) of the E/C Disclosure Schedule will set forth the name, address, telephone number, and number of shares held with respect to each other shareholder of Alpha.

(c) E/C has no outstanding Voting Debt.

(d) Except for this Agreement and the Plan of Merger, E/C has no outstanding options, warrants, calls, rights, commitments, or agreements of any character to which it is a party or is bound obligating it to issue, deliver, or sell, or to cause to be issued, delivered, or sold, additional shares of capital stock, any Voting Debt, or any other security with voting rights in E/C or obligating E/C to grant, extend, or enter into any such option, warrant, call, right, commitment, or agreement. On and immediately following the Effective Time, there will be no option, warrant, call, right, or agreement obligating E/C to issue, deliver, or sell, or to cause to be issued, delivered, or sold, any shares of capital stock, any Voting Debt, or any other security with voting rights in E/C or obligating E/C to grant, extend, or enter into any such option, warrant, call, right, or agreement. There are no outstanding contractual obligations of E/C to repurchase, redeem, or otherwise acquire any shares of its capital stock. E/C is not required to, and no shareholder of E/C has any right to require E/C to, redeem, repurchase, or otherwise acquire or to offer to redeem, repurchase, or otherwise acquire any shares of its capital stock in connection with or as a result of the Merger or the other transactions contemplated in this Agreement.

4.1.3. Authority.

(a) E/C has all requisite corporate power and authority to enter into this Agreement and the Plan of Merger and, subject to approval of this Agreement and the Plan of Merger by the shareholders of E/C, to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Plan of Merger and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of E/C, subject to the approval of this Agreement and the Plan

of Merger by the shareholders of E/C. No approval or adoption of the shareholders of E/C is required to consummate the Merger and the other transactions contemplated hereby other than specifically set forth in Section 7.1.1. This Agreement and the Plan of Merger have been duly executed and delivered by E/C and constitute legal, valid, and binding obligations of E/C, enforceable against E/C in accordance with their terms, except as enforceability may be limited by general principles of equity, whether considered at law or in equity, and bankruptcy, insolvency, and similar laws affecting creditors' rights and remedies generally.

(b) The execution and delivery of this Agreement and the Plan of Merger and the consummation of the transactions contemplated hereby and thereby will not be, give rise to, or result in any Violation of the charter or bylaws of E/C or (subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations, and filings referred to in paragraph (c) below, and except as will be set forth in Section 4.1.3(b) of the E/C Disclosure Schedule) be, give rise to, or result in any Violation of, or require the consent of any other person that is a party to, any loan or credit agreement, note, mortgage, indenture, lease, sublease, E/C Benefit Plan, or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to E/C or its properties or assets.

(c) No consent, approval, order, or authorization of, or registration, declaration, or filing with, any Governmental Entity is required by or with respect to E/C in connection with the execution and delivery of this Agreement or the Plan of Merger by E/C or the consummation by E/C of the transactions contemplated hereby or thereby, except for: (i) the filing of the Tennessee Articles of Merger with the Secretary of State of the State of Tennessee; (ii) the filing of the Certificate of Merger with the Michigan Corporation Bureau; (iii) the filing of appropriate documents with the relevant authorities of other states in which E/C is qualified to do business; (iv) E/C's Hart-Scott-Rodino Filing and expiration or early termination of the waiting period under the Hart-Scott-Rodino Act; (v) the filings with and actions by the ICC which will be described in Section 4.1.3(c) of the E/C Disclosure Schedule; and (vi) such other matters, if any, as will be set forth in Section 4.1.3(c) of the E/C Disclosure Schedule.

4.1.4. E/C Financial Statements. E/C has delivered to the LZB Companies true and complete copies of the E/C Financial Statements. The E/C Financial Statements have been

prepared in accordance with GAAP and fairly present the financial position of E/C as at the dates thereof and the results of its operations and cash flows or changes in financial position for the periods then ended.

4.1.5. Registration Statement. None of the information supplied or to be supplied by E/C for inclusion in (a) the Registration Statement will, at the time the Registration Statement becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or (b) the Proxy Statement/Prospectus or any amendment or supplement thereto will, at the date of mailing to shareholders and at the time of the E/C Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Proxy Statement/Prospectus (except for such portions thereof that relate only to the LZB Companies) will comply in all material respects with the laws of the State of Tennessee and with any applicable provisions of the Exchange Act and the rules and regulations thereunder, and the Registration Statement (except for portions thereof that relate only to the LZB Companies) will comply in all material respects with the provisions of the Securities Act and the rules and regulations thereunder.

4.1.6. Compliance with Applicable Laws. E/C holds all E/C Permits, except for E/C Permits the lack of which does not and will not, individually or in the aggregate, have a material adverse effect on E/C. A list of the material E/C Permits held by E/C will be set forth in Section 4.1.6 of the E/C Disclosure Schedule, and each of the E/C Permits so listed is in full force and effect. E/C is in compliance in all material respects with the terms of the E/C Permits and all applicable laws and regulations, except for possible violations which, individually or in the aggregate, do not and will not have a material adverse effect on E/C. The businesses of E/C and its Subsidiaries are not being conducted, and have not been conducted during the past five years, in violation of any law, ordinance, regulation, order, writ, rule, or decree of any Governmental Entity except for possible violations which, individually or in the aggregate, do not and will not have a material adverse effect on E/C. No investigation by any Governmental Entity with respect to E/C or any Subsidiary is pending or, to the best knowledge of E/C, threatened. None of the E/C Companies is required, or has ever been required, to be registered under the Investment Company Act of 1940, as amended.

4.1.7. Litigation. Except as will be set forth in Section 4.1.7 of the E/C Disclosure Schedule, there is no claim, suit, action, arbitration, or governmental proceeding or investigation pending or, to the best knowledge of E/C, threatened against or affecting E/C or any Subsidiary which, if adversely determined, would, individually or in the aggregate, have a material adverse effect on E/C, nor is there any reasonable basis for any such claim, suit, action, arbitration, or governmental proceeding or investigation. Except as will be set forth in Section 4.1.7 of the E/C Disclosure Schedule, there is no judgment, decree, injunction, rule, or order of any Governmental Entity or arbitrator outstanding against E/C or any Subsidiary. Section 4.1.7 of the E/C Disclosure Schedule will list all consents, orders, decrees, and other compliance agreements with any Governmental Entity under which E/C or any Subsidiary is operating or by which any of their assets are bound and, to the best knowledge of E/C, all investigations commenced by any Governmental Entity against E/C or any Subsidiary during the past five years.

4.1.8. Taxes.

(a) There have been properly completed in all material respects and filed on a timely basis, and in correct form in all material respects, all Returns required to be filed by E/C or any Subsidiary. All taxes owing by E/C or any Subsidiary for all periods ended on or prior to the date of the latest of the E/C Financial Statements have either been paid or adequately accrued in accordance with GAAP in such E/C Financial Statements.

(b) Except as will be described in Section 4.1.8 of the E/C Disclosure Schedule, within the last five years: (i) there has not been any review or audit by any taxing authority of any Taxes of E/C or any Subsidiary; (ii) neither E/C nor any Subsidiary has received notice of any pending or threatened audit by the IRS or any other Governmental Entity related to any Returns or Tax liability of E/C or any Subsidiary for any period; and (iii) no claim for assessment or collection of Taxes has been asserted against E/C or any Subsidiary. Neither E/C nor any Subsidiary has any unpaid deficiency assessed by the IRS or any other Governmental Entity with respect to any of Returns of E/C or any Subsidiary, nor is there reason to believe that any deficiency will be assessed. There are no actions, suits, proceedings, investigations, or claims now pending or, to the best knowledge of E/C, threatened against E/C or any Subsidiary in respect of Taxes, nor are there any matters under discussion with any Governmental Entity relating to Taxes.

(c) No agreements have been made or are currently being negotiated by or on behalf of E/C or any Subsidiary for any waiver or for the extension of any statute of limitations governing the time of assessment or collection of any Taxes, and no closing agreements or compromises are currently pending or have been entered into by E/C or any Subsidiary.

(d) E/C and each Subsidiary has withheld in connection with the amount paid to any officer, director, employee, independent contractor, creditor, shareholder, or other third party the amount of all Taxes and other amounts required to be withheld therefrom by applicable law and has paid the same to the proper Governmental Entities or other receiving officers within the time required under applicable law.

(e) There are no liens for Taxes (other than for current Taxes not yet due and payable) on any of the assets of E/C or any Subsidiary.

(f) None of the assets of E/C or any Subsidiary is property that is required to be treated as being owned by any other person pursuant to the so-called "safe harbor lease" provisions of former Section 168(f)(8) of the Code.

(g) None of the assets of E/C or any Subsidiary directly or indirectly secures any debt the interest on which is tax-exempt under Section 103(a) of the Code.

(h) Neither E/C nor any Subsidiary: (i) has filed a consent under Section 341(f) of the Code; (ii) has made any payments or is obligated to make any payments, or is a party to any compensatory agreement with respect to the performance of services that under certain circumstances could obligate it to make any payments, that may not be deductible under Section 280G of the Code; (iii) is a new loss corporation within the meaning of Section 382(k)(3) of the Code; (iv) is or has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code; (v) (A) has been a member of an affiliated group of corporations that filed a consolidated return with respect to the federal corporate income tax for any taxable year in lieu of separate returns (other than a group the common parent of which was E/C), (B) has been a member of an affiliated group of corporations that was considered by authorities in any jurisdiction to conduct a unitary business the combined income of which was subject to Tax in such jurisdiction, or (C) to the best knowledge of the E/C Companies, has any liability for the Taxes of any person under Section 1.1502-6 of the Treasury Regulations (or any similar provision of state, local, or foreign law) as a transferee or successor, by contract, or otherwise; (vi) is a party to any safe harbor lease within the

meaning of Section 168(f)(8) of the Internal Revenue Code of 1954 (as in effect prior to enactment of the Tax Equity and Fiscal Responsibility Act of 1982); (vii) owns any asset that is tax-exempt use property within the meaning of Section 168(h) of the Code; (viii) has agreed, or is required, to make any adjustment under Section 481(a) of the Code by reason of a change in accounting method; or (ix) has ever computed its taxable income for federal income tax purposes using the cash receipts and disbursements method of accounting.

(i) Section 4.1.8(i) of the E/C Disclosure Schedule will set forth the following information with respect to E/C and each Subsidiary as of the most recent practicable date (which date is specified therein): (i) the tax basis of any stock owned by such company in any Subsidiary of E/C (or the amount of such company's excess loss account with respect to such stock); (ii) the amount of any net operating loss, capital loss, unused investment or other credit, or excess charitable contribution; and (iii) the amount of any gain or loss on deferred intercompany transactions that has been deferred by such company under Section 1.1502-13 of the Treasury Regulations and the character and source of such gain or loss.

(j) There is no tax-sharing agreement or similar agreement with respect to or involving E/C or any Subsidiary.

(k) No new elections with respect to Taxes or any changes in current elections with respect to Taxes affecting E/C or any Subsidiary will be made after the date of this Agreement without the prior written consent of LZB.

4.1.9. Certain Agreements. Except for this Agreement and the Plan of Merger, all E/C Agreements will be listed in Section 4.1.9 of the E/C Disclosure Schedule. There are no defaults or events which with the passage of time or the giving of notice would constitute defaults under any of the E/C Agreements on the part of any person that is a party to any of the E/C Agreements. Section 4.1.9 of the E/C Disclosure Schedule will contain a true and complete description of all transactions with management and others, business relationships, indebtedness of management, and transactions with promoters that would be required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC for the current and last two fiscal years of E/C.

4.1.10. Employee Benefit Plans.

(a) Section 4.1.10 of the E/C Disclosure Schedule will contain a true and complete list of all E/C Benefit Plans. True and complete copies of all current and prior documents, including all amendments, with respect to each E/C Benefit

Plan and related trust or other funding vehicle to be listed in Section 4.1(j)(i) of the E/C Disclosure Schedule will be provided to the LZB Companies with the E/C Disclosure Schedule. With respect to each "employee benefit plan," within the meaning of Section 3(3) of the ERISA, all of which will be listed in Section 4.1.10 of the E/C Disclosure Schedule, E/C will provide the LZB Companies (at the same time it provides the E/C Disclosure Schedule) with true and complete copies of (i) the three most recent annual actuarial valuation reports, if any, (ii) the five most recently filed Form 5500s or 5500-Cs and Schedules A and B thereto, (iii) all IRS rulings, if any, (iv) the most recent IRS determination letter, if any, and (v) each form 5310 and any related documents filed with the IRS or with the PBGC with respect to any E/C Benefit Plan during the most recent six full plan years.

(b) With respect to any and all of the E/C Benefit Plans: (i) none of the E/C Benefit Plans is an "employee pension benefit plan," as defined in Section 3(2) of ERISA; (ii) E/C and its Subsidiaries have performed all obligations required to be performed by them under the E/C Benefit Plans and are not in default under or in violation of, and have no knowledge of any other person's default under or violation of, any E/C Benefit Plan; (iii) each such plan is in compliance with the requirements prescribed by any and all statutes, orders, or governmental rules or regulations applicable to such plan, including but not limited to ERISA and the Code; (iv) neither E/C, any Subsidiary, nor any other "disqualified Person" or "party in interest," within the meanings of Section 4975 of the Code or Section 3(14) of ERISA, respectively, has engaged in any "prohibited transaction," as such term is defined in Section 4975 of the Code or Section 406 of ERISA, which could, following the Effective Time, subject any plan (or its related trust), E/C, any Subsidiary of E/C, either of the LZB Companies, or any officer, director, or employee of any of such entities, to any tax or penalty imposed under the Code or ERISA; (v) there are no actions, suits, or claims pending (other than routine claims for benefits) or threatened against any E/C Benefit Plan or against the assets of any E/C Benefit Plan; (vi) no E/C Benefit Plan is subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code; (vii) each "plan official," within the meaning of Section 412 of ERISA, of each Plan is bonded to the extent required by said Section 412; (viii) no proceeding has been initiated to terminate any E/C Benefit Plan, and no "reportable event," within the meanings of Section 4043(b) or 4063(a) of ERISA, has occurred with respect to any E/C Benefit Plan (other than those which may result from the transactions contemplated hereby); (ix) E/C and its Subsidiaries have complied in all material respects with the reporting and disclosure

requirements of ERISA, and all filings and reports as to each E/C Benefit Plan required to have been made on or before the Effective Time to the IRS, the PBGC, or the Department of Labor have been or will be made on or before the Effective Time; (x) all insurance premiums incurred or accrued up to and including the Effective Time to the PBGC have been timely paid by the E/C Companies; and (xi) there are no leased employees that must be taken into account under any E/C Benefit Plan pursuant to Code Section 414(n)(3).

(c) No E/C Benefit Plan is subject to Title IV of ERISA.

(d) With respect to each E/C Benefit Plan that is a defined contribution plan within the meaning of Section 3(34) of ERISA, to the extent required by the terms of such E/C Benefit Plan, E/C and its Subsidiaries have paid all contributions on behalf of prior plan years and any salary deferrals and employer contributions, including matching contributions, that have accrued for the current plan year.

(e) Neither E/C nor any Subsidiary maintains or participates in, or has ever maintained or participated in, a plan which is a "multiemployer plan" within the meaning of Section 3(37) of ERISA.

(f) Except as will be specifically set forth in Section 4.1.10(f) of the E/C Disclosure Schedule, with respect to each E/C Benefit Plan that is an "employer welfare benefit plan" within the meaning of Section 3(1) of ERISA: (i) each such E/C Benefit Plan which is intended to meet the requirements for tax-favored treatment under Subchapter B of Chapter 1 of the Code meets such requirements; (ii) there is no disqualified benefit (as such term is defined in Section 4976(b) of the Code) which would subject E/C, any of its Subsidiaries, or either of the LZB Companies to a tax under Section 4976(a) of the Code; (iii) each such E/C Benefit Plan that is a "group health plan" as such term is defined in Section 5000(b)(i) of the Code satisfies and has satisfied the applicable requirements of Sections 601 through 608 of ERISA, Section 162(k) of the Code (through December 31, 1988), and Section 4980B of Code (commencing on January 1, 1989); and (iv) each such E/C Benefit Plan that covers former employees of E/C or any Subsidiary may be amended or terminated by E/C or such Subsidiary on or at any time after the Effective Time, and all of the liabilities to such former employees (and future former employees) under such E/C Benefit Plan have been reflected in the E/C Financial Statement in a manner satisfying the requirements of FAS 106.

4.1.11. Subsidiaries. E/C has no Subsidiaries other than Alpha.

4.1.12. Absence of Certain Changes or Events. Except as will be disclosed in Section 4.1.12 of the E/C Disclosure Schedule, since the E/C Balance Sheet Date neither E/C nor any Subsidiary has incurred any material liability except in the ordinary course of its business consistent with its past practices, nor has there been any change, or any event involving a prospective change, in the business, assets, liabilities, condition (financial or otherwise), results of operations, or prospects of E/C or any Subsidiary which has had, or is reasonably likely to have, a material adverse effect on E/C.

4.1.13. Antitakeover Provisions. None of the provisions of the Tennessee Investor Protection Act, the Tennessee Business Combination Act, or the Tennessee Control Share Acquisition Act apply or will apply to the transactions contemplated by this Agreement.

4.1.14. Environmental Matters.

(a) A true and correct list of all E/C Property and all E/C Formerly Owned Property, including the address and the county in which such property is located, will be set forth in Section 4.1.14(a) of the E/C Disclosure Schedule.

(b) Except as will be described in Section 4.1.14(b) of the E/C Disclosure Schedule, E/C and each of its Subsidiaries is now and has at all times been in compliance with all Environmental Laws except for any violations which, individually or in the aggregate, would not have a material adverse effect on E/C. Except as will be described in Section 4.1.14(b) of the E/C Disclosure Schedule, no Hazardous Substances have been stored, treated, released, emitted, or disposed of, or otherwise deposited, on or in the E/C Property in violation of any Environmental Law except any of the foregoing as would not, individually or in the aggregate, have a material adverse effect on E/C. A true and correct list of all Hazardous Substances now or heretofore used or generated by E/C or any Subsidiary will be set forth in Section 4.1.14(b) of the E/C Disclosure Schedule. All Hazardous Substances to be disclosed in Section 4.1.14(b) of the E/C Disclosure Schedule have been used, generated, stored, treated, released, emitted, and disposed of, or otherwise deposited, on or in the E/C Property in compliance with all Environmental Laws except for any violations which, individually or in the aggregate, would not have a material adverse effect on E/C.

(c) Except as will be described in Section 4.1.14(c) of the E/C Disclosure Schedule, no activity has been undertaken on any E/C Property that would cause or contribute to:

(i) such E/C Property becoming a treatment, storage, or disposal facility within the meaning of RCRA or any similar state law or local ordinance; (ii) a release or threatened release of any Hazardous Substances; or (iii) the discharge of pollutants or effluents into any water source or system or into the air, or the dredging or filling of any waters, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. sections 1251 et seq., the Clean Air Act, as amended, 42 U.S.C. sections 7401 et seq., or any similar foreign or state law or local ordinance.

(d) Except as will be described in Section 4.1.14(d) of the E/C Disclosure Schedule, there are no substances or conditions in or on any of the E/C Property or any operations conducted in or on any of the E/C Property that may support a claim or cause of action or imposition of any liability under any Environmental Law against E/C or any Subsidiary, except for any claim, cause of action, or liability which would not, individually or in the aggregate, have a material adverse effect on E/C.

(e) Except as will be described in Section 4.1.14(e) of the E/C Disclosure Schedule, there are not and never have been any underground storage tanks located in or under any E/C Property.

(f) E/C and its Subsidiaries have obtained all permits required by all applicable Environmental Laws, and all such permits are in full force and effect, except for any such permits the lack of which would not, individually or in the aggregate, have a material adverse effect on E/C. Except as will be described in Section 4.1.14(f) of the E/C Disclosure Schedule, E/C and its Subsidiaries are and have at all times been in compliance with all such permits, except for any violations which, individually or in the aggregate, would not have a material adverse effect on E/C.

(g) Except as will be described in Section 4.1.14(g) of the E/C Disclosure Schedule, neither E/C, any of its Subsidiaries, nor any of their respective directors, officers, employees, or agents have generated or transported any Hazardous Substances at any time which have been transported to or disposed of in any landfill, waste processing facility, or other facility, which transportation or disposal could create liability to any unit of government or any third person, except for any such liability which, individually or in the aggregate, would not have a material adverse effect on E/C. Neither E/C nor any Subsidiary has received any request for response action, administrative or other order (or request therefor), judgment, complaint, claim, investigation, request for information, or other request for relief in any form

relating to any facility where Hazardous Substances generated or transported by E/C or any Subsidiary have been disposed of, placed, or located. No later than the time it delivers the E/C Disclosure Schedule, E/C will provide the LZB Companies with true and complete copies of, or access to, all manifests and records maintained by E/C or any Subsidiary relating to such transporters, landfills, and other facilities.

(h) Except as will be described in Section 4.1.14(h) of the E/C Disclosure Schedule, there are no pending or, to the best knowledge of E/C, threatened claims, investigations, administrative proceedings, litigation, regulatory hearings, or requests or demands for remedial or response actions or for compensation with respect to any E/C Property, alleging noncompliance with or violation of any Environmental Law, or seeking relief under any Environmental Law, nor, to the best knowledge of E/C, is there any reasonable basis therefor.

(i) Except as will be described in Section 4.1.14(i) of the E/C Disclosure Schedule, none of the E/C Property is or ever has been listed on the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list, schedule, log, inventory, or record of hazardous waste sites maintained by any federal, state, or local agency.

(j) E/C has disclosed and delivered to the LZB Companies all environmental reports and investigations which E/C or any Subsidiary has obtained or ordered with respect to any E/C Property during the past ten years.

4.1.15. Approvals. E/C knows of no reason why all Requisite Regulatory Approvals should not be obtained without the imposition of any Materially Burdensome Condition.

4.1.16. Brokers and Finders. Neither E/C nor any of its directors, officers, or employees has employed any broker or finder or incurred any liability for any financial advisory fees, brokerage fees, commissions, or similar payments in connection with the transactions contemplated by this Agreement.

4.1.17. Labor Matters.

(a) Neither E/C nor any of its Subsidiaries is or ever has been a party to any collective bargaining agreement or labor union contract. Except as will be listed in Section 4.1.17(a) of the E/C Disclosure Schedule, no grievance procedure, arbitration proceeding or other labor controversy is pending against any E/C or any Subsidiary that would result in a material liability. E/C and its Subsidiaries have

complied in all material respects with all laws relating to the employment of labor, including, without limitation, any provisions thereof relating to wages, hours, equal employment, safety, collective bargaining, and the payment of social security and similar Taxes, and neither E/C nor any Subsidiary is liable for any arrears of wages or any Taxes or penalties for failure to comply with any of the foregoing. Except as will be disclosed in Section 4.1.17(a) of the E/C Disclosure Schedule, there is no unfair labor practice or similar complaint against E/C or any Subsidiary pending before the National Labor Relations Board or any similar authority or any strike, dispute, slowdown, work stoppage, or lockout pending or threatened against E/C or any Subsidiary or any compliant pending before the Equal Employment Opportunity Commission or any comparable federal, state, or local fair employment practices agency and none has existed during the past five years.

(b) Section 4.1.17(b) of the E/C Disclosure Schedule will contain a true and complete list of the following with respect to E/C and each Subsidiary: the names, positions, and compensation of each director, each officer, and each employee who received during 1994, or who is expected to receive during 1995, $100,000 or more, together with a statement of the annual salary payable to such person, summaries of bonus arrangements, and descriptions of agreements for commissions or additional compensation and other like benefits, if any, paid or payable to each such person. Except as will be listed in Section 4.1.17(b) of the E/C Disclosure Schedule, all employees of E/C and its Subsidiaries are employees-at-will, may be terminated at any time for any lawful reason or for no reason, and have no entitlement to employment by virtue of any oral or written contract, employer policy, or otherwise.

(c) There are no retired employees of E/C or any Subsidiary who are receiving or are entitled to receive any payments or any health or other benefits from E/C or any Subsidiary.

4.1.18. Undisclosed Liabilities. Neither E/C nor any Subsidiary has any liabilities or obligations, accrued, contingent, or otherwise, that are material to E/C that do not satisfy one of the following: (a) such liabilities or obligations have been reflected or disclosed in the E/C Financial Statements; (b) such liabilities or obligations have been incurred since the E/C Balance Sheet Date in the ordinary course of business; or (c) such liabilities or obligations will be disclosed in Section 4.1.18 of the E/C Disclosure Schedule. E/C knows of no basis for the assertion against it or against any Subsidiary of any liability, obligation, or claim (including, without limitation, that of any Governmental

Entity) that is likely to result in or have a material adverse effect on E/C that is not fairly reflected in the E/C Financial Statements.

4.1.19. Illegal Payments. Neither E/C, any of its Subsidiaries, nor any of their directors, officers, agents, or employees, or any other person acting on behalf of any of them has, directly or indirectly: (a) used any corporate funds of E/C or any Subsidiary for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to political activity; (b) made any unlawful payments on behalf of E/C or any Subsidiary to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds; (c) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; (d) knowingly made any false or fictitious entry on the books or records of E/C or any Subsidiary; or (e) made any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment on behalf of E/C or any Subsidiary.

4.1.20. Bank Accounts. Section 4.1.20 of the E/C Disclosure Schedule will contain a true and complete list of the names and locations of all banks or other financial institutions which are depositories of funds of any of E/C or any Subsidiary, the names of all persons authorized to draw or sign checks or drafts upon such accounts, the numbers of such accounts, and the names and locations of any institutions in which E/C or any Subsidiary has safe deposit boxes and the names of the individuals having access thereto. Neither E/C nor any Subsidiary has any outstanding powers of attorney.

4.1.21. Insurance Matters. All policies of insurance covering any of E/C's or any Subsidiary's real and personal property or providing for business interruption, personal or product liability coverage, and other insurance will be described in Section 4.1.21 of the E/C Disclosure Schedule (specifying the insurer, the policy number, type of insurance, and any pending claims thereunder). Such insurance is in amounts deemed by E/C to be sufficient with respect to its and its Subsidiaries' assets, properties, business, operations, products, and services as the same are presently owned or conducted. All such policies are in full force and effect, and the premiums have been paid when due. Except as will be described in Section 4.1.21 of the E/C Disclosure Schedule, other than claims made under the policies in the ordinary course and which are not material in amount, there are no claims, actions, suits, or proceedings arising out of or based upon any of such policies of insurance, and, to the best knowledge of E/C, no reasonable basis for any such claim, action, suit, or proceeding exists. Neither E/C nor any Subsidiary is in default with respect to any provisions

contained in any such insurance policies, and none of them has failed to give any notice or to present any material claim under any such insurance policy in due and timely fashion.

4.1.22. Intellectual Property. Section 4.1.22 of the E/C Disclosure Schedule will list all E/C Intellectual Property and material licenses and other agreements allowing E/C or any Subsidiary to use the intellectual property of third parties in the United States or foreign countries. Except as will be set forth in Section 4.1.22 of the E/C Disclosure Schedule, E/C or one of its Subsidiaries is the sole and exclusive owner of each item of E/C Intellectual Property free and clear of all Encumbrances, and no governmental registration of any of the E/C Intellectual Property has lapsed, expired, or been abandoned, opposed, canceled, or the subject of a re-examination request. There are no claims or any reasonable basis for challenging the scope, validity, or enforceability of any of the copyrights, patents, trademarks, trade names, or service marks which are a part of the E/C Intellectual Property. None of the E/C Intellectual Property infringes the intellectual property of any other person, and no activity of any other person infringes upon any of the E/C Intellectual Property. E/C and each of its Subsidiaries has been and is now conducting its business in a manner which has not been and is not now in violation of any intellectual property rights of any other person and so as not to require a license or other proprietary right to so operate its business other than as will be described in Section 4.1.22 of the E/C Disclosure Schedule. The manufacturing and engineering drawings, process sheets, specifications, bills of material, trade secrets, "know-how," and other like data of E/C and its Subsidiaries are in such form and of such quality that they can, following the Effective Time, be used in the process of designing, producing, manufacturing, assembling, and selling the products and providing the services heretofore provided by them so that such products and services meet applicable specifications and conform with the quality standards heretofore met or required to be met by them.

4.1.23. Conduct of Business. Except as will be otherwise disclosed in Section 4.1.23 of the E/C Disclosure Schedule, since the E/C Balance Sheet Date, neither E/C nor any Subsidiary has:

(a) Issued any capital stock or other securities convertible into or exchangeable or exercisable for capital stock or having voting rights or declared or paid any dividend or made any other payment from capital or surplus or other distribution of any nature, or directly or indirectly redeemed, purchased, or otherwise acquired or recapitalized or

reclassified any of its capital stock or liquidated in whole or in part.

(b) Merged or consolidated with any other person.

(c) Altered or amended its charter or bylaws.

(d) Entered into, materially amended, or terminated any material agreement, license or permit, except in the ordinary course of business consistent with past practices.

(e) Experienced any labor disturbance.

(f) Incurred or become subject to any obligation or liability (absolute, accrued, contingent or otherwise), except: (i) obligations incurred in the ordinary course of business consistent with past practice, which did not involve borrowing money, and which have not caused and will not cause a material adverse effect on E/C; and (ii) obligations in connection with the performance of this Agreement.

(g) Discharged or satisfied any Encumbrance or paid or satisfied any obligation or liability (absolute, accrued, contingent, or otherwise) other than: (i) liabilities shown or reflected in the E/C Financial Statements; or (ii) liabilities incurred since the E/C Balance Sheet Date in the ordinary course of business consistent with past practice which were not material in amount.

(h) Mortgaged, pledged, or subjected to any Encumbrance any of its assets, properties, or business.

(i) Sold or transferred or agreed to sell or transfer any material asset, property, or business, canceled or agreed to cancel any material debt or claim, or waived any right, except in any such event in the ordinary course of business consistent with past practice.

(j) Disposed of or permitted to lapse any E/C Intellectual Property.

(k) Granted any increase in the rates of pay of employees or any increases in salary or compensation payable or to become payable to any officer, employee, consultant, or agent, or changed or increased the compensation payable to any officer, director, or employee, or (by means of any bonus or pension plan, contract, or other commitment) increased the compensation of any officer, director, employee, consultant, or agent, or hired any new officer, employee, consultant, or agent.

(l) Since January 1, 1994, made or authorized any capital expenditures for additions to plant or equipment accounts in excess of $500,000 in the aggregate.

(m) Experienced any material damage, destruction, or loss (whether or not covered by insurance) affecting its properties, assets, or business.

(n) Instituted or settled any litigation, action, or proceeding before any court or other Governmental Entity relating to it or its property involving a controversy in excess of $10,000.

(o) Made any change in any method of accounting or any accounting practice or suffered any deterioration in accounting controls.

(p) Varied, canceled, or allowed to expire any insurance coverage, other than renewals in the ordinary course of business consistent with past practice.

(q) Entered into any other material transaction other than in the ordinary course of business consistent with past practice.

(r) Agreed or committed to do any of the foregoing.

4.1.24. Title to Assets.

(a) E/C and its Subsidiaries are the sole and absolute owners of all of the assets (real and personal, tangible and intangible) reflected in the latest E/C Financial Statements as owned by them, other than assets which are leased under leases capitalized in accordance with GAAP and assets which have been disposed of since the date of such financial statements, and have good and marketable title to all such assets free and clear of any and all Encumbrances, except for the Encumbrances, if any, which will be listed in Section 4.1.24(a) of the E/C Disclosure Schedule. E/C and its Subsidiaries have valid leasehold interests in all assets (real and personal, tangible and intangible) leased by them.

(b) No person has any written or oral agreement, option, understanding, or commitment, or any right or privilege capable of becoming an agreement, for the purchase from E/C or any Subsidiary of any of the assets owned or leased by any of them other than pursuant to purchase orders for inventory accepted in the ordinary course of business consistent with past practice.

(c) Section 4.1.24(c) of the E/C Disclosure Schedule

will list or describe all consigned property and other property which is owned by or an interest in which is claimed by any other person (whether a customer, supplier, or other person) for which E/C or any Subsidiary is responsible (and true and complete copies of all agreements relating thereto will be delivered to the LZB Companies with the E/C Disclosure Schedule). All such property is used or held for use in the conduct of the business of E/C or a Subsidiary and is in such condition that upon return to its owner, they will not be liable to such owner.

4.1.25. Real Property.

(a) Section 4.1.25(a) of the E/C Disclosure Schedule will contain a true and complete list of: (i) all E/C Real Estate; and (ii) all E/C Real Estate Documents (true and complete copies of all of which will delivered to the LZB Companies with the E/C Disclosure Schedule). All buildings and other improvements on the E/C Real Estate are located within the boundaries of each particular parcel of E/C Real Estate and do not encroach upon such boundaries, except to the extent such encroachment would not have a material adverse effect on E/C. No building or other improvement situated on any adjacent real estate is encroaching upon any of the boundaries of the E/C Real Estate, except to the extent such encroachment would not have a material adverse effect on E/C.

(b) Except as will be described in Section 4.1.25(b) of the E/C Disclosure Schedule, the use of the E/C Real Estate by E/C and its Subsidiaries and the conduct therein of their respective businesses have not violated, and are not expected to violate, any federal, state, or local law, ordinance, rule, or regulation. The E/C Real Estate has an adequate water supply and sewage and waste disposal, or facilities therefor, and adequate utility connections and capacity as are sufficient for the operation of existing business of E/C and its Subsidiaries.

(c) The E/C Real Estate, including, without limitation, the buildings and improvements located thereon, and the ownership, operations, and maintenance thereof as now owned, operated, and maintained, do not: (i) violate any ordinances, statutes, regulations, covenants, or deed restrictions, including, without limitation, those relating to zoning, building use, air or water pollution, waste disposal, sanitation, and noise control; or (ii) violate any provision of federal, state, or local law. Consummation of the transactions contemplated herein will not cause the zoning for any of the E/C Real Estate to become non-complying by virtue of elimination of a grandfather clause or for any other reason.

(d) The buildings and other improvements on the E/C Real Estate, including, without limitation, the plumbing, heating, air-conditioning, electrical, mechanical, water, water pumping, and sewage systems, are in working order and not in violation of any applicable governmental rule or regulation or any other legal requirements, including, without limitation, health and fire codes and other similar regulations.

(e) There exists no pending or, to the best knowledge of E/C, threatened condemnation or similar proceeding with respect to, or which could affect, the E/C Real Estate in any respect.

(f) Except as will be described in Section 4.1.25(f) of the E/C Disclosure Schedule, neither E/C nor any Subsidiary has contracted for the furnishing of labor or materials to the E/C Real Estate which will not be paid in full prior to the Effective Time.

(g) Each of the E/C Real Estate Documents is in full force and effect, and there are no existing defaults or events of default thereunder, real or claimed, or events which with notice or lapse of time or both would constitute defaults thereunder by E/C or any Subsidiary or, to the best knowledge of E/C, any other person.

(h) The E/C Real Estate has sufficient and adequate vehicular and pedestrian access rights to and from public streets and rights-of-way contiguous to the E/C Real Estate, and adequate parking for each property comprising the E/C Real Estate is available and in compliance with all applicable zoning ordinances and laws.

(i) The buildings on the E/C Real Estate are fully constructed and are free from structural defects.

4.1.26. Leased Personal Property. Section 4.1.26 of the E/C Disclosure Schedule will describe all E/C Leased Personal Property. True and complete copies of all leases to which E/C or any Subsidiary is a party relating to the E/C Leased Personal Property will be delivered to the LZB Companies with the E/C Disclosure Schedule. All E/C Leased Personal Property is in such condition that upon the return of such E/C Leased Personal Property in its present condition to its owner, neither E/C nor any Subsidiary will be liable to such owner. All E/C Leased Personal Property is situated at the E/C Real Estate and is used by E/C or a Subsidiary in the operation of its business. Each of the leases relating to the E/C Leased Personal Property is in full force and effect, and there are no existing defaults or events of default, real or claimed, or events which with notice or lapse of time or both

would constitute defaults by E/C or any Subsidiary or, to the best knowledge of E/C, any other person.

4.1.27. E/C Tangible Personal Property. Except as will be described in Section 4.1.27 of the E/C Disclosure Schedule, all of the machinery, equipment, vehicles, and other tangible personal property that is used or useful in or necessary for the conduct of the businesses E/C and its Subsidiaries, except items with an aggregate book value of less than $50,000, is in working condition and repair and is capable of and has the capacity to produce products in the amount and of the quality required by any purchase order accepted by E/C or any Subsidiary and outstanding at the Effective Time.

4.1.28. Accounts Receivable. All accounts and notes receivable reflected on the latest balance sheet included in the E/C Financial Statements, or arising since the E/C Balance Sheet Date (net of related reserves or, if reserves have not been established, net of an amount which if so established would be consistent with the established reserve policies of E/C), have been collected, or are and will be good and collectible, in each case at the aggregate recorded amounts thereof without right of recourse, defense, deduction, return of goods, counterclaim, or set off on the part of the obligor and, if not collected, can reasonably be anticipated to be paid within 90 days of the date incurred.

4.1.29. Inventory. Except as will be disclosed in Section 4.1.29 of the E/C Disclosure Schedule, the inventory of raw materials and work in process of E/C and its Subsidiaries is usable in all material respects, and all inventory of finished goods is good and marketable on a normal basis in the existing product lines of E/C and its Subsidiaries. Such inventories do not represent more than a twelve-month supply measured by the volume of sales or use for the most recent complete fiscal year covered by the E/C Financial Statements.

4.2. Representations and Warranties of the LZB Companies. The LZB Companies, jointly and severally, represent and warrant to E/C as follows:

4.2.1. Organization, Standing, and Power. Each of the LZB Companies is a corporation duly incorporated, validly existing, and in good standing under the laws of its jurisdiction of incorporation. True and complete copies of the articles of incorporation and bylaws of each of the LZB Companies as currently in effect have been delivered to E/C with the LZB Disclosure Schedule.

4.2.2. Capital Structure.

(a) The authorized capital stock of LZB consists solely of 40,000,000 shares of LZB Common Stock and 5,000,000 shares of LZB Preferred Stock. As of December 31, 1994, 17,961,476 shares of LZB Common Stock were issued and outstanding, and no shares of LZB Preferred Stock were issued and outstanding. All outstanding shares of LZB Common Stock have been duly authorized and validly issued and are fully paid and nonassessable and not subject to any preemptive rights. No shares of any class of LZB's capital stock are held by LZB as treasury shares.

(b) The authorized capital stock of LZB Acquisition consists solely of 1,000 shares of common stock. As of the date of this Agreement, one share of LZB Acquisition's common stock is issued and outstanding, which is owned by LZB. All outstanding shares of LZB Acquisition's common stock have been duly authorized and validly issued and are fully paid and nonassessable and not subject to any preemptive rights. No shares of any class of LZB Acquisition's capital stock are held by LZB Acquisition as treasury shares.

(c) Neither of the LZB Companies has outstanding any Voting Debt.

(d) Except for this Agreement and the Plan of Merger, and except as disclosed in the LZB SEC Documents or in Section 4.2.2(d) of the LZB Disclosure Schedule, LZB has no outstanding options, warrants, calls, rights, commitments, or agreements of any character to which it is a party or is bound obligating it to issue, deliver, or sell, or to cause to be issued, delivered, or sold, additional shares of capital stock, any Voting Debt, or any other security with voting rights in LZB or obligating LZB to grant, extend, or enter into any such option, warrant, call, right, commitment, or agreement. There are no outstanding contractual obligations of LZB to repurchase, redeem, or otherwise acquire any shares of its capital stock. LZB is not required to, and no shareholder of LZB has any right to require LZB to, redeem, repurchase, or otherwise acquire or to offer to redeem, repurchase, or otherwise acquire any shares of its capital stock in connection with or as a result of the Merger or the other transactions contemplated in this Agreement.

4.2.3. Authority.

(a) The LZB Companies have all requisite corporate power and authority to enter into this Agreement and the Plan of Merger and, subject to approval of this Agreement and the Plan of Merger by the shareholders of E/C, to consummate the

transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Plan of Merger and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the LZB Companies. No approval or adoption by the shareholders of LZB is required to consummate the Merger and the other transactions contemplated hereby. This Agreement and the Plan of Merger have been duly executed and delivered by the LZB Companies and constitute legal, valid, and binding obligations of the LZB Companies, enforceable against the LZB Companies in accordance with their terms, except as enforceability may be limited by general principles of equity, whether considered at law or in equity, and bankruptcy, insolvency, and similar laws affecting creditors' rights and remedies generally.

(b) The execution and delivery of this Agreement and the Plan of Merger and the consummation of the transactions contemplated hereby and thereby will not be, give rise to, or result in any Violation of the articles of incorporation or bylaws of either of the LZB Companies or (subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations, and filings referred to in paragraph (c) below, and except as set forth in Section 4.2.3(b) of the LZB Disclosure Schedule) be, give rise to, or result in any Violation of, or require the consent of any other person that is a party to, any loan or credit agreement, note, mortgage, indenture, lease, sublease, or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to either of the LZB Companies or its properties or assets.

(c) No consent, approval, order, or authorization of, or registration, declaration, or filing with, any Governmental Entity is required by or with respect to either of the LZB Companies in connection with the execution and delivery of this Agreement or the Plan of Merger by the LZB Companies or the consummation by the LZB Companies of the transactions contemplated hereby or thereby, except for: (i) the filing of the Tennessee Articles of Merger with the Secretary of State of the State of Tennessee; (ii) the filing of the Certificate of Merger with the Michigan Corporation Bureau; (iii) the filing of appropriate documents with the relevant authorities of other states in which E/C is qualified to do business; (iv) LZB's Hart-Scott-Rodino Filing and expiration or early termination of the waiting period under the Hart-Scott-Rodino Act; (v) the filing of the Registration Statement and any appropriate amendments thereto with the SEC and the effectiveness thereof under the Securities Act; (vi) any filings or other actions required to register the Merger

Securities under the securities laws of any state or to obtain exemptions from the requirement for such registration; and (vii) the listing of the LZB Common Stock to be issued as part of the Merger Consideration upon notice of issuance with the Exchanges.

4.2.4. The Merger Securities.

(a) The LZB Common Stock to be issued as part of the Merger Consideration and the additional LZB Common Stock which may become issuable under the terms of the Performance Units has been duly authorized and, when issued in accordance with the Plan of Merger, will be validly issued, fully paid, and nonassessable.

(b) When the Indenture has been duly authorized, executed, and delivered by LZB, the Indenture will constitute the legal, valid, and binding obligation of LZB, enforceable against LZB in accordance with its terms, except as enforceability may be limited by general principles of equity, whether considered at law or in equity, and bankruptcy, insolvency, and similar laws affecting creditors' rights and remedies generally.

(c) When the Notes have been duly authorized, executed, and delivered in accordance with the Plan of Merger and the Indenture, the Notes will constitute the legal, valid, and binding obligations of LZB, enforceable against LZB in accordance with their terms, except as enforceability may be limited by general principles of equity, whether considered at law or in equity, and bankruptcy, insolvency, and similar laws affecting creditors' rights and remedies generally.

4.2.4. LZB SEC Documents. LZB has provided to E/C with the LZB Disclosure Schedule true and complete copies of each of the LZB SEC Documents (including those exhibits copies of which were requested by E/C, but excluding the other exhibits thereto). As of their respective dates, the LZB SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC thereunder applicable to such LZB SEC Documents, and none of the E/C SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of LZB included in the LZB SEC Documents comply in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with GAAP, except as may be indicated in the notes thereto or, in the case of

unaudited statements, as permitted by Form 10-Q of the SEC, and fairly present (subject, in the case of the unaudited statements, to recurring audit adjustments normal in nature and amount) the consolidated financial position of LZB as at the dates thereof and the consolidated results of its operations and cash flows or changes in financial position for the periods then ended.

4.2.5. Registration Statement. None of the information supplied or to be supplied by either of the LZB Companies for inclusion or incorporation by reference in (a) the Registration Statement will, at the time the Registration Statement becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or (b) the Proxy Statement/Prospectus or any amendment or supplement thereto will, at the date of mailing to shareholders and at the time of the E/C Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Proxy Statement/Prospectus (except for such portions thereof that relate only to E/C or its Subsidiaries) will comply in all material respects with any applicable provisions of the Exchange Act and the rules and regulations thereunder, and the Registration Statement (except for portions thereof that relate only to E/C or its Subsidiaries) will comply in all material respects with the provisions of the Securities Act and the rules and regulations thereunder.

4.2.6. Approvals. The LZB Companies know of no reason why all Requisite Regulatory Approvals should not be obtained without the imposition of any Materially Burdensome Condition.

4.2.7. Brokers and Finders. Neither of the LZB Companies nor any of their directors, officers, or employees has employed any broker or finder or incurred any liability for any financial advisory fees, brokerage fees, commissions, or similar payments in connection with the transactions contemplated by this Agreement.

4.2.8. No Material Adverse Change. Except as disclosed in Section 4.2.8 of the LZB Disclosure Schedule, there has been no material adverse change in the condition (financial or otherwise), business, or prospects of LZB since the date of the latest balance sheet included in the LZB SEC Documents.

5. COVENANTS.

5.1. Covenants of E/C. During the period from the date of this Agreement and continuing until the Closing Date, E/C agrees that, except as expressly contemplated or permitted by this Agreement or to the extent that LZB shall otherwise consent in writing:

5.1.1. Ordinary Course. E/C and each Subsidiary shall carry on its respective business in, and only in, the usual, regular, and ordinary course in substantially the same manner as heretofore conducted and use all reasonable efforts to preserve intact its present business organizations, maintain its rights and franchises, and preserve its relationships with customers, suppliers, and others having business dealings with it to the end that its goodwill and ongoing business shall not be impaired, and will not enter into any transaction not in the ordinary course of business.

5.1.2. Dividends and Distributions. Neither E/C nor any Subsidiary shall, or shall propose to: (a) declare or pay any dividends on or make other distributions in respect of any of its capital stock except for (i) payment by E/C to its shareholders of the dividend previously declared in an amount equal to 60 percent of its taxable income for the period of July 1, 1994 to December 31, 1994, (ii) declaration and payment by E/C of dividends to its shareholders in an amount equal to 40 percent of its taxable income for the period of January 1, 1995 to the day before the Effective Time (or, if earlier, the date on which E/C ceases to be a small business corporation (as defined in Section 1361(a) of the Code)), as estimated by it in good faith), and (iii) declaration and payment by E/C of dividends to its shareholders in an amount equal to 50 percent of the proceeds (net of any loans and other deductions or offsets) receivable by E/C under insurance policies owned by E/C on the life of Arnold Dwight England; (b) split, combine, or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of, or in substitution for shares of its capital stock; or (c) repurchase, redeem, or otherwise acquire, or permit any Subsidiary to purchase or otherwise acquire, any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock.

5.1.3. Charter and Bylaw Amendments. Neither E/C nor any Subsidiary shall amend its charter or bylaws.

5.1.4. Other Actions. Neither E/C nor any Subsidiary shall take any action that is intended to result in any of its representations and warranties set forth in this Agreement

being or becoming untrue in any material respect, or in any of the conditions to the Merger set forth in Section 7 not being satisfied or in a violation of any provision of this Agreement or which would adversely affect the ability of E/C to obtain any of the Requisite Regulatory Approvals without imposition of a Materially Burdensome Condition except, in every case, as may be required by applicable law.

5.1.5. Advice of Changes; Government Filings. E/C shall promptly advise the LZB Companies orally and in writing of any change or event having, or which, insofar as can reasonably be foreseen, could have, a material adverse effect on E/C or which would cause or constitute a material breach of any of the representations, warranties, or covenants of E/C contained herein, or which, insofar as can be reasonably foreseen, would result in a condition set forth in Section 7 not being satisfied as of the Closing Date.

5.1.6. Accounting Methods. E/C shall not change its methods of accounting in effect at the E/C Balance Sheet Date, except as required by changes in generally accepted accounting principles as concurred in by such party's independent auditors, or change its fiscal year.

5.1.7. S Corporation Status. E/C shall use its best efforts to maintain its status as an S Corporation for federal income tax purposes.

5.1.8. Affiliate Transactions. Neither E/C nor any Subsidiary shall engage in any new transaction with any of its "affiliates" (as defined in Rule 145 under the Securities Act).

5.1.9. Other Actions. Neither E/C nor any Subsidiary will issue, deliver, or sell, or authorize or propose the issuance, delivery, or sale of, any shares of its capital stock of any class, any Voting Debt, or any securities convertible into or exercisable for, or any rights, warrants, or options to acquire any such shares or Voting Debt, or other securities with voting rights or enter into any agreement with respect to any of the foregoing.

5.1.10. No Solicitations. E/C will not, and will not authorize or permit any of its officers, directors, or employees or any investment banker, financial advisor, attorney, accountant, or other representative or agent retained by it to, solicit or encourage the making of any Takeover Proposal or (unless, in the written opinion of E/C's independent counsel, such action is required by the fiduciary duties of the Board of Directors of E/C) agree to or endorse any Takeover Proposal, or participate in any negotiations, or

provide third parties with any information relating to any such proposal. E/C will promptly advise LZB orally and in writing of any such proposals.

5.1.11. Acquisitions. Neither E/C nor any Subsidiary will acquire or agree to acquire, by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or in any other manner, any business or any corporation, partnership, association, or other business organization or division thereof, or otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to E/C.

5.1.12. Dispositions. Other than sales of inventory in the ordinary course of business consistent with prior practice, neither E/C nor any Subsidiary will sell, lease, encumber, or otherwise dispose of, or agree to sell, lease, encumber, or otherwise dispose of, any material portion of its assets.

5.1.13. Debt. Other than in the ordinary course of business consistent with past practice, neither E/C nor any Subsidiary will incur any Debt, assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual, corporation or other entity, or make any loan or advance other than in the ordinary course of business consistent with past practice; provided, however, that in no event shall E/C incur Debt which would result in it having total Debt as of the Closing Date in excess of $24,000,000.

5.1.14. Benefit Plans. Neither E/C nor any Subsidiary will, without the prior written consent of LZB: (a) enter into, adopt, amend, or terminate any E/C Benefit Plan or any other employee benefit plan or any agreement, arrangement, plan, or policy between such party and one or more of its directors or officers; (b) increase in any manner the compensation or fringe benefits of any director, officer, or employee or pay any benefit not required by any plan or arrangement as in effect as of the date hereof (including, without limitation, the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, or performance units or shares) or enter into any contract, agreement, commitment, or arrangement to do any of the foregoing; or (c) enter into or renew any contract, agreement, commitment, or arrangement providing for the payment to any director, officer, or employee of such party of compensation or benefits contingent, or the terms of which are materially altered, upon the occurrence of any of the transactions contemplated by this Agreement.

5.1.15. Discharge of Claims; Capital Expenditures. Neither E/C nor any Subsidiary will: (a) pay, discharge, or satisfy any claim, liability, or obligation of any nature other than in the ordinary course of business consistent with past practice; or (b) make any capital expenditures or commitments other than those which have been approved by LZB.

5.1.16. Access to Information. Upon reasonable notice and subject to applicable laws relating to the exchange of information, E/C shall each afford to the officers, employees, accountants, counsel, and other representatives of LZB access, during normal business hours during the period prior to the Closing Date, to all its properties, books, contracts, commitments and records and, during such period, E/C shall make available to LZB all other information concerning its business, properties, and personnel as LZB may reasonably request. No investigation by or on behalf of a LZB Company shall affect the representations and warranties of E/C set forth herein.

5.2. Covenants of LZB Companies. During the period from the date of this Agreement and continuing until the Closing Date, the LZB Companies agree that, except as expressly contemplated or permitted by this Agreement or to the extent that E/C shall otherwise consent in writing:

5.2.1. Dividends and Distributions. LZB shall not, and shall not propose to: (a) declare or pay any dividends on or make other distributions in respect of the LZB Common Stock other than cash dividends in amounts determined in accordance with prior practice; or (b) split, combine, or reclassify the LZB Common Stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of, or in substitution for shares of the LZB Common Stock.

5.2.2. Charter and Bylaw Amendments. Neither of the LZB Companies shall amend its articles of incorporation or bylaws so as to adversely affect the rights of holders of LZB Common Stock.

5.2.3. Other Actions. Neither of the LZB Companies shall take any action that is intended to result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect, or in any of the conditions to the Merger set forth in Section 7 not being satisfied or in a violation of any provision of this Agreement or which would adversely affect the ability of the LZB Companies to obtain any of the Requisite Regulatory Approvals without imposition of a Materially Burdensome Condition except, in every case, as may be required by applicable law.

5.2.4. Advice of Changes; Government Filings. LZB shall promptly advise E/C orally and in writing of any change or event having, or which, insofar as can reasonably be foreseen, could have, a material adverse effect on LZB or which would cause or constitute a material breach of any of the representations, warranties, or covenants of the LZB Companies contained herein, or which, insofar as can be reasonably foreseen, would result in a condition set forth in Section 7 not being satisfied as of the Closing Date.

5.2.5. Other Actions. LZB will not issue any shares of LZB Common Stock for less than fair value except pursuant to employee stock option plans described in the LZB SEC Documents or in Section 5.2.5 of the LZB Disclosure Schedule.

6. ADDITIONAL AGREEMENTS.

6.1. Regulatory Matters.

6.1.1. Registration Statement. E/C and LZB shall promptly prepare and file with the SEC the Registration Statement, in which the Proxy Statement/Prospectus will be included. Each of LZB and E/C shall use all reasonable efforts to have the Registration Statement declared effective under the Securities Act as promptly as practicable after such filing and after receipt of the tax lock-up letters referred to in Section 7.2.8, and E/C shall thereafter mail the Proxy Statement to its shareholders. E/C and the LZB Companies shall also use their respective best efforts to obtain all necessary state securities law or "blue sky" permits and approvals required to carry out the transactions contemplated by this Agreement, and E/C and the LZB Companies, as applicable, shall furnish all information concerning LZB, E/C, and the holders of E/C Stock as may be reasonably requested in connection with any such action.

6.1.2. Hart-Scott-Rodino Filings. E/C and LZB shall each promptly prepare and file their respective Hart-Scott-Rodino Filings and shall use their best efforts to cause the applicable waiting period under the Hart-Scott-Rodino Act to expire or be terminated.

6.1.3. General.

(a) The parties hereto shall cooperate with each other and use their best efforts to promptly prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, filings, and other documents, to obtain as promptly as practicable all necessary permits, consents, approvals, and authorizations of all other persons and

Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement. E/C and LZB shall have the right to review in advance, and to the extent practicable each will consult the other on, in each case subject to applicable laws relating to the exchange of information, all the information relating to E/C or the LZB Companies, which appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties hereto shall act reasonably and as promptly as practicable. The parties hereto agree that they will consult with each other with respect to the obtaining of all permits, consents, approvals, and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement, and each party will keep the other apprised of the status of matters relating to completion of the transactions contemplated herein.

(b) E/C and each of the LZB Companies shall, upon request, use their best efforts to furnish each other with all information concerning themselves, their directors, officers, and shareholders, all financial information or other information, including accountant comfort letters relating thereto, certificates, and consents, and such other matters as may be reasonably necessary or advisable in connection with the Registration Statement, the Hart-Scott-Rodino Filings, or any other statement, filing, notice, or application made by or on behalf of any of E/C or either of the LZB Companies to any Governmental Entity or any other person in connection with the Merger and the other transactions contemplated by this Agreement and the Plan of Merger.

(c) E/C and each of the LZB Companies shall promptly furnish each other with copies of written communications received by any of them or any of their respective affiliates or associates (as such terms are defined in Rule 12b-2 under the Exchange Act as in effect on the date hereof) from, or delivered by any of the foregoing to, any Governmental Entity in respect of the transactions contemplated hereby.

6.2. Opinions of Counsel. Each party shall use its best efforts to cause to be delivered to the other opinions of its independent counsel, dated the effective date of the Registration Statement and the date of the E/C Shareholder Meeting, to the effect that the Registration Statement and the Proxy Statement/Prospectus and any amendment and supplements thereto (except for information with respect to the other parties and except for the financial statements and notes thereto and other financial, statistical, and accounting data included in, incorporated by

reference in, or which should have been included in or incorporated by reference in the Registration Statement or the Proxy Statement/Prospectus, as to all of which they need express no opinion) comply as to form in all material respects with the applicable requirements of the Securities Act and rules and regulations of the SEC promulgated thereunder. Each party shall also use its best efforts to cause to be delivered to the other letters of its counsel dated the same dates as the opinions described above to the effect that nothing has come to such counsel's attention that has caused such counsel to believe that the Registration Statement or the Proxy Statement/Prospectus, at the time the Registration Statement became effective, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were, made not misleading (except for information with respect to the other parties and except for financial statements and notes thereto and other financial, statistical, and accounting data included in, incorporated by reference in, or which should have been included in or incorporated by reference in the Registration Statement or the Proxy Statement/Prospectus, as to all of which they need make no statement).

6.3. Legal Conditions to Mergers. Each of E/C and the LZB Companies shall use their best efforts: (a) to take, or cause to be taken, all actions necessary to comply promptly with all legal requirements which may be imposed on such party with respect to the Merger and, subject to the conditions set forth in Section 7, to consummate the transactions contemplated by this Agreement and the Plan of Merger; and (b) to obtain (and to cooperate with the other party to obtain) any consent, authorization, order, or approval of, or any exemption by, any Governmental Entity and any other public or private person which is required to be obtained or made by such party in connection with the Merger and the transactions contemplated by this Agreement and the Plan of Merger. Each of the parties will promptly cooperate with and furnish information to the other in connection with any such condition or restriction suffered by, or requirement imposed upon, any of them in connection with the foregoing.

6.4. Affiliates. E/C shall use its best efforts to cause each director, officer, and other person who is an "affiliate" (for purposes of Rule 145 under the Securities Act) of E/C to deliver to LZB, on or prior to the Closing Date, a written agreement, in form and substance satisfactory to LZB in its reasonable judgment, to comply with the applicable provisions of Rule 145 in connection with any resales of Merger Securities. Section 6.4 of the E/C Disclosure Schedule will contain a list of the persons considered by E/C to be an affiliate for such purpose.

6.5. Expenses. If the Merger is consummated, all costs and

expenses incurred in connection with this Agreement shall be paid by the Surviving Corporation, and if the Merger is not consummated, all such costs and expenses shall be paid by the party incurring the same. Nothing in this Section 6.5 is intended to limit in any manner the damages or liabilities that a party may seek to recover arising out of a breach of this Agreement or the Plan of Merger by another party.

6.6. Additional Agreements; Best Efforts. Subject to the terms and conditions of this Agreement, each of the parties hereto agrees to use its best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including, without limitation, cooperating fully with the other parties hereto, providing the other parties hereto with any appropriate information, and making all necessary filings in connection with the Requisite Regulatory Approvals. In case at any time after the Closing Date any further action is necessary or desirable to carry out the purposes of this Agreement or the Plan of Merger or to vest the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities, and franchises of any of the constituent corporations of the Merger, the proper officers and directors of each party to this Agreement shall take all such necessary action.

6.7. Plan of Merger. Immediately after the execution of this Agreement, the parties thereto shall execute and deliver the Plan of Merger.

6.8. Letter of E/C's Accountants. E/C shall use its best efforts to cause to be delivered to E/C and the LZB Companies letters of BDO Seidman, independent auditors for E/C, dated (a) the date on which the Registration Statement shall become effective, and (b) the business day prior to the Effective Time, and addressed to E/C and the LZB Companies, in form and substance reasonably satisfactory to E/C the LZB Companies, and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.

6.9. Letter of LZB's Accountants. LZB shall use its best efforts to cause to be delivered to E/C and the LZB Companies letters of Price Waterhouse, independent auditors for LZB, dated (a) the date on which the Registration Statement shall become effective, and (b) the business day prior to the Effective Time, and addressed to E/C and the LZB Companies, in form and substance reasonably satisfactory to E/C the LZB Companies, and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.

6.10. E/C Disclosure Schedule. No later than January 24, 1995, E/C shall deliver the E/C Disclosure Schedule (together with all documents required to be delivered therewith) to the LZB Companies.

7. CONDITIONS PRECEDENT.

7.1. Conditions to Each Party's Obligation To Effect the Merger. The respective obligation of each party to effect the Merger shall be subject to the satisfaction prior to the Effective Time of the following conditions:

7.1.1. Shareholder Approval. This Agreement, the Plan of Merger, and the Merger shall have been duly approved by the requisite vote of each "voting group" (as defined in the TBCA) entitled to vote thereon.

7.1.2. Listing on Exchanges. The shares of LZB Common Stock issuable as part of the Merger Consideration shall have been listed on upon official notice of issuance on the Exchanges.

7.1.3. Requisite Regulatory Approvals. The waiting period under the Hart-Scott-Rodino Act shall have expired or been terminated, and all other Requisite Regulatory Approvals shall have been accomplished or obtained and shall be in full force and effect.

7.1.4. Registration Statement. The Registration Statement shall have become effective under the Securities Act, no stop order suspending the effectiveness of the Registration Statement shall have been issued, and no proceedings for that purpose shall have been initiated or threatened by the SEC or the securities administrators of any jurisdiction, nor shall any of such authorities have instituted or threatened to institute any proceedings with respect to a stop order.

7.1.5. Blue Sky Matters. The Merger Securities shall have been qualified or registered with the appropriate "blue sky" authorities of all states in which qualification or registration is required, and such qualifications or registrations shall not have been suspended or revoked.

7.1.6. No Restrictions or Restraints; Illegality. No order, injunction, or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger or any of the transactions contemplated hereby shall be in effect, nor shall any proceeding by any Governmental Entity seeking any of the foregoing be pending, nor shall any lawsuit or governmental

proceeding be pending or threatened against any of E/C, either of the LZB Companies, or any of their respective directors seeking substantial damages in connection with the transactions contemplated in this Agreement. No statute, rule, regulation, order, injunction, or decree shall have been enacted, entered, promulgated, or enforced by any Governmental Entity which prohibits, restricts or makes illegal consummation of the Merger.

7.1.7. No Materially Burdensome Condition. No Materially Burdensome Condition shall have been imposed or be applicable to the transactions contemplated by this Agreement.

7.1.8. Governmental Action. There shall not have been any action taken, or any law, rule, regulation, order, judgment, or decree proposed, promulgated, enacted, entered, enforced, or deemed applicable to the transactions contemplated by this Agreement by any Governmental Entity or by any court or other tribunal, including the entry of a preliminary or permanent injunction, which, in the reasonable opinion of such party: (a) makes this Agreement, the Plan of Merger, or the Merger, or any of the other transactions contemplated by this Agreement, illegal; (b) results in a material delay in the ability of E/C or the LZB Companies to consummate the Merger or any of the other transactions contemplated by this Agreement; (c) requires the divestiture by E/C or the LZB Companies of a material portion of the business of E/C, taken as a whole, or the LZB Companies, taken as a whole; or (d) otherwise prohibits or restricts or delays in a material respect consummation of the Merger or any of the other transactions contemplated by this Agreement or impairs in a material respect the contemplated benefits to E/C or the LZB Companies of this Agreement, the Merger, or any of the other transactions contemplated by this Agreement.

7.1.9. Affiliates' Agreements. The affiliates' agreements described in Section 6.4 shall have been executed and delivered by the persons described in Section 6.4.

7.1.10. LZB Notes and Indenture. The parties shall have agreed to the definitive forms of the LZB Notes and the Indenture, and the Indenture shall have been executed and delivered by the parties thereto.

7.2. Conditions to Obligations of the LZB Companies. The obligation of the LZB Companies to effect the Merger is also subject to the satisfaction or waiver by the LZB Companies prior to the Effective Time of the following conditions:

7.2.1. Representations and Warranties. The representations and warranties of E/C set forth in this

Agreement shall be true and correct in all material respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Effective Time as though made on and as of such time, except as otherwise contemplated by this Agreement, and the LZB Companies shall have received a certificate signed on behalf of E/C by its Chief Executive Officer and Chief Financial Officer to such effect.

7.2.2. Performance of Obligations of E/C. E/C shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Effective Time, and the LZB Companies shall have received a certificate signed on behalf of E/C by its Chief Executive Officer and Chief Financial Officer to such effect.

7.2.3. Consents Under Agreements. E/C shall have obtained the consent or approval of each person (other than the Governmental Entities referred to in Section 7.1.3) whose consent or approval shall be required in order to permit the succession by the Surviving Corporation pursuant to the Merger to any obligation, right, or interest of E/C under any loan or credit agreement, note, mortgage, indenture, lease, license, or other agreement or instrument.

7.2.4. Tax Opinions. The LZB Companies shall have received the opinion of Miller, Canfield, Paddock and Stone, P.L.C., dated the effective date of the Registration Statement and the Effective Time, to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

7.2.5. Legal Opinions. The LZB Companies shall have received: (a) the opinions and letters referred to in Section 6.2; and (b) the opinion of Baker, Donelson, Bearman & Caldwell, counsel to E/C, dated the Effective Time, as to such matters as are customary for transactions of this type and in form and substance reasonably acceptable to the LZB Companies.

7.2.6. Debt. The total Debt of E/C shall not exceed $30,000,000 on the Effective Time, and the LZB Companies shall have received a certificate dated the Effective Time, signed on behalf of E/C by its respective Chief Financial Officer, to such effect.

7.2.7. Accountants' Letters. The LZB Companies shall have received the letters referred to in Sections 6.8 and 6.9.

7.2.8. Tax Lock-Up Letters. The LZB Companies shall have received tax lock-up letters, in form and substance satisfactory to LZB in its reasonable judgment: (a) from all

E/C shareholders who are to receive LZB Common Stock as Merger Consideration; and (b) from those E/C shareholders to be designated in Section 7.2.8 of the E/C Disclosure Schedule.

7.2.9. S Corporation Opinion. BDO Seidman shall have delivered to the LZB Companies its opinion, dated the Effective Time, with respect to the status of E/C prior to such time as an electing small business corporation under the Code, in form and substance reasonably acceptable to LZB.

7.2.10. Waivers of Indemnification Rights. Each of the officers and directors of E/C shall have delivered to the LZB Companies documents, in form and substance reasonably satisfactory to the LZB Companies, pursuant to which such officers and directors forever waive and release any and all claims they might otherwise have (whether under the charter or bylaws of E/C, the articles of incorporation or bylaws of either LZB Company, by contract, or otherwise) for indemnification or for the payment or advancing of expenses relating in any way to any disputes which may arise between such officer or director and either LZB Company relating to this Agreement or the transactions contemplated hereby.

7.2.11. Termination of Employment Agreements. Each holder of E/C Class A Stock shall have executed and delivered to E/C (with copies to the LZB Companies) documents, in form and substance satisfactory to LZB in its reasonable judgment, acknowledging that any and all employment contracts between such person and E/C have been terminated and releasing E/C and the Surviving Corporation from any further liability thereunder, including (but not limited to) any liability with respect to such termination.

7.3. Conditions to Obligations of E/C. The obligation of E/C to effect the Merger is also subject to the satisfaction or waiver by E/C prior to the Effective Time of the following conditions:

7.3.1. Representations and Warranties. The representations and warranties of the LZB Companies set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Effective Time as though made on and as of such time, except as otherwise contemplated by this Agreement, and E/C shall have received a certificate signed on behalf of LZB by its Chief Executive Officer and Chief Financial Officer to such effect.

7.3.2. Performance of Obligations of E/C. The LZB Companies shall have performed in all material respects all obligations required to be performed by them under this

Agreement at or prior to the Effective Time, and E/C shall have received a certificate signed on behalf of LZB by its Chief Executive Officer and Chief Financial Officer to such effect.

7.3.3. Consents Under Agreements. The LZB Companies shall have obtained the consent or approval of each person (other than the Governmental Entities referred to in Section 7.1.3) whose consent or approval shall be required in order to permit the succession by the Surviving Corporation pursuant to the Merger to any obligation, right, or interest of LZB Acquisition under any loan or credit agreement, note, mortgage, indenture, lease, license, or other agreement or instrument.

7.3.4. Tax Opinions. E/C shall have received the opinion of Miller, Canfield, Paddock and Stone, P.L.C., dated the effective date of the Registration Statement and the Effective Time, to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

7.3.5. Legal Opinions. E/C shall have received: (a) the opinions and letters referred to in Section 6.2; and (b) the opinion of Miller, Canfield, Paddock and Stone, P.L.C., counsel to the LZB Companies, dated the Effective Time, as to such matters as are customary for transactions of this type and in form and substance reasonably acceptable to E/C.

7.3.6. Accountants' Letters. E/C shall have received the letters referred to in Sections 6.8 and 6.9.

7.3.7. Tax Lock-Up Letters. E/C shall have received the tax lock-up letters referred to in Section 7.2.8.

8. TERMINATION AND AMENDMENT.

8.1. Termination. This Agreement and the Plan of Merger may be terminated at any time prior to the Effective Time, whether before or after approval of the matters presented in connection with the Merger by the shareholders of E/C:

(a) by mutual consent of E/C and the LZB Companies in a written instrument, if the Board of Directors of each so determines by a vote of a majority of the members of its entire Board;

(b) by E/C or either of the LZB Companies upon written notice to the others if (i) any Requisite Regulatory Approval

shall have been denied or any Materially Burdensome Condition shall have been imposed or (ii) any Governmental Entity of competent jurisdiction shall have issued a final nonappealable order enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement;

(c) by E/C or either of the LZB Companies upon written notice to the others if the Merger shall not have been consummated on or before April 15, 1995, provided that a party may not terminate under this Section 8.1(c) if such party is in breach in any material respect of this Agreement;

(d) by E/C or either of the LZB Companies upon written notice to the others if any approval of the shareholders of E/C required for the consummation of the Merger shall not have been obtained by reason of the failure to obtain the required vote at the E/C Shareholder Meeting, provided that any such notice of termination must be given not later than 45 days after the conclusion of the E/C Shareholder Meeting or within such longer period as may be agreed upon by the parties;

(e) by E/C or the LZB Companies upon written notice to the others if there shall have been a material breach of any of the representations or warranties set forth in this Agreement on the part of E/C (in the case of the LZB Companies) or either of the LZB Companies (in the case of E/C), as if any such breach were being made as of the date of determination, and which breach by its nature cannot be cured prior to the earlier of the then scheduled Closing Date or 60 days following receipt by the breaching party of written notice of the breach from any other party hereto;

(f) by E/C or the LZB Companies upon written notice to the others if there shall have been a material breach of any of the covenants or agreements set forth in this Agreement on the part of E/C (in the case of the LZB Companies) or either of the LZB Companies (in the case of E/C), which breach shall not have been cured prior to the earlier of the then scheduled Closing Date 15 business days following receipt by the breaching party of written notice of such breach from any other party hereto;

(g) by either of the LZB Companies upon written notice to E/C if the Board of Directors of E/C does not, or shall indicate to either of the LZB Companies that it is unwilling or unable to, recommend in the Proxy Statement/Prospectus that its shareholders approve this Agreement and the Plan of Merger, or if after recommending in the Proxy Statement/Prospectus that shareholders approve this Agreement and the Plan of Merger, the Board of Directors of E/C shall have withdrawn, modified, or amended such recommendation in any respect

materially adverse to the LZB Companies, provided that any such notice of termination must be given not later than 45 days after the date LZB shall have been advised by E/C in writing that it is unable or unwilling to so recommend in the Proxy Statement/Prospectus or that it has withdrawn, modified, or amended such recommendation, or such later date as may be agreed upon by E/C and the LZB Companies;

(h) by either of the LZB Companies upon written notice to E/C if E/C shall have authorized, recommended, proposed, or announced an intention to authorize, recommend, or propose, or entered into an agreement with any person (other than any of the LZB Companies) to effect, a Takeover Proposal or shall fail to publicly oppose a tender offer or exchange offer by another person based on a Takeover Proposal;

(i) by either of the LZB Companies upon written notice to E/C if E/C fails to deliver the E/C Disclosure Schedule within the time specified in Section 6.10; and

(j) by either of the LZB Companies, in its sole discretion, upon written notice to E/C given any time within ten business days after receiving the E/C Disclosure Schedule.

8.2. Effect of Termination. In the event of termination of this Agreement by E/C or either of the LZB Companies as provided in Section 8.1, this Agreement shall forthwith become void and have no effect except (a) with respect to Sections 6.5, 8.2, 8.5, 9.5, and 9.6 and (b) except as otherwise provided in Section 8.5, no party shall be relieved or released from any liabilities or damages arising out of the breach by such party of any provision of this Agreement or the Plan of Merger.

8.3. Amendment. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the shareholders of E/C; provided, however, that after any such approval, no amendment shall be made which by law requires further approval by such shareholders, without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

8.4. Extension; Waiver. At any time prior to the Effective Time, the parties hereto, by action taken or authorized by their respective Board of Directors, may, to the extent legally allowed: (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto; (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto; and (c) waive compliance with any of the agreements or conditions contained

herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party.

8.5. Liquidated Damages; Termination Fee.

(a) Notwithstanding anything to the contrary contained herein, in the event that any of the following events or circumstances shall occur, E/C shall, within ten days after notice of the occurrence thereof by LZB, pay to LZB the sum of $500,000, which the parties agree and stipulate as reasonable and full liquidated damages and reasonable compensation for the involvement of the LZB Companies in the transactions contemplated in this Agreement, is not a penalty or forfeiture, and will not affect the provisions of Section 8.2(a):

(i) at any time prior to termination of this Agreement an Acquisition Event shall occur; or

(ii) E/C shall terminate this Agreement pursuant to Section 8.1(d), LZB or LZB Acquisition shall terminate this Agreement pursuant to Sections 8.1(d), (f), (g), or (h), or E/C shall fail to call and hold the E/C Shareholder Meeting as required by Section 2.2.

(b) Notwithstanding anything to the contrary contained herein, in the event that E/C shall terminate this Agreement pursuant to Section 8.1(f), LZB shall, within ten days after notice of the occurrence thereof by E/C, pay to E/C the sum of $500,000, which the parties agree and stipulate as reasonable and full liquidated damages and reasonable compensation for the involvement of E/C in the transactions contemplated in this Agreement, is not a penalty or forfeiture, and will not affect the provisions of Section 8.2(a).

(c) Upon the making and receipt of payment under either subsection (a) or subsection (b) of this Section 8.5, neither E/C nor either of the LZB Companies shall have any further obligation of any kind under this Agreement, except in each case under Section 8.2(a).

9. GENERAL PROVISIONS.

9.1. Survival of Agreements. All of the representations, warranties, covenants, and agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time and consummation of the Merger.

9.2. Notices. All notices and other communications hereunder

shall be in writing and shall be deemed given if delivered personally, telecopied (with confirmation), or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to E/C, to:

England/Corsair, Inc.
402 Old Knoxville Highway
New Tazewell, Tennessee 37825
Attention: Chief Executive Officer
Fax: (614) 626-5211, Ext. 560

and

(b) if to either of the LZB Companies, to:

La-Z-Boy Chair Company
1284 North Telegraph Road
Monroe, Michigan 48161
Attention: Chief Executive Officer
Fax: (313) 457-2005

with a copy to:

Miller, Canfield, Paddock and Stone, P.L.C.
Suite 2500
150 West Jefferson Avenue
Detroit, Michigan 48226
Attention: David D. Joswick, Esq.
Fax: (313) 496-8451

9.3. Interpretation. When a reference is made in this Agreement to Sections, Exhibits, or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes," or "including," are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The phrases "the date of this Agreement," "the date hereof," and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date set forth in the first paragraph of this Agreement.

9.4. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same

counterpart. An executed counterpart received by telecopy shall have the same effect as an originally executed counterpart.

9.5. Entire Agreement; No Third Party Beneficiaries; Rights of Ownership. This Agreement, the Exhibits hereto, and the Plan of Merger: (a) constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; and (b) are not intended to confer upon any person other than the parties hereto any rights or remedies hereunder or thereunder except, if and only if the Merger is consummated, for the right of the shareholders of E/C to receive the Merger Consideration. For the purposes hereof, "party" shall mean E/C, LZB, and LZB Acquisition and shall not include any other person whatsoever, whether a shareholder, employee, officer, director, or otherwise.

9.6. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Michigan, without regard to any applicable conflicts of law.

9.7. Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

9.8. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

9.9. Publicity. Except as otherwise required by law or the rules of the Exchanges, so long as this Agreement is in effect, none of E/C or the LZB Companies shall issue or cause the publication of any press release or other public announcement with respect to the transactions contemplated by this Agreement without the consent of the other party, which consent shall not be unreasonably withheld, conditioned, or delayed.

9.10. Assignment. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by

any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first above written.

ENGLAND/CORSAIR, INC.

By /s/ RODNEY ENGLAND
Rodney England
President

Attest:

/s/ DENNIS C. VALKANOFF
Dennis C. Valkanoff
Vice President

LA-Z-BOY CHAIR COMPANY

By /s/ F. H. JACKSON
F. H. Jackson
Vice President Finance

Attest:
/s/ JAMES P. KLARR
James P. Klarr
Assistant Secretary
and Tax Counsel

LZB ACQUISITION, INC.

By /s/ GENE M. HARDY
Gene M. Hardy
Secretary and Treasurer

Attest:
/s/ JAMES P. KLARR
James P. Klarr
Assistant Secretary
and Tax Counsel

Exhibit 2 to Reorganization Agreement

SUMMARY OF TERMS OF LZB NOTES

Title:	La-Z-Boy Chair Company 8% Unsecured Promissory Notes Due 1999
Maximum aggregate principal amount:	$10,000,000
Form:	Registered
Denominations:	Any
Principal payments:	Four equal installments payable on first through fourth anniversaries of Effective Time
Final maturity:	Fourth anniversary of Effective Time
Interest:	8% simple, payable annually on anniversaries of Effective Time
Prepayments:	Permitted -- no premium
Security:	None

ANNEX B

Exhibit 1 to Amended and Restated Reorganization Agreement

AMENDED AND RESTATED PLAN OF MERGER

THIS AMENDED AND RESTATED PLAN OF MERGER (the "Plan of Merger") is entered into as of January 13, 1995 by and among La-Z-Boy Chair Company, a Michigan corporation ("LZB"), LZB Acquisition, Inc., a Michigan corporation and a wholly owned subsidiary of LZB ("LZB Acquisition"), and England/Corsair, Inc., a Tennessee corporation ("E/C").

Premises:

A. The parties have executed and delivered a Plan of Merger dated as of January 13, 1995 (the "Original Plan of Merger") and a Reorganization Agreement dated as of January 13, 1995 (the "Original Agreement").

B. The parties hereto have amended and restated the Original Agreement in its entirety by entering into an Amended and Restated Reorganization Agreement of even date herewith (the "Reorganization Agreement").

C. The parties desire to amend and restate the Original Plan of Merger in its entirety as set forth in this Plan of Merger.

D. The Reorganization Agreement provides for the merger (the "Merger") of E/C with and into LZB Acquisition with the result that the separate existence of E/C will cease, LZB Acquisition will continue to be a wholly owned subsidiary of LZB, and E/C shareholders will exchange their shares of common stock of E/C for shares of LZB common stock, LZB notes, or cash (or a combination of the foregoing) and for Performance Units (as hereinafter defined).

E. The parties hereto are entering into this Plan of Merger to set forth the terms and conditions of the Merger.

F. E/C has authorized capital stock consisting solely of: (1) 500,000 shares of Class A Common Stock, without par value ("E/C Class A Stock") of which 224,652 shares are issued and outstanding as of the date of this Plan of Merger and entitled to vote; and (2) 500,000 shares of Class B Common Stock, without par value ("E/C Class B Stock") of which 72,678 shares are issued and outstanding as of the date of this Plan of Merger and entitled to vote. Holders of the E/C Class A Stock and the E/C Class B Stock are entitled to vote on the Merger; the affirmative votes of the holders of a majority of the total number of shares of E/C Class A Stock and E/C Class B stock issued and outstanding, voting together as a single voting group, are required to approve the Merger. The E/C Class A Stock and the E/C Class B Stock are referred to herein collectively as the "E/C Stock."

G. The number of shares of E/C Class A Stock and the number of shares of E/C Class B Stock are not subject to change before the effective date of the Merger.

H. LZB Acquisition has an authorized capital stock consisting solely of 1,000 shares of Common Stock ("LZB Acquisition Stock"), of which one share is issued and outstanding as of the date of this Plan of Merger and entitled to vote and which is owned by LZB.

I. The number of shares of LZB Acquisition Stock is not subject to change before the effective date of the Merger.

J. The respective Boards of Directors of LZB, LZB Acquisition, and E/C have determined that it is in the best interests of LZB, LZB Acquisition, and E/C and their respective shareholders for E/C to be merged with and into LZB Acquisition upon the terms and subject to the conditions set forth in this Plan of Merger and in accordance with the Business Corporation Act of the State of Michigan (the "MBCA") and the Tennessee Business Corporation Act (the "TBCA").

K. The respective Boards of Directors of LZB, LZB Acquisition, and E/C have adopted resolutions approving this Plan of Merger and the Merger; LZB, as the sole shareholder of LZB Acquisition, has approved this Plan of Merger and the Merger; and the Board of Directors of E/C has resolved to recommend approval of this Plan of Merger and the Merger to its shareholders.

L. E/C has agreed in the Reorganization Agreement to duly call and hold a special meeting of its shareholders to vote upon the approval of this Plan of Merger and the Merger (the "Meeting").

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein and in the Reorganization Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

THE MERGER

1.1 EFFECTIVE TIME OF THE MERGER. Subject to the provisions of this Plan of Merger and the Reorganization Agreement: (a) a certificate of merger (the "Michigan Certificate of Merger") shall be duly prepared and executed by E/C and LZB Acquisition and thereafter delivered for filing to the Corporation and Securities

Bureau of the Michigan Department of Commerce (the "Michigan Corporation Bureau"), as provided in the MBCA, as soon as practicable on or after the Closing Date (as defined in the Reorganization Agreement); and (b) articles of merger (the "Tennessee Articles of Merger") shall be duly prepared and executed by E/C and LZB Acquisition and thereafter delivered for filing to the Tennessee Secretary of State, as provided in the TBCA, as soon as practicable on or after the Closing Date. The Merger shall become effective: (i) under Michigan law, upon the filing of the Michigan Certificate of Merger with the Michigan Corporation Bureau or at such time thereafter as LZB, LZB Acquisition, and E/C may agree in writing to provide in the Michigan Certificate of Merger; and (ii) under Tennessee law, upon the filing of the Tennessee Articles of Merger with the Tennessee Secretary of State or at such time thereafter as LZB, LZB Acquisition, and E/C may agree in writing to provide in the Tennessee Articles of Merger. As used in this Plan of Merger, "Effective Time" means the later said times.

1.2 EFFECTS OF THE MERGER.

(a) At the Effective Time,

(i) the separate existence of E/C shall cease, and it shall be merged with and into LZB Acquisition, which shall be the Surviving Corporation (as defined in Section 1.2(b) below) of the Merger;

(ii) the Articles of Incorporation of LZB Acquisition, as in effect immediately prior to the Effective Time, shall be the Articles of Incorporation of the Surviving Corporation until duly amended in accordance with the provisions thereof and the MBCA; and

(iii) the Bylaws of LZB Acquisition, as in effect immediately prior to the Effective Time, shall be the Bylaws of the Surviving Corporation until amended in accordance with the provisions thereof and the MBCA.

(b) As used in this Plan of Merger, the term "Surviving Corporation" shall mean LZB Acquisition.

(c) At and after the Effective Time, the Merger will have the effects set forth in Section 724(1) of the MBCA and Section 48-21-108 of the TBCA.

ARTICLE II

EFFECT OF THE MERGER ON THE CAPITAL STOCK
OF THE CONSTITUENT CORPORATIONS;
EXCHANGE OF CERTIFICATES

2.1 EFFECT ON CAPITAL STOCK. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of the E/C Stock or the holder of any shares of the LZB Acquisition Stock:

(a) CANCELLATION OF E/C TREASURY STOCK. All shares of E/C Stock that are owned by E/C as treasury stock shall be canceled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(b) CONVERSION OF E/C STOCK.

(i) Each issued and outstanding share of E/C Stock (other than shares to be canceled and retired in accordance with Section 2.1(a) and shares held by any holder who shall have perfected such holder's dissenter's rights under the TBCA, if any, which shall be treated in accordance with the applicable provisions of the TBCA) shall be converted into the right to receive the consideration described below:

(x) Each share of E/C Stock held by a shareholder who duly and timely files a form of election in accordance with the procedures attached hereto and made a part hereof as Exhibit B (the "Procedures") shall be converted into, and evidence: (1) the right to receive from LZB Acquisition, at such shareholder's option, but subject to the Limitations (as hereinafter defined) and the Procedures, either (A) $109.558403121 in cash, (B) $109.558403121 principal amount of LZB's 8% Unsecured Promissory Notes Due 1999 ("LZB Notes"), or (C) 3.6519467707 shares of the duly authorized, validly issued, fully paid, and nonassessable Common Stock, $1.00 par value, of LZB ("LZB Common Stock"); and (2) one Performance Unit (as hereinafter defined). Any fractional shares of LZB Common Stock resulting from the computation in clause (C) above shall not be issued and shall be settled in cash at $30.00 per whole share of LZB Common Stock.

Each share of E/C Stock held by a shareholder who fails, for whatever reason, to duly and timely file a form of election in accordance with the Procedures shall be converted into, and evidence: (1) the right to receive from LZB Acquisition, but subject to the Limitations and the Procedures, $109.558403121 in cash; and (2) one Performance Unit.

LZB Common Stock, LZB Notes, and cash (including cash in lieu of fractional shares) issuable pursuant to this Section 2.1(b)(i)(x) are collectively referred to herein as the "Initial Merger Consideration."

(y) (1) As used in this Plan of Merger, the term "Performance Unit" means the right to receive from LZB, at the times, in the form, and on the terms hereinafter set forth, consideration in the 1996 Performance Unit Amount and consideration in the 1997 Performance Unit Amount (both as hereinafter defined). By executing this Plan of Merger, LZB hereby agrees to provide such consideration to each holder of a Performance Unit, at the times, in the form, and on the terms hereinafter set forth.

(2) As used in this Plan of Merger, the term "Pre-Tax Income" means the pre-tax income of the Surviving Corporation determined in accordance with the standards described in Exhibit A attached hereto and incorporated herein by reference (the "Computation Standards").

(3) As used in this Plan of Merger, the term "1996 Performance Unit Amount" means the amount derived by performing the following calculations:

Step 1: Subtract $6,000,000.00 from the Pre-Tax Income of the Surviving Corporation for the period (the "1996 Performance Period") from (but excluding) the last day of the accounting month of LZB in which the Effective Time occurs to (and including) the last day of the corresponding accounting month in 1996. (If the result is less than zero, the result of this step shall be deemed to be zero.)

Step 2: Multiply the result of Step 1 by 1.75.

Step 3: Determine the lesser of (A) $20,000,000 or (B) the result of Step 2 (the "Total 1996 Payment Amount").

Step 4: Divide the Total 1996 Payment Amount by the number of shares of E/C stock issued and outstanding at the Effective Time to obtain the 1996 Performance Unit Amount.

(4) As used in this Plan of Merger, the term "1997 Performance Unit Amount" means the amount derived by performing the following calculations:

Step 1: Subtract $7,000,000.00 from the Pre-Tax Income of the Surviving Corporation for the period (the "1997 Performance Period") from (but excluding) the last day of the 1996 Performance Period to (and including) the last day of the corresponding accounting month in 1997. (If the result is

less than zero, the result of this step shall be deemed to be zero.)

Step 2: Multiply the result of Step 1 by 1.75.

Step 3: Determine the lesser of (A) $20,000,000 minus the Total 1996 Payment Amount or (B) the result of Step 2 (the "Total 1997 Payment Amount").

Step 4: Divide the Total 1997 Payment Amount by the number of shares of E/C stock issued and outstanding at the Effective Time to obtain the 1997 Performance Unit Amount.

(5) Subject to the Limitations, each Performance Unit will be settled by the issuance, to the holder of such Performance Unit, of shares of LZB Common Stock in accordance with subparagraphs (A) and (B) below:

(A) On or before the forty-fifth day after the later of the end of the 1996 Performance Period or the date on which any disputes concerning the 1996 Performance Unit Amount shall have been resolved in accordance with the Computation Standards (the "1996 Settlement Date"), the holder of each Performance Unit shall be entitled to receive a number of shares of LZB Common Stock calculated as follows:

Step 1: Determine the closing price of LZB Common Stock on the New York Stock Exchange on the last day of the 1996 Performance Period (or, if LZB Common Stock is not traded on that date, on the last preceding date on which LZB Common Stock was traded). Such price is referred to herein as the "1996 LZB Common Stock Price."

Step 2: Divide the 1996 Performance Unit Amount by the 1996 LZB Common Stock Price.

The result obtained from Step 2, rounded to the nearest one one-thousandth of a share, shall be the number of shares of LZB Common Stock which a holder of one Performance Unit shall be entitled to receive on or before the 1996 Settlement Date in respect of such Performance Unit. The number of shares of LZB Common Stock so issuable to each holder of Performance Units shall be aggregated, and if such aggregate number includes any fractional share, such fractional share shall not be issued and shall be settled in cash at the 1996 LZB Common Stock Price.

(B) On or before the forty-fifth day after the later of the end of the 1997 Performance Period or the date on which any disputes concerning the 1997 Performance Unit Amount shall have been resolved in accordance with the Computation Standards (the "1997 Settlement Date"), the holder of each Performance Unit shall be entitled to receive a number of shares of LZB Common Stock calculated as follows:

Step 1: Determine the closing price of LZB Common Stock on the New York Stock Exchange on the last day of the 1997 Performance Period (or, if LZB Common Stock is not traded on that date, on the last preceding date on which LZB Common Stock was traded). Such price is referred to herein as the "1997 LZB Common Stock Price."

Step 2: Divide the 1997 Performance Unit Amount by the 1997 LZB Common Stock Price.

The result obtained from Step 2, rounded to the nearest one one-thousandth of a share, shall be the number of shares of LZB Common Stock which a holder of one Performance Unit shall be entitled to receive on or before the 1997 Settlement Date in respect of such Performance Unit. The number of shares of LZB Common Stock so issuable to each holder of Performance Units shall be aggregated, and if such aggregate number includes any fractional share, such fractional share shall not be issued and shall be settled in cash at the 1997 LZB Common Stock Price.

(6) Performance Units will be settled, by the issuance of LZB Common Stock as set forth above, without interest.

(7) Neither the Surviving Corporation nor LZB will maintain any system for recording transfers of Performance Units. To the fullest extent permitted by law, Performance Units shall be non-transferrable, and LZB Common Stock will be issued in settlement of Performance Units only to the persons to whom the Initial Merger Consideration was issued with respect to the corresponding shares of E/C Stock.

(z) As used in this Plan of Merger, the term "Limitations" means the Note Limitation, the Total Share Limitation, the Total Non-Share Limitation, and the Performance Unit Share Limitation. As used herein, the term "Note Limitation" means $10,000,000 aggregate principal amount of LZB Notes. As used herein, the term "Total Share Limitation" means that number of shares of LZB Common Stock which, if issued in connection with the Merger, would result in LZB's issuance of more than 2,000,000 shares of LZB Common Stock (including both shares issued as part of the Initial Merger Consideration and shares

issued in settlement of Performance Units), whether pursuant to this Plan of Merger or by operation of law. As used herein, the term "Total Non-Share Limitation" means that amount of consideration other than shares of LZB Common Stock (including both cash and LZB Notes) which, if paid in connection with the Merger, would result in consideration other than LZB Common Stock constituting 50 percent or more of the aggregate consideration paid by LZB and LZB Acquisition to acquire E/C Stock in connection with the Merger, whether pursuant to this Plan of Merger, by operation of law, from the perfection of appraisal rights by dissenting E/C shareholders ("Dissenting Shareholders"), or in lieu of fractional shares. If the amount payable to Dissenting Shareholders is not known at the time the computation of the Non-Share Limitation is made, then LZB shall make a good faith estimate of the maximum amount which may be payable by the Surviving Corporation to Dissenting Shareholders, and such estimate shall be included in the computation of the Non-Share Limitation. All calculations of the Total Non-Share Limitation shall be based on the fair market value of the LZB Common Stock at the Effective Time. As used herein, the term "Performance Unit Share Limitation" means the number of shares of LZB Common Stock which is equal to the aggregate number of shares of LZB Common Stock issued as Initial Merger Consideration.

Notwithstanding the elections to receive cash, LZB Notes, or LZB Common Stock made by the holders of E/C Stock in accordance with Section 2.1(b)(i)(x) above: (1) in the event the aggregate principal amount of LZB Notes which would be issuable to those shareholders electing to receive LZB Notes exceeds the Note Limitation, then the elections made by, or allocations to, one or more shareholders shall be changed from LZB Notes to cash in accordance with the Procedures; (2) in the event the aggregate amount which would be payable to those shareholders electing to receive consideration other than LZB Common Stock exceeds the Total Non-Share Limitation, or the aggregate number of shares of LZB Common Stock which would be issuable to those shareholders electing to receive LZB Common Stock shares issuable in settlement of Performance Units, exceeds the Total Share Limitation, then the elections made by, or allocations to, one or more shareholders shall be changed from cash and/or LZB Notes to LZB Common Stock, or from LZB Common Stock to cash, as the case may be, in accordance with the Procedures; and (3) in the event that the aggregate number of shares of LZB Common Stock which would be issuable in satisfaction of the Performance Units exceeds the Performance Unit Share Limitation or the Total Share Limitation, then the 1996

Performance Unit Amount and/or the 1997 Performance Unit Amount, as the case may be, will be reduced in accordance with the Procedures. The Limitations shall be applied in the following order: (A) first, the Note Limitation; (B) second, the Total Non-Share Limitation; (C) third, the Total Share Limitation; and (D) last, the Performance Unit Share Limitation. If, but only if, it proves impossible to pay the full 1996 Performance Unit Amount and/or the full 1997 Performance Unit Amount without exceeding either the Total Share Limitation and/or the Performance Unit Share Limitation, then the 1996 Performance Unit Amount and/or the 1997 Performance Unit Amount, as the case may be, shall be reduced to the largest amount which can be paid without exceeding any of the Limitations.

(ii) All such shares of E/C Common Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each certificate (each, a "Certificate") previously representing any such shares shall thereafter represent only the rights described in this Section 2.1(b). Certificates previously representing shares of E/C Common Stock shall be exchanged for certificates representing whole shares of LZB Common Stock, LZB Notes, and/or cash in consideration therefor upon the surrender of such Certificates in accordance with Section 2.2 without any interest thereon.

(c) NO CONVERSION OF LZB ACQUISITION STOCK. Each of the issued and outstanding shares of LZB Acquisition Stock shall be and remain as one issued and outstanding share of the Common Stock of the Surviving Corporation.

2.2 EXCHANGE OF CERTIFICATES. (a) EXCHANGE FUND. As of the Effective Time, LZB shall have or make available, for exchange in accordance with this Article II, (i) certificates representing the shares of LZB Common Stock, (ii) LZB Notes, and (iii) cash (including any cash in lieu of fractional shares) (such cash, certificates for shares of LZB Common Stock, and LZB Notes, together with any dividends, interest, or distributions with respect thereto, being hereinafter referred to as the "Exchange Fund") to be issued as the Initial Merger Consideration pursuant to Section 2.1(b)(i)(x) and paid pursuant to Section 2.2 in exchange for outstanding shares of E/C Stock.

(b) EXCHANGE PROCEDURES. Promptly after the Effective Time, LZB shall mail to each holder of record of a Certificate or Certificates (i) a letter of transmittal which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to LZB and shall be in such form and have such other provisions as LZB and E/C may reasonably specify, and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the

applicable Initial Merger Consideration. Upon surrender of a Certificate for cancellation to LZB together with such letter of transmittal, duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor (x) a certificate representing that number of whole shares of LZB Common Stock, (y) a Note in the principal amount, and (z) a check representing the amount of cash (including any cash in lieu of fractional shares) and unpaid dividends and distributions, if any, which such holder has the right to receive in respect of the Certificate surrendered pursuant to the provisions of this Article II, and the Certificate so surrendered shall forthwith be canceled. No interest will be paid or accrued on the cash or unpaid dividends and distributions, if any, payable to holders of Certificates. Except as otherwise provided in the next sentence, no transfer taxes shall be payable by any holder of a Certificate in respect of the issuance of certificates representing the LZB Common Stock or LZB Notes pursuant to this Plan of Merger. In the event of a transfer of ownership of E/C Stock which is not registered in the transfer records of E/C, certificates representing the proper number of shares of LZB Common Stock and/or the proper principal amount of LZB Notes, together with a check for the proper amount of cash, if any, may be issued to such a transferee if the Certificate representing such E/C Common Stock is presented to LZB, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable stock transfer taxes have been paid.

(c) DISTRIBUTIONS WITH RESPECT TO UNEXCHANGED SHARES; VOTING. Whenever a dividend or other distribution is declared by LZB on the LZB Common Stock, the record date for which is at or after the Effective Time, the declaration shall include dividends or other distributions on all whole shares of LZB Common Stock issuable pursuant to this Plan of Merger, provided that no dividends or other distributions declared or made with respect to the LZB Common Stock with a record date that is six months or more after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to any shares of LZB Common Stock represented thereby until the holder of such Certificate shall surrender such Certificate in accordance with this Article II. Subject to the effect of applicable laws, following surrender of any such Certificate, there shall be paid to the holder of the certificates representing whole shares of LZB Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore payable with respect to such whole shares of LZB Common Stock and not paid, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole shares of LZB Common Stock. Holders of unsurrendered Certificates shall be entitled to vote

after the Effective Time at any meeting of LZB shareholders the number of whole shares of LZB Common Stock represented by such Certificates, regardless of whether such holders have exchanged their Certificates. Subject to the effect of applicable laws, following surrender of any Certificate representing the right to receive LZB Notes, there shall be paid to the holder of the LZB Notes issued in exchange therefor, without additional interest, (i) at the time of such surrender, the amount of each interest payment with a record date after the Effective Time theretofore payable with respect to such LZB Notes and not paid, and (ii) at the appropriate payment date, the amount of each interest payment with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such LZB Notes.

(d) TRANSFERS. After the Effective Time, there shall be no transfers on the stock transfer books of E/C of the shares of E/C Stock which were outstanding immediately prior the Effective Time. If after the Effective Time, certificates are presented to the Surviving Corporation, they shall be canceled and exchanged for the Initial Merger Consideration deliverable in respect thereof pursuant to this Plan of Merger in accordance with the procedures set forth in this Article II. Certificates surrendered for exchange by any person constituting an "affiliate" of E/C for purposes of Rule 145(c) under the Securities Act of 1933, as amended (the "Securities Act"), shall not be exchanged until LZB has received a written agreement from such person as provided in Section 6.4 of the Reorganization Agreement.

(e) TERMINATION OF EXCHANGE FUND. Any portion of the Exchange Fund (including the proceeds of any investments thereof) that remains unclaimed by the shareholders of E/C for nine months after the Effective Time shall be paid to LZB. Any shareholders of E/C who have not theretofore complied with this Article II shall thereafter look only to LZB for payment of their Initial Merger Consideration (and unpaid dividends and distributions on the LZB Common Stock and unpaid interest on the LZB Notes) deliverable in respect of each share of E/C Stock such shareholder holds as determined pursuant to this Plan of Merger, in each case, without any interest thereon. Notwithstanding the foregoing, neither of LZB nor any other person shall be liable to any former holder of shares of E/C Stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

(g) LOST CERTIFICATE(S). In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if required by LZB, the posting by such person of a bond in such amount as LZB may direct as indemnity against any claim that may be made against it with

respect to such Certificate, LZB shall issue in exchange for such lost, stolen or destroyed Certificate the Initial Merger Consideration deliverable in respect thereof pursuant to this Plan of Merger.

ARTICLE III

TERMINATION AND ABANDONMENT

3.1 TERMINATION. This Plan of Merger may be terminated and the Merger abandoned at any time prior to the Effective Time, whether before or after approval of this Plan of Merger, the Reorganization Agreement and the Merger by the shareholders of E/C, as provided in Section 8.1 of the Reorganization Agreement.

3.2 EFFECT OF TERMINATION. In the event of termination of this Plan of Merger as provided in Section 3.1, this Plan of Merger shall forthwith become void and have no effect except with respect to this Section 3.2 and Sections 4.2 and 4.3 and (ii) no party shall be relieved or released from any liabilities or damages arising out of the breach by such party of any provision of this Plan of Merger.

3.3 AMENDMENT. This Plan of Merger may be amended by the parties hereto by action taken or authorized by their respective Boards of Directors at any time before or after approval of this Plan of Merger, the Reorganization Agreement, and the Merger by the shareholders of E/C; provided, however, that after such approval, no amendment shall be made which by law requires further approval by such shareholders, without such further approval. This Plan of Merger may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

3.4 EXTENSION; WAIVER. At any time prior to the Effective Time, the parties hereto, by action taken or authorized by their respective Board of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party.

ARTICLE IV

MISCELLANEOUS

4.1 COUNTERPARTS. This Plan of Merger may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. An executed counterpart received by telecopy shall have the same effect as an originally executed counterpart.

4.2 ENTIRE AGREEMENT; NO THIRD PARTY BENEFICIARIES; RIGHTS OF OWNERSHIP. This Plan of Merger and the Reorganization Agreement (a) constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, and (b) is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder except, if and only if the Merger is consummated, for the right of holders of E/C Stock to receive the Initial Merger Consideration and Performance Units as provided herein. For the purposes hereof, the parties shall mean LZB, LZB Acquisition, and E/C and shall not include other person whatsoever, whether a shareholder, employee, officer, director, or otherwise.

4.3 GOVERNING LAW. This Plan of Merger shall be governed and construed in accordance with the laws of the State of Michigan, without regard to any applicable conflicts of law.

4.4 ROUNDING. The dollar amounts of all cash payable and all LZB Notes issuable hereunder shall be rounded to the nearest whole cent.

4.5 ENFORCEMENT OF PLAN OF MERGER. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Plan of Merger were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Plan of Merger and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

4.6 SEVERABILITY. Any term or provision of this Plan of Merger which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Plan of Merger or affecting the validity or enforceability of any of the terms or provisions of this Plan of Merger in any other

jurisdiction. If any provision of this Plan of Merger is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

4.7 ASSIGNMENT. Neither this Plan of Merger nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Plan of Merger will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

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IN WITNESS WHEREOF, the parties hereto have caused this Plan of Merger to be signed by their respective officers thereunto duly authorized as of the date first above written.

LA-Z-BOY CHAIR COMPANY

By /s/ F. H. JACKSON
F. H. Jackson
Vice President Finance

Attest:
/s/ JAMES P. KLARR
James P. Klarr
Assistant Secretary
and Tax Counsel

LZB ACQUISITION, INC.

By /s/ GENE M. HARDY
Gene M. Hardy
Secretary and Treasurer

Attest:
/s/ JAMES P. KLARR
James P. Klarr
Assistant Secretary
and Tax Counsel

ENGLAND/CORSAIR, INC.

By /s/ RODNEY ENGLAND
Rodney England
President

Attest:

/s/ DENNIS C. VALKANOFF
Dennis C. Valkanoff
Vice President

COMPUTATION STANDARDS FOR PRE-TAX INCOME

For purposes of this Plan of Merger, the "Pre-Tax Income" of the Surviving Corporation for a specified period shall be equal to the sum of (a) the Surviving Corporation's net income for such period and (b) the Surviving Corporation's federal income tax expense for such period, both as determined in accordance with generally accepted accounting principles ("GAAP") as consistently applied, as applied by E/C immediately prior to the Effective Time; provided, however, that the rules and standards set forth in the following numbered paragraphs shall be applied to such computation notwithstanding whether such rules and standards comply or are in accordance with GAAP as of the Effective Time.

1. Pro forma adjustments will be made so as to make Pre-Tax Income equal, as nearly as possible, to the net income prior to federal income tax expense which E/C would have had for the periods in question had the Merger not occurred, subject, however, to paragraph 5 below. To this end, and subject to paragraph 5, pro forma adjustments will be made eliminating the benefits and the costs of the Merger to the Surviving Corporation. By way of example (but not of limitation), some of the pro forma adjustments which may be made, if applicable, are as follows:

(a) If the Surviving Corporation employs different accountants than were employed by E/C and the fees of such accountants are higher or lower than the fees most recently charged by E/C's accountants, Pre-Tax Income will be computed using the fees most recently charged by E/C's accountants.

(b) If, due to insurance maintained by LZB, the Surviving Corporation has lower insurance expense than it would have had had the Merger not occurred, Pre-Tax Income will be computed using the insurance expense E/C would have incurred if the Merger had not occurred.

2. Pre-Tax Income will be computed for the business conducted by E/C at the Effective Time considered as a discrete business unit. If any portion of such business is transferred to a different entity, such portion will be considered a part of the Surviving Entity for purposes of this computation.

3. Any applicable state tax expense will not be added back under clause (b) of the introductory paragraph of these Standards.

4. Before the Surviving Corporation undertakes any new line of business (including any line of business transferred to the

Surviving Corporation by LZB or another subsidiary), and before the Surviving Corporation and LZB or any other subsidiary engage in any inter-company business, the impact of such business on the computation of Pre-Tax Income shall be agreed upon pursuant to paragraph 6 below.

5. Any payments, reserves taken, or accruals resulting from or relating to any breach by E/C of any covenant contained in the Reorganization Agreement, the inaccuracy of any warranty of E/C contained in the Reorganization Agreement, or any liabilities of E/C existing at the Effective Time (including any contingent and/or unliquidated liabilities) and not reflected in its financial statements or the disclosure schedule delivered by E/C pursuant to the Reorganization Agreement shall be treated as expenses for purposes of computing Pre-Tax Income.

6. In the event of any dispute concerning such computations, the chief executive officer of the Surviving Corporation (if such person was an E/C shareholder at the Effective Time, and otherwise another former E/C shareholder designated by the holders of a majority of the E/C shares at the Effective Time) and the chief financial officer of LZB will endeavor in good faith to resolve the same. If such persons are unable to resolve such dispute, they will select a neutral firm of independent certified public accountants and submit the dispute to such firm, and the decision of such firm will be final and binding on all parties.

ELECTION PROCEDURES

1. When E/C mails the Proxy Statement/Prospectus (as defined in the Reorganization Agreement) to its shareholders, it shall at the same time mail to each shareholder an election form in the form attached hereto as Attachment 1 or in such other form as E/C and LZB may agree upon (an "Election Form"). An Election Form can only be filed with respect to all shares of E/C Stock held by a shareholder, and any such election shall have been properly made only if LZB shall have received an Election Form properly completed and signed in accordance with the instructions prior to the commencement of the Meeting (the "Election Deadline"), accompanied by certificates for the shares of E/C Stock to which such Election Form relates. Any holder of E/C Stock who fails to file an Election Form with LZB in the manner and prior to the Election Deadline shall be deemed to have elected to receive cash as provided in the Plan of Merger.

2. Any Election Form may be revoked by an E/C shareholder only by written notice received by LZB prior to the Election Deadline.

3. Each Election Form shall be conditioned upon acceptance in accordance with the following provisions:

(a) In connection with the payment of Initial Merger Consideration:

(1) In the event the aggregate principal amount of LZB Notes which would be issuable as a result of due and proper Election Forms filed with LZB would exceed the Note Limitation, then LZB shall reduce the aggregate number of shares of E/C Stock with respect to which the Initial Merger Consideration is to consist of LZB Notes from the number previously determined (by specification in the Election Forms) to the largest number as to which it is possible for the Initial Merger Consideration to consist of LZB Notes without exceeding the Note Limitation. Such reduction shall be applied pro rata (as nearly as possible) among all shares of E/C Stock as to which the holders thereof elected to receive LZB Notes. With respect to each share of E/C Stock affected by such reduction, cash shall be allocated as Initial Merger Consideration (instead of LZB Notes) in the same amount as if the holder of such share of E/C Stock had elected to receive cash with respect thereto.

(2) In the event the sum of the aggregate principal amount of LZB Notes which would be issuable and the aggregate amount of cash

which would be payable as a result of due and proper Election Forms filed with LZB would exceed the Total Non-Share Limitation (computed without regard to additional consideration which may become payable under the Performance Units), then LZB shall reduce the aggregate number of shares of E/C Stock with respect to which the Initial Merger Consideration is to consist of cash from the number previously determined (by specification in the Election Forms, by failures to file due and proper Election Forms, and by any allocations under Section 3(a)(1) of these election procedures) to the largest number as to which it is possible for the Initial Merger Consideration to consist of cash without exceeding the Total Non-Share Limitation. Such reduction shall be applied pro rata (as nearly as possible) among all shares of E/C Stock as to which the Initial Merger Consideration otherwise (by specification in the Election Forms, by failures to file due and proper Election Forms, and by any allocations under Section 3(a)(1) of these election procedures) would have consisted of cash. With respect to each share of E/C Stock affected by such reduction, LZB Common Stock shall be allocated as Initial Merger Consideration (instead of cash) in the same amount as if the holder of such share of E/C Stock had elected to receive LZB Common Stock with respect thereto.

(b) In connection with each of the two scheduled payments of consideration in satisfaction of Performance Units (each a "Performance Unit Payment"):

In the event the sum of the aggregate number of shares of LZB Common Stock which would be issuable in connection with such Performance Unit Payment, the aggregate number of shares of LZB Common Stock issued as Initial Merger Consideration, and (in the case of the second Performance Unit Payment) the aggregate number of shares of LZB Common Stock issued in connection with the first Performance Unit Payment would exceed the Total Share Limitation, the Performance Unit Share Limitation, or both, then the aggregate amount of such

Performance Unit Payment shall be reduced (and the 1996 Performance Unit Amount or the 1997 Performance Unit Amount, as the case may be, shall also be deemed to have been proportionately reduced) to the largest amount which may be paid without exceeding the Total Share Limitation and without exceeding the Performance Unit Share Limitation. Such reduction shall be applied pro rata (as nearly as possible) among all Performance Units, and no other consideration shall be allocated to the Performance Units in respect of any such reduction.

4. LZB shall have discretion to determine whether or not elections have been properly made or revoked and when elections and revocations were received by it. If LZB determines that any election was not properly or timely made or that any election has been revoked and not replaced with another valid Election Form, the shares subject to such election shall be treated by LZB as shares for which no election was made. LZB may make such changes in the procedures set forth herein for the implementation of the elections provided for as shall be necessary to fully effect such elections.

5. If the Merger is not consummated for any reason, any certificate or certificates for shares of E/C Stock which have been deposited with LZB in connection with these election procedures shall be promptly returned to the person submitting the same to LZB.

Attachment 1 to Election Procedures

ELECTION FORM

If the merger (the "Merger") of England/Corsair, Inc. ("E/C"), a Tennessee corporation, with and into LZB Acquisition, Inc. ("LZB Acquisition"), a Michigan corporation and a wholly owned subsidiary of La-Z-Boy Chair Company ("LZB"), a Michigan corporation, pursuant to the Amended and Restated Reorganization Agreement and the Amended and Restated Plan of Merger (the "Plan of Merger"), both dated as of January 13, 1995, by and among said parties, becomes effective, then the undersigned shareholder of E/C hereby elects the form(s) of Initial Merger Consideration set forth below with respect to the number(s) of shares set forth below, respectively, of E/C's Stock (of either class) owned by the undersigned shareholder:

Form of Initial Merger Consideration	No. of Shares of E/C Stock
La-Z-Boy Chair Company Common Stock, $1.00 par value	_____ shares
La-Z-Boy Chair Company 8% Unsecured Promissory Notes Due 1999 (Four annual principal and interest payments)	_____ shares
Cash	_____ shares
Total shares of E/C Stock (of either class) owned by the undersigned shareholder	_____ shares

Any Election Form previously executed by the undersigned is hereby revoked. The undersigned understands that the elections set forth herein cannot be revoked after the commencement of the meeting of E/C shareholders at which approval of the Merger is to be considered.

Dated: _____, 1995

_____
Signature

_____
Signature if held jointly

[Please sign exactly as name appears on stock certificate. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee, or guardian, please give full title as such.]

(At least 50% of the total E/C Stock must be elected to be converted to La-Z-Boy Chair Company Common Stock).

CHAPTER 23 OF THE TENNESSEE BUSINESS CORPORATION ACT

48-23-101. DEFINITIONS. (1) "Beneficial shareholder" means the person who is a beneficial owner of shares held by a nominee as the record shareholder;

(2) "Corporation" means the issuer of the shares held by a dissenter before the corporate action, or the surviving or acquiring corporation by merger or share exchange of that issuer;

(3) "Dissenter" means a shareholder who is entitled to dissent from corporate action under section 48-23-102 and who exercises that right when and in the manner required by section 48-23-201- -48-23-209;

(4) "Fair value", with respect to a dissenter's shares, means the value of the shares immediately before the effectuation of the corporation action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action;

(5) "Interest" means interest from the effective date of the corporate action that gave rise to the shareholder's right to dissent until the date of payment, at the average auction rate paid on United States treasury bills with a maturity of six (6) months (or the closest maturity thereto) as of the auction date for such treasury bills closest to such effective date;

(6) "Record shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation; and

(7) "Shareholder" means the record shareholder or the beneficial shareholder. [Acts 1986, ch. 887, section 13.01.]

48-23-102. RIGHT TO DISSENT. (a) A shareholder is entitled to dissent from, and obtain payment of the fair value of his shares in the event of, any of the following corporation actions:

(1) Consummation of a plan of merger to which the corporation is a party:

(A) If shareholder approval is required for the merger by section 48-21-103 or the charter and the shareholder is entitled to vote on the merger; or

(B) If the corporation is a subsidiary that is merged with its parent under section 48-21-104;

(2) Consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the plan;

(3) Consummation of a sale or exchange of all, or substantially all, of the property of the corporation other than in the usual and regular course of business, if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution, but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within one (1) year after the date of sale;

(4) An amendment of the charter that materially and adversely affects rights in respect of a dissenter's shares because it:

(A) Alters or abolishes a preferential right of the shares;

(B) Creates, alters, or abolishes a right in respect of redemption, including a provision respecting a sinking fund for the redemption or repurchase of the shares;

(C) Alters or abolishes a preemptive right of the holder of the shares to acquire shares or other securities;

(D) Excludes or limits the right of the shares to vote on any matter, or to cumulate votes, other than a limitation by dilution through issuance of shares or other securities with similar voting rights; or

(E) Reduces the number of shares owned by the shareholder to a fraction of a share, if the fractional share is to be acquired for cash under section 48-16-104; or

(5) Any corporate action taken pursuant to a shareholder vote to the extent the charter, bylaws, or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares.

(b) A shareholder entitled to dissent and obtain payment for his shares under this chapter may not challenge the corporation action creating his entitlement unless the action is unlawful or fraudulent with respect to the shareholder or the corporation.

(c) Notwithstanding the provisions of subsection (a), no shareholder may dissent as to any shares of a security which, as of the date of the effectuation of the transaction which would otherwise give rise to dissenters' rights, is listed on an exchange registered under section 6 of the Securities Exchange Act of 1934, as amended, or is a "national market system security," as defined in rules promulgated pursuant to the Securities Exchange Act of 1934, as amended. [Acts 1986, ch. 887, section 13.02.]

48-23-103. DISSENT BY NOMINEES AND BENEFICIAL OWNERS. (a) A record shareholder may assert dissenters' rights as to fewer than all the shares registered in his name only if he dissents with respect to all shares beneficially owned by any one (1) person and notifies the corporation in writing of the name and address of each person on whose behalf he asserts dissenters' rights. The rights of a partial dissenter under this subsection are determined as if the shares as to which he dissents and his other shares were registered in the names of different shareholders.

(b) A beneficial shareholder may assert dissenters' rights as to shares of any one (1) or more classes held on his behalf only if:

(1) He submits to the corporation the record shareholder's written consent to the dissent not later than the time the beneficial shareholder asserts dissenters' rights; and

(2) He does so with respect to all shares of the same class of which he is the beneficial shareholder or over which he has power to direct the vote. [Acts 1986, ch. 887, section 13.03.]

48-23-201. Notice of dissenters' rights. (a) If proposed corporate action creating dissenters' rights under section 48-23-102 is submitted to a vote at a shareholders' meeting, the meeting notice must state that shareholders are or may be entitled to assert dissenters' rights under this chapter and accompanied by a copy of this chapter.

(b) If corporate action creating dissenters' rights under section 48-23-102 is taken without a vote of shareholders, the corporation shall notify in writing all shareholders entitled to assert dissenters' rights that the action was taken and send them the dissenters' notice described in section 48-23-203.

(c) A corporation's failure to give notice pursuant to this section will not invalidate the corporate action. [Acts 1986, ch. 887, section 13.20.]

48-23-202. NOTICE OF INTENT TO DEMAND PAYMENT. (a) If proposed corporate action creating dissenters' rights under section 48-23-102 is submitted to a vote at a shareholders' meeting, a shareholder who wishes to assert dissenters' rights:

(1) Must deliver to the corporation, before the vote is taken, written notice of his intent to demand payment for his shares if the proposed action is effectuated; and

(2) Must not vote his shares in favor of the proposed action. No such written notice of intent to demand payment is required of any shareholder to whom the corporation failed to provide the notice required by section 48-23-201.

(b) A shareholder who does not satisfy the requirements of subsection (a) is not entitled to payment for his shares under this chapter. [Acts 1986, ch, 887, section 13.21.]

48-23-203. DISSENTERS' NOTICE. (a) If proposed corporate action creating dissenters' rights under section 48-23-102 is authorized at a shareholders' meeting, the corporation shall deliver a written dissenters' notice to all shareholders who satisfied the requirements of section 48-23-202.

(b) The dissenters' notice must be sent no later than ten (10) days after the corporate action was authorized by the shareholders or effectuated, whichever is the first to occur, and must;

(1) State where the payment demand must be sent and where and when certificates for certified shares must be deposited;

(2) Inform holders of uncertificated shares to what extent transfer of the shares will be restricted after the payment demand is received;

(3) Supply a form for demanding payment that includes the date of the first announcement to news media or to shareholders of the principal terms of the proposed corporate action and requires that the person asserting dissenters' rights certify whether or not he acquired beneficial ownership of the shares before that date;

(4) Set a date by which the corporation must receive the payment demand, which date may not be fewer than one (1) nor more than two (2) months after the date the subsection (a) notice is delivered; and

(5) Be accompanied by a copy of this chapter if the corporation has not previously sent a copy of this chapter to the shareholder pursuant to section 48-23-201. [Acts 1986, ch. 88887, section 13.22.]

48-23-204. DUTY TO DEMAND PAYMENT. (a) A shareholder sent a dissenters' notice described in section 48-23-203 must demand payment, certify whether he acquired beneficial ownership of the shares before the date required to be set forth in the dissenters' notice pursuant to section 48-23-203(b)(3), and deposit his certificates in accordance with the terms of the notice.

(b) The shareholder who demands payment and deposits his share certificates under subsection (a) retains all other rights of a shareholder until these rights are canceled or modified by the effectuation of the proposed corporate action.

(c) A shareholder who does not demand payment or deposit his share certificates where required, each by the date set in the dissenters' notice, is not entitled to payment for his shares under this chapter.

(d) A demand for payment filed by a shareholder may not be withdrawn unless the corporation with which it was filed, or the surviving corporation, consents thereto. [Acts 1986, ch. 887, section 13.23.]

48-23-205. SHARE RESTRICTIONS. (a) The corporation may restrict the transfer of uncertificated shares from the date the demand for their payment is received until the proposed corporate action is effectuated or the restrictions released under section 48-23-207.

(b) The person for whom dissenters' rights are asserted as to uncertificated shares retains all other rights of a shareholder until these rights are canceled or modified by the effectuation of the proposed corporate action. [Acts 1986, ch. 887, section 13.24.]

48.23-206. PAYMENT. (a) Except as provided in section 48-23-208, as soon as the proposed corporate action is effectuated, or upon receipt of a payment demand, whichever is later, the corporation shall pay each dissenter who complied with section 48-23-204 the amount the corporation estimates to be the fair value of his shares, plus accrued interest.

(b) The payment must be accompanied by:

(1) The corporation's balance sheet as of the end of a fiscal year ending not more than sixteen (16) months before the date of payment, an income statement for that year, a statement of changes in shareholders' equity for that year, and the latest available interim financial statements, if any:

(2) A statement of the corporation's estimate of the fair value of the shares;

(3) An explanation of how the interest was calculated;

(4) A statement of the dissenter's right to demand payment under section 48-23-209; and

(5) A copy of this chapter if the corporation has not previously sent a copy of this chapter to the shareholder pursuant to section 48-23-201 or section 48-23-203. [Acts 1986, ch. 887, section 13.25]

48.23-207. FAILURE TO TAKE ACTION. (a) If the corporation does not effectuate the proposed action that gave rise to the dissenters' rights within two (2) months after the date set for demanding payment and depositing share certificates, the corporation shall return the deposited certificates and release the transfer restrictions imposed on uncertificated shares.

(b) If after returning deposited certificates and releasing transfer restrictions, the corporation effectuates the proposed action, it must send a new dissenters' notice under section 48-23-203 and repeat the payment demand procedure. [Acts 1986, ch. 887, section 13.26.]

48-23-208. AFTER-ACQUIRED SHARES. (a) A corporation may elect to withhold payment required by section 48-23-206 from a dissenter unless he was the beneficial owner of the shares before the date set forth in the dissenters' notice as the date of the first announcement to news media or to shareholders of the principal terms of the proposed corporate action.

(b) To the extent the corporation elects to withhold payment under subsection (a), after effectuating the proposed corporate action, it shall estimate the fair value of the shares, plus accrued interest, and shall pay this amount to each dissenter who agrees to accept it in full satisfaction of his demand. The corporation shall send with its offer a statement of its estimate of the fair value of the shares, an explanation of how the interest was calculated, and a statement of the dissenter's right to demand payment under section 48-23-209. [Acts 1986, ch. 887, section 13.27.]

48-23-209. PROCEDURE IF SHAREHOLDER DISSATISFIED WITH PAYMENT OR OFFER. (a) A dissenter may notify the corporation in writing of his own estimate of the fair market value of his shares and amount of interest due, and demand payment of his estimate (less any payment under section 48-23-206), or reject the corporation's offer under section 48-23-208 and demand payment of the fair value of his shares and interest due, if:

(1) The dissenter believes that the amount paid under section 48-23-206 or offered under section 48-23-208 is less than the fair value of his shares or that the interest due is incorrectly calculated;

(2) The corporation fails to make payment under section 48-23-206 within two (2) months after the date set for demanding payment; or

(3) The corporation, having failed to effectuate the proposed action, does not return the deposited certificates or release the transfer restrictions imposed on uncertificated shares within two (2) months after the date set for demanding payment.

(b) A dissenter waives his right to demand payment under this section unless he notified the corporation of his demand in writing under subsection (a) within one (1) month after the corporation made or offered payment for his shares. [Acts 1986, ch. 887, section 13.28.]

48-23-301. COURT ACTION. (a) If a demand for payment under section 48-23-209 remains unsettled, the corporation shall commence a proceeding within two (2) months after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest. If the corporation does not commence the proceeding within the two-month period, it shall pay each dissenter whose demand remains unsettled the amount demanded.

(b) The corporation shall commence the proceeding in a court of record having equity jurisdiction in the county where the corporation's principal office or, if none in this state, its registered office) is located. If the corporation is a foreign corporation without a registered office in this state, it shall commence the proceeding in the county in this state where the registered office of the domestic corporation merged with or whose shares were acquired by the foreign corporation was located.

(c) The corporation shall make all dissenters (whether or not residents of this state) whose demands remain unsettled, parties to the proceeding as in an action against their shares and all parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

(d) The jurisdiction of the court in which the proceeding is commenced under subsection (b) is plenary and exclusive. The court may appoint one (1) or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The appraisers have the powers described in the order appointing them, or in any amendment to it. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

(e) Each dissenter made a party to the proceeding is entitled to judgment:

(1) For the amount, if any, by which the court finds the fair value of his shares, plus accrued interest, exceeds the amount paid by the corporation; or

(2) For the fair value, plus accrued interest, of his after-acquired shares for which the corporation elected to withhold payment under section 48-23-208. [Acts 1986, ch. 887, section 13.30.]

48-23-302. COURT COSTS AND COUNSEL FEES. (a) The court in an appraisal proceeding commenced under section 48-23-301 shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the corporation, except that the court may assess costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment under section 48-23-209.

(b) The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable:

(1) Against the corporation and in favor of any or all dissenters if the court finds the corporation did not substantially comply with the

requirements of section 48-23-201--48-23-209; or

(2) Against either the corporation or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this chapter.

(c) If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the corporation, the court may award to the counsel reasonable fees to be paid out of the amounts awarded to the dissenters who were benefitted. [Act 1986, ch. 887, section 13.31.]

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PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Michigan Business Corporation Act, as amended (the "MBCA"), provides that a Michigan corporation, such as the registrant, may indemnify any person who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (a "Proceeding"), other than a Proceeding by or in the right of the corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise (including any employee benefit plan) against expenses (including attorney fees) and judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the Proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The MBCA also provides that a Michigan corporation may indemnify any person who is or was a party or is threatened to be made a party to any Proceeding by or in the right of the corporation by reason of that fact that he or she is or was a director, officer, employee or agent of the corporation (or, is or was serving at the request of the corporation, in one of the other capacities described above) against expenses (including attorney's fees) and amounts paid in settlement actually and reasonably incurred by the person in connection with the Proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, except that no indemnification may be made for a claim, issue, or matter in which the person has been found liable to the corporation except for any indemnification against expenses that may be ordered by the court.

Under the MBCA, any indemnification described above, unless ordered by a court, may be made only as authorized in the specific case upon a determination (made in one of the ways described in Section 564a(1) of the MBCA) that indemnification of the pertinent party is proper because he or she has met the applicable standard of conduct and upon an evaluation of the reasonableness of expenses and amounts paid in settlement. Section 564b of the MBCA permits a corporation to pay or reimburse the reasonable expenses incurred by a director, officer, employee or agent in advance of final disposition of a Proceeding, only if the person furnishes the corporation with a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct for indemnification and a written undertaking to repay the advance if it ultimately is determined that he or she did not meet the standard and only if a determination is made (in one of the ways described in Section 564a(1)) that the facts then known to those making the determination would not preclude indemnification under the MBCA. Section 565 of the MBCA further provides that the above-described provisions concerning indemnification and advancement of expenses are not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a corporation's articles of incorporation, its bylaws or a contractual arrangement.

Section 2 of Article IX of the registrant's Articles of Incorporation, as amended, provides for mandatory indemnification of directors and officers and permits indemnification of other parties, as follows:

> "Section 2. Indemnification. The corporation shall indemnify any of its directors and officers and may indemnify any of its employees and agents (in each case including such person's

heirs, executors, administrators and legal representatives) who are made or threatened to be made a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or serves or served at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, to the fullest extent authorized or permitted under the [Michigan Business Corporation] Act or other applicable law, as the same presently exist or may hereafter be amended, but in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than authorized or permitted before such amendment. Without limiting the generality of the foregoing, the following provisions, except to the extent they limit the indemnity which may be provided pursuant to the foregoing, shall apply:

2.1 -- Indemnification of Directors and Officers: Claims by Third Parties. The corporation shall to the fullest extent authorized or permitted by the Act or other applicable law, as the same presently exist or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification rights than before such amendment, indemnify a director or officer (the "Indemnitee") who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to a criminal action or proceeding, if the Indemnitee had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and, with respect to a criminal action or proceeding, has reasonable cause to believe that his or her conduct was unlawful.

2.2 -- Indemnification of Directors and Officers: Claims Brought By or In the Right of the Corporation. The corporation shall, to the fullest extent authorized or permitted by the Act or other applicable law, as the same presently exist or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification right than before such amendment, indemnify a director or officer (the "Indemnitee") who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including actual and

reasonable attorneys' fees, and amounts paid in settlement incurred by the Indemnitee in connection with the action or suit, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders. However, indemnification shall not be made under this subsection 2.2 for a claim, issue, or matter in which the Indemnitee has been found liable to the corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

2.3 -- Actions Brought by the Indemnitee. Notwithstanding the provisions of subsections 2.1 and 2.2, the corporation shall not be required to indemnify an Indemnitee in connection with an action, suit, proceeding or claim (or part thereof) brought or made by such Indemnitee, unless such action, suit, proceeding or claim (or part thereof): (i) was authorized by the Board of Directors of the corporation; or (ii) was brought or made to enforce this Section 2 and the Indemnitee has been successful in such action, suit, proceeding or claim (or part thereof).

2.4 -- Approval of Indemnification. An indemnification under subsections 2.1 or 2.2 hereof, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because such Indemnitee has met the applicable standard of conduct set forth in subsections 2.1 or 2.2 as the case may be. This determination shall be made in any of the following ways:

(a) By a majority vote of a quorum of the Board consisting of directors who were not parties to the action, suit, or proceeding.

(b) If the quorum described in subdivision (a) is not obtainable, then by a majority vote of a committee of directors who are not parties to the action. The committee shall consist of not less than three (3) disinterested directors.

(c) By independent legal counsel in a written opinion.

(d) By the shareholders.

2.5 -- Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in subsections 2.1 or 2.2 above shall be paid by the corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

2.6 -- Partial Indemnification. If an Indemnitee is entitled to indemnification under subsections 2.1 or 2.2 for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the corporation shall indemnify the Indemnitee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the Indemnitee is entitled to be indemnified.

2.7 -- Indemnification of Employees and Agents. Any person who is not covered by the foregoing provisions of this Section 2 and who is or was an employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, may be indemnified to the fullest extent authorized or permitted by the Act or other applicable law, as the same exist or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification rights than before such amendment, but in any event only to the extent authorized at any time or from time to time by the Board of Directors.

2.8 -- Other Rights of Indemnification. The indemnification or advancement of expenses provided under subsections 2.1 through 2.7 is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation or Bylaws, or an agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in subsections 2.1 through 2.7 continues as to a person who ceases to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

2.9 -- Definitions. "Other enterprise" shall include employee benefit plans: "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the corporation" shall include any service as a director, officer, employee, or agent of the corporation which imposes duties on, or involves services by, the director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the corporation or its shareholders" as referred to in subsections 2.1 and 2.2

2.10 -- Liability Insurance. The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against any liability asserted against and incurred by such person in any such capacity or arising out of such person's status as such, regardless of whether or not the corporation would have the power to indemnify such person against such liability under the pertinent provisions of the Act.

2.11 -- Enforcement. If a claim under this Section 2 is not paid in full by the corporation within thirty days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the corporation) that the claimant has not met the standards of conduct which makes it permissible under the Act for the

corporation to indemnify the claimant for the amount claimed, but the burden of providing such defense shall be on the corporation. Neither the failure of the corporation (including the Board of Directors, a committee thereof, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because such claimant has met the applicable standard of conduct set forth in the Act nor an actual determination by the corporation (including its Board of Directors, a committee thereof, independent legal counsel or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

2.12 -- Contract with the Corporation. The right to indemnification conferred in this Section 2 shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Section 2 is in effect and any repeal or modification of this Section 2 shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit, proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

2.13 -- Application to a Resulting or Surviving Corporation or Constituent Corporation. The definition for "corporation" found in Section 569 of the Act, as the same exists or may hereafter be amended is, and shall be, specifically excluded from application to this Section 2. The indemnification and other obligations set forth in this Section 2 of the corporation shall be binding upon any resulting or surviving corporation after any merger or consolidation with the corporation. Notwithstanding anything to the contrary contained herein or in Section 569 of the Act, no person shall be entitled to the indemnification and other rights set forth in this Section 2 for acting as a director or officer of another corporation prior to such other corporation entering into a merger or consolidation with the corporation.

2.14 -- Severability. Each and every paragraph, sentence, term and provision of this Section 2 shall be considered severable in that, in the event that a court finds any paragraph, sentence, term or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining paragraphs, sentences, terms or provisions shall not be affected, and this Section 2 shall be construed in all respects as if such invalid or unenforceable matter had been omitted."

Section 209(c) of the MBCA provides that the articles of incorporation of a Michigan business corporation may contain a provision providing that a director of the corporation is not personally liable to the corporation or its shareholders for monetary damages for a breach of the director's fiduciary duty, except that such a provision may not eliminate or limit the liability of a director for (i) any breach of the director's duty of loyalty to the corporation or its shareholders; (ii) acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law; (iii) a violation of Section 551(1) of the MBCA (relating to unauthorized dividends or distributions to shareholders and unauthorized loans); or (iv) any transaction from which the director derived an improper personal benefit. At the 1987 Annual Meeting of registrant's shareholders, the shareholders approved an amendment to registrant's Articles of Incorporation to include such a provision, as well as the above-quoted provisions of Section 2, Article IX.

The registrant also has entered into indemnification agreements with its directors and officers under which the Company is required to maintain directors' and officers' liability insurance for their benefit or a substitute for such insurance to the extent reasonably available, or to indemnify them to the

full extent of the insurance coverage which otherwise would be provided to them. These agreements contemplate indemnification broader than that expressly provided for in the MBCA, in that they contemplate, when certain conditions are met, indemnification against judgments and fines (as well as settlement costs) incurred in proceedings brought by or in the right of the Company.

Insurance is maintained on a regular basis (and not specifically in connection with this offering) against liabilities arising on the part of directors and officers out of their performance in such capacities or arising on the part of the registrant out of the foregoing indemnification provisions, subject to certain exclusions and to the policy limits.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits. The following exhibits are filed as part of the registration statement on Form S-4:

Item 601 Regulation S-K Exhibit Reference Number	Exhibit Description
(1)	Not applicable
(2)	Amended and Restated Reorganization Agreement, dated as of January 13, 1995, among La-Z-Boy Chair Company, LZB Acquisition Inc. and England/Corsair, Inc. A conformed copy of this agreement (with exhibits) is included as Annex A to the Proxy Statement/Prospectus which is part of this Registration Statement.
(3)(i)(a)/(4)(a)	Articles of Incorporation of registrant, as amended through August 4, 1987 (filed as an exhibit to registrant's Form S-8 Registration Statement (Commission File No. 33-31502) and incorporated herein by reference).
(3)(i)(b)/(4)(b)	Amendment to Articles of Incorporation of registrant, effective April 24, 1991 (filed as an exhibit to registrant's Annual Report on Form 10-K for its fiscal year ended April 25, 1992 (Commission File No. 0-5091) and incorporated herein by reference).
(3)(ii)/(4)(c)	Bylaws of registrant, as currently in effect (filed as an exhibit to registrant's Annual Report on Form 10-K for its fiscal year ended April 25, 1992 (Commission File No. 0-5091) and incorporated herein by reference).
(4)(d)	Form of certificate for Common Stock $1.00 par value (filed as an exhibit to registrant's Form S-8 Registration Statement (Commission File No. 33-50318) and incorporated herein by reference).

Item 601 Regulation S-K Exhibit Reference Number	Exhibit Description
(4)(e)	Form of Indenture between La-Z-Boy Chair Company and Rodney D. England as Designated Representative.
(4)(f)	Description of the Performance Units as set forth in the Amended and Restated Plan of Merger included as Annex B to the Proxy Statement/Prospectus which is part of this Registration Statement.
(5)	Opinion and consent of Miller, Canfield, Paddock and Stone, P.L.C.
(6)	Not applicable.
(7)	Not applicable.
(8)	Opinion and consent of Miller, Canfield, Paddock and Stone, P.L.C.
(9)	Not applicable.
(10)(a)	La-Z-Boy Chair Company 1993 Performance-Based Stock plan (filed as Exhibit A to registrant's proxy statement dated June 25, 1993 (Commission File No. 0-5091) and incorporated herein by reference).
(10)(b)	La-Z-Boy Chair Company Restricted Stock Plan for Non-Employee Directors (filed as Exhibit B to registrant's proxy statement dated July 6, 1989 (Commission File No. 0-5091) and incorporated herein by reference).
(10)(c)	La-Z-Boy Chair Company Executive Incentive Compensation Plan Description (filed as an exhibit to registrant's Current Report on Form 8-K dated February 6, 1995 (Commission File No. 0-5091) and incorporated herein by reference).
10(d)	La-Z-Boy Chair Company Supplemental Executive Retirement Plan dated May 1, 1991 (filed as an exhibit to registrant's Current Report on Form 8-K dated February 6, 1995 (Commission File No. 0-5091) and incorporated herein by reference).
(10)(e)(i)	La-Z-Boy Chair Company 1986 Restricted Share Plan (filed as an exhibit to registrant's proxy statement dated June 26, 1986 (Commission File No. 0-5091) and incorporated herein by reference).

Item 601 Regulation S-K Exhibit Reference Number	Exhibit Description
(10)(e)(ii)	La-Z-Boy Chair Company Amended and Restated 1989 Restricted Share Plan (filed as Exhibit A to registrant's proxy statement dated July 6, 1989 (Commission File No. 0-5091) and incorporated herein by reference).
(10)(f)	La-Z-Boy Chair Company 1986 Incentive Stock Option Plan (filed as Exhibit B to registrant's proxy statement dated June 26, 1986 (Commission File No. 0-5091) and incorporated herein by reference).
(10)(g)	Form of Change in Control Agreement, accompanied by list of employees party thereto (filed as an exhibit to registrant's Current Report on Form 8-K dated February 6, 1995 (Commission File No. 0-5091) and incorporated herein by reference).
(10)(h)	Form of Indemnification Agreement and list of Registrant's directors who are parties thereto (filed as an exhibit to Form 8, Amendment No. 1 dated November 3, 1989 (Commission File No. 0-5091) and incorporated herein by reference).
(10)(i)	Agreement and Plan of Merger with Kincaid Furniture Company, Incorporated (filed as Exhibit (c) to registrant's Schedule 14D-1 dated December 18, 1987 (Commission File No. S-36021) and incorporated herein by reference).
(10)(j)	Revolving Credit and Term Loan Agreement dated as of April 22, 1988 (filed as an exhibit to registrant's Form 8, Amendment No. 1 dated November 3, 1989 (Commission File No. 0-5091) and incorporated herein by reference).
(10)(k)	Fixed Rate Term Loan Agreement dated as of April 22, 1988 (filed as an exhibit to registrant's Form 8, Amendment No. 1 dated November 3, 1989 (Commission File No. 0-5091) and incorporated herein by reference).

Item 601 Regulation S-K Exhibit Reference Number	Exhibit Description
(10)(l)	La-Z-Boy Chair Company 1979 Key Employee Stock Option Plan (filed as an exhibit to Form S-8 Registration Statement effective February 15, 1980 (Commission File No. 2-66510) and incorporated herein by reference).
(11)	No statement is required to be filed with respect to either La-Z-Boy Chair Company or England/Corsair, Inc. because the computations can be clearly determined from the materials contained in the registration statement.
(12)	Computation of Ratio of Earnings to Fixed Charges.
(13)	Quarterly Reports on Form 10-Q for the quarters ended July 30, 1994 and October 29, 1994 (Commission File No. 0-5091) and incorporated herein by reference.
(14)	Not applicable.
(15)	Not applicable.
(21)	List of subsidiaries of La-Z-Boy Chair Company.
(23)(a)	Consents of Miller, Canfield, Paddock and Stone, P.L.C. (included in Exhibits (5) and (8)).
(23)(b)	Consent of Price Waterhouse LLP.
(23)(c)	Consent of BDO Seidman, independent certified public accountants.
(24)	Powers of Attorney (contained in signature pages of the initial filing of the registration statement).
(25)	Not applicable.
(26)	Not applicable.
(27)	Not applicable. This registration statement does not include annual and/or interim financial statements that have not been previously included in a filing with the Commission (such Financial Data Schedule was filed with the registrant's Form 10-Q for the quarter ended October 29, 1994 (Commission File No. 0-5091)).
(28)	Not applicable.

Item 601 Regulation S-K Exhibit Reference Number	Exhibit Description
(99)	None.

(b) Financial Statement Schedules. The following financial statement schedules are filed as a part of the registration statement on Form S-4.

Schedule Number	Schedule Description
VIII	Valuation and Qualifying Accounts

(c) Information Pursuant to Item 4(b). Not Applicable.

ITEM 22. UNDERTAKINGS.

La-Z-Boy hereby makes the undertakings that follow:

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 20 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of the registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

The undersigned registrant undertakes that every prospectus (i) that is filed pursuant to the paragraph immediately preceding this paragraph, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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LA-Z-BOY CHAIR COMPANY
FINANCIAL STATEMENT SCHEDULE

LA-Z-BOY CHAIR COMPANY AND SUBSIDIARIES SCHEDULE VIII
VALUATION AND QUALIFYING ACCOUNTS
(DOLLARS IN THOUSANDS)

Description	Balance at beginning of period	Additions charged to costs and expenses	Trade accounts receivable "written off" net of recoveries	Balance at end of period
Year ended April 30, 1994:				
Allowance for doubtful accounts and long-term notes	$11,670	$7,578	$ 4,454	$14,794
Accrued warranties	$ 6,250	$ 400		$ 6,650
Year ended April 24, 1993:				
Allowance for doubtful accounts and long-term notes	$ 7,217	$7,891	$ 3,438	$11,670
Accrued warranties	$ 5,950	$ 300		$ 6,250
Year ended April 25, 1992:				
Allowance for doubtful accounts receivable	$11,351	$9,271	$13,397	$ 7,217
Accrued warranties	$ 5,650	$ 300		$ 5,950

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Monroe, State of Michigan, on the 6th day of February, 1995.

LA-Z-BOY CHAIR COMPANY
a Michigan corporation

By /s/ CHARLES T. KNABUSCH
Name: Charles T. Knabusch
Title: Chairman, President, and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Each of the undersigned, pursuant to the powers of attorney previously filed with the Securities and Exchange Commission, severally constituted and appointed [Charles T. Knabusch, Frederick H. Jackson and Gene M. Hardy], and each or any one of them, his true and lawful attorneys and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments or post-effective amendments to the registration statement and to file the same, with all exhibits thereto and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys and agents, and each or any of them, full power and authority to do and perform each and every act and things requisite or necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys and agents, and each of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Signatures	Title	Date
/s/ CHARLES T. KNABUSCH Charles T. Knabusch	Chairman and President and Chief Executive Officer	February 6, 1995
/s/ FREDERICK H. JACKSON Frederick H. Jackson	Vice President Finance (principal financial officer) and Director	February 6, 1995
/s/ GENE M. HARDY Gene M. Hardy	Secretary and Treasurer (principal accounting officer) and Director	February 6, 1995
/s/ WARREN W. GRUBER Warren W. Gruber	Director	February 6, 1995

/s/ DAVID K. HEHL David K. Hehl	Director	February 6, 1995
_____ James W. Johnston	Director	_____, 1995
/s/ ROCQUE E. LIPFORD Rocque E. Lipford	Director	February 6, 1995
/s/ PATRICK H. NORTON Patrick H. Norton	Director	February 6, 1995
_____ Edwin J. Shoemaker	Vice Chairman, Executive Vice President of Engineering and Director	_____, 1995
/s/ LORNE G. STEVENS Lorne G. Stevens	Director	February 6, 1995
/s/ JOHN F. WEAVER John F. Weaver	Director	February 6, 1995

EXHIBIT INDEX

Exhibit No.	Description
(4)(e)	Form of Indenture between La-Z-Boy Chair Company and Rodney D. England as Designated Representative.
(5)	Opinion and consent of Miller, Canfield, Paddock and Stone, P.L.C.
(8)	Opinion and consent of Miller, Canfield, Paddock and Stone, P.L.C.
(12)	Computation of Ratio of Earnings to Fixed Charges.
(21)	List of subsidiaries of La-Z-Boy Chair Company.

Exhibit (4)(e)

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LA-Z-BOY CHAIR COMPANY

and

MR. RODNEY ENGLAND
as Designated Representative

INDENTURE
Dated as of _____, 1995

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INDENTURE

THIS INDENTURE dated as of the ___ day of _____, 1995, by and between LA-Z-BOY CHAIR COMPANY, a Michigan corporation having its principal office at 1284 North Telegraph Road, Monroe, Michigan 48161-3390 (the "Company"), and Rodney England, whose address is 402 Old Knoxville Highway, New Tazewell, Tennessee 37825, as designated representative (the "Designated Representative").

W I T N E S S E T H :

WHEREAS, the Company, LZB Acquisition, Inc., a Michigan corporation and wholly owned subsidiary of the Company ("LZB Acquisition"), and England/Corsair, Inc., a Tennessee corporation ("E/C") have entered into an Amended and Restated Reorganization Agreement and an Amended and Restated Plan of Merger dated January 13, 1995 under which E/C will be merged with and into LZB Acquisition; and

WHEREAS, the holders of E/C Class A and Class B Common Stock ("E/C Stock") will exchange their shares of E/C Stock for Merger Consideration; and

WHEREAS, one component of the Merger Consideration is La-Z-Boy Chair Company 8% Unsecured Promissory Notes Due 1999; and

WHEREAS, the Company has duly authorized and directed the issuance of notes as consideration in exchange for shares of stock of E/C, limited in aggregate principal amount, to mature on _____ 1999 and to bear 8% simple interest, and to contain such other conditions and provisions as are hereinafter in this indenture provided or permitted; and

WHEREAS, the Company and the Designated Representative duly authorized and directed the execution and delivery of this Indenture in order to provide for the payment of the principal of and interest on the Notes, and to establish and declare the terms and conditions upon which the Notes are to be issued, received and held.

NOW, THEREFORE, in consideration of the premises and the exchange and acceptance of the Notes by the holders thereof, the Company and the Designated Representative hereby agree as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. Definitions. For all purposes of this Indenture and of any indenture supplemental hereto, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article One have the meanings assigned to them in this Article One and include the plural as well as the singular;

(2) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States of America at the date of such computation; and

(3) all references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally ln Article Six, are defined in that Article.

"Act" when used with respect so any Holder of a Note has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the

foregoing.

"Board of Directors" means either the Board of Directors of the Company or any duly authorized committee of that board.

"Board Resolution" means a copy or a resolution certified by the Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Designated Representative.

"Business Day" means earn day which is neither a Saturday, Sunday or other day on which banking institutions in the Place of Payment are authorized or required by law or executive order to be closed.

"Company" means the Person named as the "Company" in the first paragraph of this Indenture until a successor corporation shall have become such pursuant to Article Eight of this Indenture, and thereafter "Company" shall mean such successor corporation.

"Company Request," "Company Order" and "Company Consent" mean, respectively, a written request, order or consent signed in the name of the Company by its President and its Secretary and delivered to the Designated Representative.

"Event of Default" means with respect to any Note any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), unless such event is either inapplicable to a particular Note or it is specifically deleted or modified in the supplemental indenture creating such Note or in the form of such Note:

(1) a Payment Default; or

(2) default in the performance or breach, of any covenant or warranty of the Company in this Indenture in respect of the Notes (other than a covenant or warranty in respect of the Notes a default in the performance of which or the breach of which is specifically dealt with in Article Five), all of such covenants and warranties in the Indenture which are not expressly stated to be for the benefit of particular Notes being deemed in respect of all Notes for this purpose, and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, of the Company by the Designated Representative or of the Company and the Designated Representative by the Holders of at least 50% in principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring i.t to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(3) the entry of an order for relief against the Company under the Federal Bankruptcy Code by a court having jurisdiction in the premises or a decree or order by a court having jurisdiction in the premises adjudging the Company a bankrupt or insolvent under any other applicable Federal or State law, or the entry of a decree or order approving Federal or State law, or the entry of a decree or order approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the Federal Bankruptcy code or any other applicable Federal or State law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstated and in effect for a period of 60 consecutive days; or

(4) the consent by the Company to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action; or

(5) any other Event of Default provided in a supplemental indenture or Board Resolution under which any Notes are issued or in the form of such Notes.

"Holder" when used with respect to any Note means the Person in whose name a Note is registered in the Register.

"Indenture" or "this Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto and shall include the terms of particular Notes established as contemplated by Section 301.

"Maturity," when used with respect to any Note, means the date on which the principal of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity, by declaration of acceleration, or otherwise.

"Note" or "Notes" means any note or notes authenticated and delivered from time to time under this Indenture.

"Officers' Certificate" means a certificate signed by the President and by the Secretary of the Company, and delivered to the Designated Representative.

"Outstanding," when used with respect to the Notes, means, as of the date of determination, all such Notes theretofore authenticated and delivered under this Indenture, except:

(i) such Notes theretofore cancelled by the Company or delivered to the Company for cancellation;

(ii) such Notes for whose payment or redemption money in the necessary amount has been theretofore paid to the Holders of such Notes; and

(iii) such Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture.

"Paying Agent" means the Company or other Person appointed by the Company who is authorized by Section 1003 of this Indenture to pay the principal of or interest on any Notes.

"Payment Date," when used with respect to any Note means the Stated Maturity of any installment of principal and interest on that Note.

"Payment Default" means with respect to any Note a default in the payment of any principal or Interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" means with respect to any Notes issued hereunder the city or political subdivision so designated with respect to the Notes in question in accordance with the provisions of Section 301.

"Predecessor Notes" of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note delivered under Section 306 in lieu of a lost, destroyed or stolen Note shall be deemed to evidence the same debt as the lost, destroyed or stolen Note.

"Redemption Date" when used with respect to any Note to be redeemed means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price" when used with respect to any Note to be redeemed means the price at which it is to be redeemed pursuant to this Indenture.

"Register" shall have the meaning specified in Section 304.

"Special Record Date" for the payment of any Defaulted Payment (as defined in Section 306) means a date fixed by the Company pursuant to Section 306.

"Stated Maturity" when used with respect to any Note or any installment of principal thereof or interest thereon means the date specified in such Note as the fixed date on which the principal of such Note or such installment of principal or interest is due and payable.

"Designated Representative" means the Person named as the Designated Representative in the first paragraph of this instrument until a successor Designated Representative shall have become such pursuant to Article Six of this Indenture, and thereafter "Designated Representative" shall mean and include each Person who is then a Designated Representative hereunder.

"U.S. Government Obligations" means (1) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (2) depositary receipts issued by a bank or trust company as custodian of U.S. Government Obligations or (3) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America.

SECTION 102. Compliance Certificates. Upon any application or request by the Company to the Designated Representative to take any action under any provision of this Indenture, the Company shall furnish to the Designated Representative an Officers' Certificate stating that all conditions precedent,

if any, provided for in this Indenture relating to the proposed action have been complied with, except that in the case of any such application or request as to which the furnishing of such document is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate need be furnished.

Every certificate with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each individual signing such certificate has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Designated Representative. In any case where several matters are required to be certified by any specified Person, it is not necessary that all such matters be certified by only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to the other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate may be based, insofar as it relates to factual matters, upon a certificate, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one Instrument.

SECTION 104. Acts of Holders of the Notes. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of the Notes may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders of the Notes in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Designated Representative, and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders of Notes signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Designated Representative and the Company, if made in the manner provided in this Section 104.

(b) The fact and date or the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Designated Representative deems sufficient.

(c) The ownership or Notes shall be proved by the Register.

(d) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other action, the Company may, at its option, by Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, salver or other action, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand,

authorization, direction, notice, consent, waiver or other action may be given before or after the record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Notes Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other action, and for that purpose the Notes Outstanding shall be computed as of the record date; provided that no such authorization, agreement or consent by the Holders on the record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind the Holder of every Note issued upon the transfer thereof or in lieu thereof, in respect of anything done or suffered to be done by the Designated Representative or the Company in reliance thereon whether or not notation of such action is made upon such Note.

SECTION 105. Notices to Designated Representative and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of a Holder of the Notes or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Designated Representative by any Holder of the Notes or by the Company shall be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Designated Representative at his address specified in the first paragraph of this instrument or at any other address previously furnished in writing to such Holder.

(2) the Company by the Designated Representative or by any Holder of Notes shall be sufficient for every purpose hereunder (except as provided in the definition of "Event of Default") if in writing and mailed, first-class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Designated Representative by the Company.

SECTION 106. Notices to Holders: Waiver. Where this Indenture or any Note provides for notice to Holders of the Notes of any event, such notice shall be sufficiently given (unless otherwise herein or in such Note expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder of Notes affected by such event, at his address as it appears in the Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders of the Notes is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of the Notes shall affect the sufficiency of such notice with respect to other Holders of the Notes. Where this Indenture or any Note provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of the Notes shall be filed with the Designated Representative and the Company, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or otherwise, it shall be impractical to mail notice of any event to any Holder of the Notes when such notice is required to be given pursuant to any provision of this Indenture, then any method of notification as shall be satisfactory to the Company shall be deemed to be a sufficient giving of such notice.

SECTION 107. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 108. Successors and Assigns. All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 109. Separability Clause. In case any provision in this Indenture or in any Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 110. Benefits of Indenture. Nothing in this Indenture or in any Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the Paying Agent, and the Holders of the Notes for such of them as may be affected thereby), any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 111. Governing Law. This Indenture shall be construed in accordance with and governed by the laws of the State of Michigan.

SECTION 112. Counterparts. This Instrument may be executed in any number

of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

ARTICLE TWO

FORMS OF NOTES

SECTION 201. Forms Generally. The Notes shall have such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be determined by the officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any of the Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Notes.

The Notes shall be printed, lithographed, typewritten, mimeographed, photocopied or engraved or produced by any combination of these methods ln any manner as is determined by the officers executing such Notes, as evidenced by their execution of such Notes.

SECTION 202. Form of Notes.

(a) Each Note will have a four year term and provide for four equal annual payments of principal and accrued interest and shall be substantially in the form that follows:

"LA-Z-BOY CHAIR COMPANY 8% Unsecured Promissory Notes Due 1999"

$ Date:

No. At: Monroe, Michigan

LA-Z-BOY CHAIR COMPANY, a corporation organized and existing under the laws of Michigan and having offices at 1284 North Telegraph Road, Monroe, Michigan 48161-3390 (herein called the "Company," which term includes any successor corporation under the Indenture hereinafter referred to) promises to pay to _____ _____ of _____ , or registered assigns, the principal sum of _____ Dollars, payable in four annual principal installments, plus accrued interest at 8% simple interest per annum on the unpaid balance from the date first above written. The initial payment hereunder shall be due and payable on _____, 1996 and subsequent annual installments shall be payable on the same date in 1997, 1998 and 1999 until the principal hereof is paid or made available for payment. The principal and interest so payable, and punctually paid or duly provided for, on any Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or any Predecessor Note) is registered at the close of business on such Payment Date.

Payment of the principal and interest on this Note will be made at the office or agency of the Company maintained for that purpose in the City of Monroe, State of Michigan, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, provided that at the option of the Company payment of the principal of and any interest on this Note may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Register.

This Note is one of a duly authorized issue of notes, or other evidence of indebtedness of the Company (herein called the "Notes") issued or to be issued under an indenture, dated as of _____, 1995 (herein called the "Indenture"), between the Company and Mr. Rodney England (herein called the "Designated Representative" which term includes any successor designated representative under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Designated Representative and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

Terms used herein which are defined in the Indenture shall have the respective meanings assigned thereto in the Indenture.

Under the terms of the Indenture, the Company, at its option (a) will be Discharged from any and all obligations in respect of the Notes (except in each case for certain obligations to register the transfer of Notes, replace stolen, lost or mutilated Notes, maintain paying agencies and hold moneys for payment in trust) or (b) need not comply with certain restrictive covenants of the Indenture, in each case, if the Company deposits or sets aside, in trust, money, or U.S. Government Obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide

money, in an amount sufficient to pay all the principal of, and interest on, the Notes on the dates such payments are due in accordance with the terms of the Notes.

If an Event of Default or a Payment Default with respect to Notes shall occur and be continuing, the principal amount of the Notes may be declared due and payable in the manner and subject to the conditions provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes to be affected under the Indenture at any time by the Company and the Designated Representative with the consent of the Holders of a majority in the aggregate in principal amount of the Notes then Outstanding. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Outstanding Notes, on behalf of the Holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of the Note and of any Note issued upon the registration of transfer hereof or ln lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

Under the Indenture, any principal and interest that is not punctually paid or duly provided for by the Company will forthwith cease to be payable to the Holder on such Payment Date and will be paid to the Person in whose name this Note (or any Predecessor Note) is registered at the close of business on a Special Record Date for the payment of such Defaulted Payment to be fixed by the Company, notice thereof to be given to Holders of the Notes not less than 10 days prior to such Special Record Date, all as more fully provided in said Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

The Notes are issuable only in registered form without coupons in any denomination.

As provided in the Indenture and subject to certain exceptions therein set forth, this Note is not transferable other than upon the death of a Holder by will or the applicable laws of descent and distribution.

No service charge shall be made for any such registration of a permitted transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Designated Representative and any agent of the Company or the Designated Representative may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Designated Representative nor any such agent shall be affected by notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based herein or otherwise in respect hereof or of said Indenture, against any incorporator, or against any past, present or future stockholder, director or officer, as such, of the Company or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, whether for amounts unpaid on stock subscriptions or by virtue of any constitution, statute or rule of law, or Dy the enforcement of any assessment or penalty or otherwise howsoever; all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released by every Holder hereof, as more fully provided in said Indenture.

The Notes may be redeemed, at any time and from time to time, in whole or in part, at the election of the Company, upon payment of the Redemption Price which shall consist of 100% of the unpaid principal amount of the Notes so redeemed plus interest accrued on the Notes so redeemed to the date fixed for redemption of such principal amount of the Note.

The Notes are not secured.

The Notes may be for various principal sums, will mature on the same date, will bear 8% simple interest payable annually and will otherwise be identical under the terms of the Indenture.

The Notes have been registered under the Securities Act of 1933, as amended. The Notes may only be acquired and held by the Holder, or transferred to other Persons upon the death of the Holder by will or the applicable laws of descent and distribution. All transfers and exchanges of the Notes may be made only in accordance with applicable Federal and state laws.

Unless this Note has been executed by the Company by manual or facsimile

signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed by its duly authorized officers.

Dated: LA-Z-BOY CHAIR COMPANY

By _____
Its _____

Attest:
_____ "

ARTICLE THREE

THE NOTES

SECTION 301. Generally. The aggregate principal amount of the Notes that may be delivered and Outstanding at any time under this Indenture may not exceed $10,000,000.

All Notes that are authenticated, delivered and Outstanding under this Indenture shall in all respects be equally and ratably entitled to the rights and benefits of this Indenture without preference, priority or distinction on account of the actual time of the delivery or Stated Maturity of any of the Notes.

Each Note shall be created either by or pursuant to this Indenture, a Board Resolution or by an indenture supplemental hereto. Each Note may bear such date(s), be payable at such place(s), have such Stated Maturity, be issuable at their face value, bear 8% simple interest, from _____, 1995, payable annually in four equal installments and at such place(s) to the Holders of the Notes registered as such, and may be redeemable or repayable at such Redemption Price(s) or Repayment Price(s) as the case may be, whether at the option of the Holder or otherwise, and upon such terms, all as shall be provided for in or pursuant to this Indenture or the Board Resolution or supplemental indenture creating the same.

SECTION 302. Denominations. The Notes shall be issuable in such denominations and currency as shall be provided in the provisions of this Indenture or in the Board Resolution creating such Notes.

SECTION 303. Execution Authentication and Delivery and Dating. The Notes shall be executed on behalf of the Company by its President under its corporate seal reproduced thereon and attested by its Secretary. The signature of any of these officers on the Notes may be manual or facsimile.

Notes bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

All Notes shall be dated the date of their execution by the Company.

No Note shall be entitled to any lien, right or benefit under this Indenture or be valid or obligatory for any purpose unless it has been executed by the Company by manual or facsimile signature.

SECTION 304. Registration and Transfer. The Company shall keep or cause to be kept a register or registers (herein sometimes referred to as the "Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of the Notes, and for permitted transfers of the Notes. Any such Register shall be in written form or in any form capable of being converted into written form within a reasonable time. At all reasonable times the information contained in such register shall be available for inspection by the Holders or the Designated Representative at the offices of the Company.

Upon surrender for transfer of any Notes, as permitted, at the office of the Company, the Company shall execute and deliver, in the name of the designated transferee(s), one or more new Notes of a like aggregate principal amount and Stated Maturity.

A Note may only be transferred to another Person or Persons upon the death of its Holder by will or the applicable laws of descent and distribution. The Notes may only be transferred in accordance with applicable Federal and state laws.

All Notes issued upon any transfer shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under

this Indenture, as the Notes surrendered upon such transfer.

Every Note presented or surrendered for transfer shall if so required by the Company be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company duly executed, by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise provided in the Notes to be transferred, no service charge shall be made for any transfer of Notes, but the Company may (unless otherwise provided in such Notes) require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of Notes.

SECTION 305. Mutilated. Destroyed. Lost and Stolen Notes. If (i) any mutilated Note is surrendered to the Company and the Company receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Company such security or indemnity as may be required by it to save it harmless, then, the Company shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of like tenor, series, stated maturity and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Note, pay such Note.

Upon the issuance of any new Note under this Section 305, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Note issued pursuant to this Section 305 in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder. The provisions of this Section 305 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

SECTION 306. Payment of Principal and Interest: Principal and Interest Rights Preserved. Principal and interest on any Note which is payable, and is punctually paid or duly provided for, on any Payment Date shall be paid to the Person in whose name that Note (or one or more Predecessor Notes) is registered at the close of business on such Payment Date.

Unless otherwise provided with respect to the Notes, at the option of the Company payment of principal and interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Register.

Any principal and interest on any Note which is payable, but is not punctually paid or duly provided for, on any Payment Date (herein called "Defaulted Payment") shall forthwith cease to be payable to the registered Holder on the relevant Payment Date by virtue of his having been such Holder; and, except as hereinafter provided, such Defaulted Payment may be paid by the Company to the Persons in whose names any such Notes (or their respective Predecessor Notes) are registered at the close of business on a Special Record Date for the payment of such Defaulted Payment, which shall be fixed in the following manner. The Company shall make arrangements satisfactory to each Holder for the deposit of the amount of such Defaulted Payment prior to the date of the proposed payment, to be held in trust for the benefit of the Persons entitled to such Defaulted Payment as herein provided. Thereupon the Company shall fix a Special Record Date for the payment of such Defaulted Payment which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Company shall cause notice of the proposed payment of such Defaulted Payment and the Special Record Date therefore to be mailed, first-class postage prepaid, to the Holder of each such Note at his address as it appears in the Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Payment and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Payment shall be paid to the Persons in whose names such Notes (or their respective Predecessor Notes) are registered on such Special Record Date.

Subject to the foregoing provisions of this Section 306, each Note delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Note shall carry the rights to principal and interest accrued and unpaid and to accrue, which were carried by such other Note.

SECTION 307. Persons Deemed Owners. The Company, the Designated Representative and any agent of the Company or the Designated Representative may treat the Person in whose name any Note is registered as the owner of such Note for the purpose of receiving payment of principal of, and (subject to Section 306) interest on, such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Company, the Designated

Representative nor any agent of the Company or the Designated Representative shall be affected by notice to the contrary.

SECTION 308. Cancellation. All Notes surrendered for payment, transfer, or exchange shall, if surrendered to any Person other than the Company, be delivered to the Company and shall be promptly cancelled by it.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect to any Notes (except as to any surviving rights of conversion or transfer of Notes expressly provided for herein or in the form of such Notes), and the Designated Representative, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such series, when

(1) all Notes theretofore delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 304 and (ii) Notes for which payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Company for cancellation;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to the Notes; and

(3) the Company has delivered to the Designated Representative an Officers' Certificate stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Notes have been complied with.

SECTION 402. Defeasance Upon Deposit of Moneys or U.S. Government Obligations. At the Company's option indicated by notice to the Designated Representative, either (a) the Company shall be deemed to have been "Discharged" (as defined below) from its obligations with respect to the Notes on the ninety-first day after the applicable conditions set forth below have been satisfied or (b) the Company shall cease to be under any obligation to comply with any term, provision or condition set forth in Section 801 and Section 1005 with respect to any Notes at any time after he applicable conditions set forth below have been satisfied:

(1) the Company shall have deposited or caused to be deposited irrevocably funds, in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Notes (A) money in an amount, or (B) U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (C) a combination of (A) and (B), sufficient, in the opinion of the Company, to pay and discharge each installment of principal of, and interest on, the Outstanding Notes on the dates such installments of interest or principal are due; and

(2) no Event of Default or event (including such deposit) which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit.

"Discharged" means, for purposes of this Section 402 that the Company shall be deemed to have paid and discharged the entire indebtedness represented by, and obligations under, the Notes and to have satisfied all the obligations under this Indenture relating to the Notes, the Designated Representative, shall execute proper instruments acknowledging the same), except (A) the rights of Holders of Notes to receive, from the trust fund described in clause (1) above, payments of the principal of and the interest on such Notes when such payments are due; (B) the Company's obligations with respect to such Notes under Section 304, Section 305, Section 507; and (C) the rights, powers, duties and immunities of the Designated Representative hereunder.

SECTION 403. Return of Unclaimed Amounts. Any amounts deposited in trust for payment of the principal of, or interest, if any, on the Notes and not applied but remaining unclaimed by the Holders of such Notes for two years after the date upon which the principal of, or interest, if any, on such Notes, as the case may be, shall have become due and payable, shall be repaid to the Company on demand; and the Holder of any of such Notes shall thereafter look only to the Company for any prepayment which such holder may be entitled to collect.

SECTION 404. Reinstatement. If any money or U.S. Government Obligations is unable to be applied in accordance with Section 402 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting

such application, the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 402 until such time as is permitted to apply all such money or U.S. Government Obligations in accordance with Section 403.

ARTICLE V
REMEDIES

SECTION 501. Acceleration of Maturity; Rescission and Annulment. If an Event of Default (other than a Payment Default) occurs and is continuing, then and in each and every such case, unless the principal of all the Notes shall have already become due and payable, the Holders of not less than 50% in aggregate principal amount of the Notes then Outstanding hereunder and the Designated Representative, by notice in writing to the Company may declare the unpaid principal amount of all the Notes to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Notes contained to the contrary notwithstanding.

At any time after such a declaration of acceleration has been made with respect to the Notes and before a judgment or decree for payment of the money due has been obtained by the Designated Representative or the Holders as provided in this Article Five, Holders of a majority in principal amount of the Notes Outstanding, by written Notice to the Company and the Designated Representative, may rescind and annul such declaration and its consequences if

(1) the Company has paid or deposited for the benefit of the Holders a sum sufficient to pay

(A) all overdue installments of principal and interest on the Notes;

(B) the principal of any Notes, which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Notes, to the extent that payment of such interest is lawful; and

(C) interest upon overdue installments of interest at the rate(s) prescribed therefor by the terms of the Notes, to the extent that payment of such interest is lawful; and

(2) all Events of Default with respect to such Notes, other than the nonpayment of the principal of the Notes which have become due solely by such acceleration, have been cured or waived as provided in Section 512.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 502. Collection of Indebtedness and Suits for Enforcement by Holder. The Company covenants that if any Payment Default continues for any period of grace provided with respect to the Notes, the Company will, upon demand of any Holder, pay to such Holder, the whole amount then due and payable on any such Note for principal and interest, with interest, to the extent that payment of such interest shall be legally enforceable, upon the overdue principal and upon overdue installments or interest, at such rates(s) as may be prescribed therefor by the terms of any such Note; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection.

If the Company fails to pay such amounts forthwith upon such demand, the Holder may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any other obligor upon the Notes and collect the money adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Notes, wherever situated.

SECTION 503. Designated Representative May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Notes or the property of the Company or of such other obligor or their creditors, the Designated Representative (irrespective of whether the principal of or interest on the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Designated Representative shall have made any demand on the Company for the payment or overdue principal or interest) shall be entitled and empowered, by intervention in such proceedings or otherwise.

(i) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary and advisable in order to have the claims of the Designated Representative (including any claim for the reasonable compensation, expenses, disbursements and advances of the Designated Representative, its agents and counsel) and of the Holders of

the Notes allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each of the Holders of the Notes to make such payments directly to the Holders of the Notes, to pay to the Designated Representative any amount due to it for he reasonable compensation expenses, disbursements and advances of the Designated Representative, its agents and counsel.

Nothing herein contained shall be deemed to authorize the Designated Representative to authorize or consent to or accept or adopt on behalf of any Holders of the Notes any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Designated Representative to vote in respect of the claim of any Holders of the Notes in any such proceeding.

SECTION 504. Designated Representative May Enforce Claims Without Possession of Notes. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Designated Representative without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Designated Representative shall be brought in its own name as Designated Representative, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Designated Representative, its agents and counsel, be for the ratable benefit of the Holders of the Notes in respect of which such judgment has been recovered.

SECTION 505. Application of Money Collected. Any money collected by the Designated Representative with respect to the Notes pursuant to Section 501 or Section 503 shall be applied in the following order, at the date or dates fixed by the Designated Representative and, in case of the distribution of such money on account of principal or interest, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of the amounts then due and unpaid upon the Notes for principal and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Notes for principal and interest, respectively.

Second: To the payment of the balance, if any, to the Person or Persons entitled thereto (including the Designated Representative).

SECTION 506. Limitation on Suits. Except as otherwise expressly provided in Section 507, no Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Company of a continuing Payment Default with respect to the Notes; or

(2) the Holders of not less than 50% in principal amount of the Outstanding Notes shall have made written request to the Designated Representative to institute proceedings in respect of such Event of Default in its own name as Designated Representative hereunder;

(3) such Holder(s) have offered to the Designated Representative reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Designated Representative for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no discretion inconsistent with such written request has been given to the Designated Representative during such 60-day period by the Holders of a majority in principal amount of the Outstanding Notes;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes, or to obtain or to seek to obtain priority or preference over any other such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and proportionate benefit of all the Holders of all Notes.

SECTION 507. Unconditional Right of Holders to Receive Principal and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and (subject to Section 307) interest on such Note

on the respective Stated Maturity expressed in such Note and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 508. Restoration of Rights and Remedies. If the Designated Representative or a Holder of any Notes has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, then and in every such case the Company, the Designated Representative and the Holders of the Notes shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Designated Representative and the Holders of the Notes shall continue as though no such proceeding had been instituted.

SECTION 509. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Designated Representative or to the Holders of the Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 510. Delay or Omission Not Waiver. No delay or omission of the Designated Representative or of any Holder of any Note to exercise any right or remedy accruing upon any Payment Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Payment Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article Five or to the Designated Representative or to the Holder of any Notes may be exercised from time to time, and as often as may be deemed expedient, by the Designated Representative or by the Holder of any Notes, as the case may be.

SECTION 511. Control by Holders. The Holders of a majority in principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Designated Representative or exercising any trust or power conferred on the Designated Representative with respect to the Notes provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture and could not involve the Designated Representative in personal liability and

(2) the Designated Representative may take any other action deemed proper by the Designated Representative which is not inconsistent with such direction.

SECTION 512. Waiver of Past Defaults. The Holders of not less than a majority in principal amount of the Outstanding Notes may on behalf of the Holders of all the Notes waive any past default hereunder with respect to the Notes and its consequences, except a Payment Default or a default not theretofore cured in respect of a covenant or provision hereof which cannot be modified or amended without the consent of all of the Holders of each of the Outstanding Notes.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 513. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Designated Representative for any action taken or omitted by it as Designated Representative, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant.

SECTION 514. Waiver of Stay or Extension Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim to take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Designated Representative, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE DESIGNATED REPRESENTATIVE

SECTION 601. Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default with respect to any Notes,

(1) the Designated Representative undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to the Notes, and no implied covenants or obligations shall be read into this Indenture against the Designated Representative; and

(2) in the absence of bad faith on its part, the Designated Representative may, with respect to the Notes, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Designated Representative and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Designated Representative, the Designated Representative shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default with respect to any Notes has occurred and is continuing, the Designated Representative shall exercise with respect to the Notes such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Designated Representative from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that

(1) this Subsection 601(c) shall not be construed to limit the effect of Subsection (a) of this Section 601;

(2) the Designated Representative shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Designated Representative was grossly negligent in ascertaining the pertinent facts;

(3) the Designated Representative shall not liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Designated Representative, or exercising any trust or power conferred upon the Designated Representative, under this Indenture with respect to the Notes; and

(4) no provision of this Indenture shall require the Designated Representative to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Designated Representative shall be subject to the provisions of this Section 601.

SECTION 602. Certain Rights of Designated Representative. Except as otherwise provided in Section 601:

(a) the Designated Representative may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Designated Representative shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Designated Representative (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Designated Representative may consult with counsel and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Designated Representative shall be under no obligation to

exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Notes pursuant to this Indenture, unless such Holders shall have offered to the Designated Representative reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Designated Representative shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Designated Representative, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Designated Representative shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Designated Representative may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Designated Representative shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 603. Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes, except the certificates of authentication, shall be taken as the statements of the Company, and the Designated Representative assumes no responsibility for their correctness. The Designated Representative makes no representations as to the validity or sufficiency of this Indenture or of the Notes.

SECTION 604. May Hold Notes. The Designated Representative, or any other agent of the Company, in his individual or any other capacity, may become the owner of Notes and may otherwise deal with the Company with the same rights it would have if it were not Designated Representative or such other agent.

SECTION 605. Resignation and Removal: Appointment of Successor.

(a) No resignation or removal of a Designated Representative, and no appointment of a successor Designated Representative shall become effective until the acceptance of appointment by the successor Designated Representative under Section 606.

(b) The Designated Representative may resign at any time by giving 180 days' prior written notice thereof to the Company. If an instrument of acceptance by a successor Designated Representative shall not have been delivered to the Company within 210 days after the giving of such notice of resignation, the resigning Designated Representative may petition any court of competent jurisdiction for the appointment of a successor Designated Representative with respect to the Notes.

(c) The Designated Representative may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Notes, delivered to the Designated Representative and to the Company.

(d) If any at time:

(1) the Designated Representative shall become incapable of acting with respect to any of the Notes, or

(2) the Designated Representative shall be adjudged a bankrupt or insolvent or a receiver of the Designated Representative or of its property shall be appointed or any public officer shall take charge or control of the Designated Representative or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Designated Representative, or (ii) subject to Section 513, any person who has been a bone Side Holder of a Note for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Designated Representative and the appointment of a successor Designated Representative with respect to the Notes.

(e) If the Designated Representative shall resign, be removed or become incapable of acting with respect to the Notes, or if a vacancy shall occur in the office of Designated Representative with respect to the Notes for any cause, the Company, by a Board Resolutions shall promptly appoint a successor Designated Representative for the Notes. If, within one year after such resignation, removal or incapacity, or the occurrence of such vacancy, a successor designated representative with respect to the Notes shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Notes delivered to the Company and the retiring Designated Representative, the successor Designated Representative so appointed shall, forthwith upon its acceptance of such appointment, become the successor Designated Representative and supersede the successor Designated Representative appointed by the Company. If no successor Designated Representative shall have

been so appointed by the Company or the Holders of the Notes and accepted appointment in the manner hereinafter provided, any person who has been a bona fide Holder of a Note for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Designated Representative with respect to the Notes.

(f) The Company shall give notice of each resignation and each removal of the Designated Representative with respect to any of the Notes and each appointment of a successor Designated Representative with respect to any series by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Notes as their names and addresses appear in the Register. Each notice shall include the name of the successor Designated Representative and the address of its principal corporate trust office.

SECTION 606. Acceptance of Appointment by Successor. Every successor Designated Representative appointed hereunder shall execute, acknowledge and deliver to the Company and to any predecessor Designated Representative an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Designated Representative shall become effective with respect to the Notes and such successor Designated Representative, without any further act, deed or conveyance, shall become vested with all the rights, powers and duties of the predecessor Designated Representative with respect to the Notes; but on the request of the Company or the successor Designated Representative, such predecessor Designated Representative shall, upon payment of its reasonable charges, if any, execute and deliver an instrument transferring to such successor Designated Representative all the rights and powers of the predecessor Designated Representative, and shall duly assign, transfer and deliver to such successor Designated Representative all property and money, if any, held by such predecessor Designated Representative hereunder with respect to the Notes. Upon request of any such successor Designated Representative, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Designated Representative all such rights and powers.

Designated Representative shall have the power, with the prior written consent of the Company, to appoint other Persons, in such number as the Designated Representative and the Company shall agree, to act as co-Designated Representatives with the Designated Representative in the administration of this Indenture hereunder. Every co-Designated Representative appointed hereunder shall execute, acknowledge and deliver to the Company and to the existing Designated Representative an instrument accepting such appointment, and thereupon the appointment of such co-Designated Representative shall become effective with respect to the Notes, without any further act, deed or conveyance, and such co-Designated Representative shall become vested with all the rights, powers and duties of a Designated Representative with respect to the Notes. Upon request of any co-Designated Representative, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such co-Designated Representative all such rights and powers.

No successor Designated Representative or co-Designated Representative shall accept its appointment unless at the time of such acceptance such successor Designated Representative or co-Designated Representative shall be qualified and eligible with respect to the Notes under this Article six.

ARTICLE SEVEN

HOLDERS' LISTS AND OTHER REPORTS BY COMPANY

SECTION 701. Company to Furnish Designated Representative Names and Addresses of Holders. The Company will furnish or cause to be furnished to the Designated Representative, on the first day of the fiscal year, a list indicating the names and addresses of all of the Holders of the Notes as of the date of the list, the aggregate amount of the Notes Outstanding as of such date, and the amount of each Note Outstanding as of such date. If, and so long as, the Company acts as its own Paying Agent, the list to be furnished by the Company to the Designated Representative pursuant to this Section 701 shall indicate (i) whether there has been any default in the payment of any sums due and payable under any of the Notes Outstanding, (ii) if there has been such a default, the date of such default, (iii) if there has been such a default, whether such default has been cured, and (iv) if such a default has been cured, the date of such cure.

SECTION 702. Notice of Defaults. Within 90 days after the occurrence of any default hereunder with respect to the Notes, the Company shall transmit by mail to the Designated Representative and to all Holders of the Notes as their names and addresses appear in the Register, notice of such default hereunder, unless such default shall have been cured or waived. For the purpose of this Section 702, the term "default," with respect to the Notes, means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to the Notes.

SECTION 703. Preservation of Information. The Designated Representative shall preserve, in as current a form as is reasonably practicable, all information contained in the most recent lists furnished to the Designated

Representative as provided in Section 701. The Designated Representative may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

SECTION 801. Company May Consolidate or Merge, or Convey or Transfer Properties, Only on Certain Terms. The Company shall not consolidate with or merge into any other corporation or convey or transfer or lease its properties and assets substantially as an entirety to any Person, unless:

(1) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer or lease the properties and assets of the Company substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Designated Representative, in the form satisfactory to the Designated Representative, the due and punctual payment of the principal of and interest on all the Notes and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and

(3) the Company has delivered to the Designated Representative an Officers' Certificate stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article Eight and that all conditions precedent herein provided for relating to such transaction have been complied with.

SECTION 802. Successor Corporation Substituted. Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor corporation formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein. In the event of any such conveyance or transfer, the Company as the predecessor corporation may be dissolved, wound up or liquidated at any time thereafter.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders. Without the consent of the Holders of any Notes, the Company, when authorized by a Board Resolution, and the Designated Representative, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Designated Representative, for any of the following purposes:

(1) to evidence the succession of another corporation to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Notes contained; or

(2) to add to the covenants of the Company, or to surrender any right or power herein conferred upon the Company, for the benefit of the Holders of the Notes; or

(3) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; or

(4) to establish any form of Note, as provided in Article Two and to set forth the terms hereof, and/or to add to the rights of the Holders of the Notes; or

(5) to evidence and provide for the acceptance of appointment by another Person or corporation as a successor Designated Representative or a co-Designated Representative hereunder with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of this Indenture hereunder by more than one Designated Representative, pursuant to Section 606; or

(6) to add any additional Events of Default in respect of the Notes; or

(7) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any Notes pursuant to this Indenture.

No supplemental indenture for the purposes identified in Clauses (2), (3), (4), (6) or (7) above may be entered into if to do so would adversely affect the interest of the Holders of Notes.

SECTION 902. Supplemental Indentures with Consent of Holders. With the consent of the Holders of not less than a majority in principal amount of the Outstanding Notes affected by such supplemental indenture or indentures, by Act of said Holders delivered to the Company and the Designated Representative, the Company, when authorized by a Board Resolution, and the Designated Representative may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby,

(1) change the Maturity of the principal of or any installment of interest on, any Note, or reduce the principal amount thereof or the interest or any premium thereon, or change the method of computing the amount of principal thereof or interest thereon on any date or change any Place of Payment where, or the coin or currency in which, any Note or any interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Maturity thereof; or

(2) reduce the percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture; or

(3) modify any of the provisions of this Section or Section 512, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby.

It shall not be necessary for any Act of Holders under this Section 902 to approve the particular form of any proposed supplemental indenture, but is shall be sufficient if such Act shall approve the substance thereof.

SECTION 903. Execution of Supplemental Indentures. In executing any supplemental indenture permitted by this Article Nine or the modifications thereby created by this Indenture, the Designated Representative shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon an Officers' Certificate stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Designated Representative may, but shall not be obligated to, enter into any such supplemental indenture which affects the Designated Representative's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby to the extent provided therein.

SECTION 905. Reference in Notes to Supplemental Indentures. Notes delivered after the execution of any supplemental indenture pursuant to this Article Nine may, and shall if required by the Designated Representative, bear a notation in form approved by the Designated Representative as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Notes so modified as to conform, in the opinion of the Designated Representative and the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Designated Representative in exchange for Outstanding Notes.

ARTICLE TEN

COVENANTS

SECTION 1001. Payment of Principal and Interest. With respect to each Note, the Company will duly and punctually pay the principal of and interest on such Note in accordance with its terms and this Indenture, and will duly comply with all the other terms, agreements and conditions contained in, or made in this Indenture for the benefit of, such Note.

SECTION 1002. Maintenance of Office. The Company will maintain an office where the Notes may be presented or surrendered for payment, where the Notes may be surrendered for transfer or exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The

Company will give prompt written notice to the Designated Representative and the Holders of the location, and of the change in the location, of such office.

SECTION 1003. Money for Payments to be Held in Trust. The Company shall act as its own Paying Agent for the Notes and will, on or before each due date of the principal of or interest on, any of the Notes, segregate and hold in trust for the benefit of the persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest so becoming due until such sums shall be paid to such persons or otherwise disposed of as herein provided, and will promptly notify the Designated Representative of its action or failure so to act.

Any money held by the Company in trust for the payment of the principal of or interest on any Note and remaining unclaimed for two years after such principal or interest has become due and payable (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, all liability of the Company as trustee thereof, shall thereupon cease.

SECTION 1004. Statement as to Compliance. The Company will deliver to the Designated Representative, within 120 days after the end of each fiscal year, a written statement signed by the President and by the Secretary of the Company, stating, as to each signer thereof, that

(1) a review of the activities of the Company during such year and of performance under this Indenture and under the terms of the Notes has been made under his supervision; and

(2) to the best of his knowledge, based on such review, the Company has fulfilled all its obligations under this Indenture throughout such year, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to him and the nature and status thereof.

SECTION 1005. Corporate Existence. Subject to Article Eight the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 1006. Waiver of Certain Covenants. The Company may omit in respect of any of the Notes, in any particular instance, to comply with any covenant or condition set forth in this Indenture, if before or after the time for such compliance the Holders of at least a majority in principal amount of the Notes at the time Outstanding shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Designated Representative in respect of any such covenant or condition shall remain in full force and effect.

ARTICLE ELEVEN

REDEMPTION OF NOTES

SECTION 1101. Applicability of Article. The Company reserves the right to redeem and pay before Stated Maturity all or any of the Notes Outstanding either by optional redemption or otherwise, by provision therefor in the form of Note established and approved pursuant to Article Two and on such terms as are specified in such form, this Indenture or in any indenture supplemental hereto with respect to the Notes to be redeemed as provided in Section 301. Redemption of any Notes shall be made in accordance with the terms of such Notes and, to the extent that this Article Eleven does not conflict with such terms, the succeeding Sections of this Article.

SECTION 1102. Election to Redeem: Notice to Designated Representative. The election of the Company to redeem any Notes redeemable at the election of the Company shall be evidenced by a Board Resolution. In case of any redemption at the election of the Company of less than all of the Notes, the Company shall notify the Designated Representative and the Holders of the Redemption Date fixed by the Company and of the principal amount of the Notes to be redeemed.

In the case of any redemption of Notes (i) prior to the expiration of any restriction on such redemption provided in the terms of such Notes or elsewhere in this Indenture, or (ii) pursuant to an election of the Company which is subject to a condition specified in the terms of such Notes, the Company shall furnish the Designated Representative with an Officers' Certificate evidencing compliance with such restriction or condition.

SECTION 1103. Selection by the Company of Notes to be Redeemed. If less than all of Notes Outstanding are to be redeemed, the particular Notes to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Company, from the Outstanding Notes not previously called for redemption, by such method as the Company shall deem fair and appropriate.

Unless otherwise provided in the terms of a particular Note, the portions of the principal of the Notes so selected for partial redemption shall be equal to the minimum authorized denomination of the Notes, or an integral multiple thereof, and the principal amount which remains outstanding shall not be less than the minimum authorized denomination for the Notes.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed on in part, to the portion of the principal of such Note which has been or is to be redeemed.

SECTION 1104. Notice of Redemption. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not more than 60 days prior to the Redemption Date, to each Holder of Notes to be redeemed, at his address appearing in the Register.

All notices of redemption shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if less than all Notes Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Notes to be redeemed, from the Holder to whom the notice is given; and

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Note and that interest, if any, thereon shall cease to accrue from and after said date.

All notices of redemption shall also either state the place where such Notes are to be surrendered for payment of the Redemption Price, which shall be the office or agency of the Company in the Place of Payment, or include payment of the Redemption Price and instructions regarding the surrender of the Notes to be redeemed.

Notice of redemption of Notes to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Designated Representative in the name and at the expense of the Company.

SECTION 1105. Deposit of Redemption Price. Prior to any Redemption Date, the Company shall segregate and hold in trust as provided in Section 1003, an amount of money sufficient to pay the Redemption Price of all the Notes which are to be redeemed on that date, together with any interest accrued thereon.

SECTION 1106. Notes Payable on Redemption Date. Notice of Redemption having been given as aforesaid, the Notes so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Company shall default in the payment of the Redemption Price) such Notes shall cease to bear interest. Upon surrender of such Notes for redemption in accordance with the notice, such Notes shall be paid by the Company at the Redemption Price. Installments of interest the Stated Maturity of which is on or prior to the Redemption Date shall be payable to the Holders of such Notes registered as such on the relevant Payment Date according to their terms and the provisions of Section 307.

If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Note or as otherwise provided in such Note.

SECTION 1107. Notes Redeemed in Part. Any Note which is to be redeemed only in part shall be surrendered at the office of the Company with, due endorsement by, or a written instrument of transfer in form satisfactory to the Company duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Company shall execute if the Company so requires, and the Designated Representative shall authenticate and deliver to the Holder of such Note without service charge, a new Note or Notes with the same Stated Maturity, of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Note so surrendered.

ARTICLE TWELVE

IMMUNITIES OF OFFICERS, DIRECTORS AND STOCKHOLDERS

SECTION 1201. No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or any supplemental indenture, or in any Note hereby secured, or because of the creation of any indebtedness hereby secured, shall be had against any incorporator, or against any past, present or future stockholder, officer or director of the Company, or of any predecessor or successor corporation, either directly or through the

Company or any such predecessor or successor corporation, by the enforcement of any assessment or penalty, or for the recovery of amounts unpaid on stock subscriptions, or by any legal or equitable proceeding by virtue of any constitution, statute or law or otherwise; it being expressly agreed and understood that this Indenture or any supplemental indentures and the obligations hereby or thereby secured, are solely corporate obligations and that no personal liability whatever, under any circumstances or conditions, shall attach to or be incurred by the incorporators, stockholders, officers or directors of the Company or of any predecessor or successor corporation, or any of them, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or any supplemental indenture or in any of the Notes hereby or thereby secured, or implied therefrom; and that any and all personal liability of every name and nature, and any and all rights and claims against every such incorporator, stockholder, officer or director, whether arising at common law or in equity, or created by statute or constitution, are hereby expressly released and waived by the Designated Representative and by each of the Holders of the Notes, as a condition of, and as part of the consideration for, the execution of this Indenture and the issue of the Notes secured hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

LA-Z-BOY CHAIR COMPANY

By_____
Its

Attest:

_____

Secretary

RODNEY D. ENGLAND,
as Designated Representative

_____

Attest:

_____

Title

STATE OF)
: ss
COUNTY OF)

On this_____ day of _____, 19 _ , before me personally appeared _____, to me personally known, who being by me duly sworn, did depose and say that he is the _____ of LA-Z-BOY Chair Company, the corporation described in and which executed the foregoing instrument, that the seal affixed to said instrument is the corporate seal of that corporation, that it was so affixed by authority of the Board of Directors of that corporation; and that he signed his name by like authority, and acknowledged that instrument to be the free act and deed of the corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal in the County and State aforesaid, the day and year first above written.

_____
Name
Notary Public
_____ County, _____
My commission expires: _____

Exhibit (5)

[Letterhead of Miller, Canfield, Paddock and Stone, P.L.C.]

February 7, 1995

La-Z-Boy Chair Company
1284 North Telegraph Road
Monroe, Michigan 48161

Gentlemen:

This opinion relates to the registration statement on Form S-4 (the "Registration Statement") being filed today by La-Z-Boy Chair Company, a Michigan corporation ("La-Z-Boy"), with the Securities and Exchange Commission for the purpose of registering under the Securities Act of 1933, as amended (the "Act"), 2,000,000 shares of common stock, $1.00 par value ("Common Stock"), $10,000,000 principal amount of 8% Unsecured Promissory Notes due 1999 ("Notes"), and 297,330 Performance Units ("Performance Units"). The Common Stock, the Notes, and the Performance Units are to be issued pursuant to an Amended and Restated Plan of Merger dated as of January 13, 1995 (the "Plan of Merger") among England/Corsair, Inc., a Tennessee corporation ("E/C"), La-Z-Boy, and LZB Acquisition, Inc., a Michigan corporation and a wholly owned subsidiary of La-Z-Boy ("LZB Acquisition"). A portion of the Common Stock (the "Initial Stock"), the Notes and the Performance Units are to be issued upon the conversion of the outstanding common stock of E/C (the "E/C Stock") at the time of consummation of the merger (the "Merger") of E/C with and into LZB Acquisition. Additional Common Stock (the "Performance Unit Stock") may be issued in settlement of the Performance Units on the terms and at the times provided in the Plan of Merger. As your counsel, we have examined such certificates, instruments, and documents and reviewed such questions of law as we have considered necessary or appropriate for the purposes of this opinion, and, on the basis of such examination and review, we advise you that, in our opinion:

1. The Common Stock, the Notes, and the Performance Units have been validly authorized.

2. When the Registration Statement has become effective and the Initial Stock, the Notes, and the Performance Units have been issued upon conversion of the E/C Stock in connection with the consummation of the Merger in accordance with the terms of the Plan of Merger:

   (a) The Initial Stock will be legally issued, fully paid, and nonassessable; and

   (b) The Notes and the Performance Units will be binding obligations of La-Z-Boy.

3. When the Registration Statement has become effective, if and when Performance Unit Stock is issued in settlement of the Performance Units in accordance with the terms of the Plan of Merger, the Performance Unit Stock will be legally issued, fully paid, and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" and in the Prospectus/Proxy Statement forming a part of the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

[Letterhead of Miller, Canfield, Paddock and Stone, P.L.C.]

[FORM OF MILLER, CANFIELD, PADDOCK AND STONE
TAX OPINION TO BE DELIVERED AT THE CLOSING
ONLY IF CERTAIN CONDITIONS ARE SATISFIED,
CERTAIN REPRESENTATIONS ARE RECEIVED
AND EACH OF THE REQUIREMENTS OF
REV. PROC. 84-42 IS SATISFIED]

_____ , 1995

La-Z-Boy Chair Company
1284 North Telegraph Road
Monroe, Michigan 48161-3390

England/Corsair, Inc.
402 Old Knoxville Highway
New Tazewell, Tennessee 37825

LZB Acquisition, Inc.
1284 North Telegraph Road
Monroe, Michigan 48161-3390

Gentlemen:

We have acted as counsel to La-Z-Boy Chair Company, a Michigan corporation ("La-Z-Boy"), in connection with the contemplated merger of England/Corsair, Inc., a Tennessee corporation ("E/C"), with and into LZB Acquisition, Inc., a newly-formed Michigan corporation and a wholly-owned subsidiary of La-Z-Boy ("LZB Acquisition"), pursuant to an Amended and Restated Reorganization Agreement (the "Reorganization Agreement") and a related Amended and Restated Plan of Merger (the "Plan of Merger" and, collectively with the Reorganization Agreement, the "Merger Agreement"), both dated as of January 13, 1995, among La-Z-Boy, LZB Acquisition and E/C.

Our opinion is provided solely with respect to certain of the federal income tax consequences of the merger (the "Merger") of E/C with and into LZB Acquisition. This opinion is being delivered pursuant to Sections 7.2.4 and 7.3.4 of the Reorganization Agreement. All capitalized terms used herein, unless otherwise specified, have the meanings assigned to them in the Merger Agreement.

FACTUAL ASSUMPTIONS, REPRESENTATIONS AND LIMITATIONS

In rendering our opinion, we have examined and relied upon, and our opinion is conditioned upon the accuracy and completeness of, the facts, information, covenants and representations contained in originals or copies, certified or otherwise identified to our satisfaction, of the Merger Agreement, the Registration Statement on Form S-4 under the Securities Act of 1933, as amended, Registration No. 33-_____ [, as amended] (the "Registration Statement"), filed by La-Z-Boy with respect to the La-Z-Boy Common Stock to be issued in connection with the Merger and such other documents as we have deemed necessary or appropriate as a basis for the opinion set forth below. We also have assumed that the Merger will be consummated in accordance with the Merger Agreement and that the Merger will qualify as a merger under applicable state law.

In addition, we have relied upon, and this opinion is expressly conditioned on the accuracy of, the representations contained in the attached Representation Certificates from E/C, La-Z-Boy and LZB Acquisition as being true in all material respects as of the date hereof. These Representation Certificates are attached hereto as Exhibits ___ and ___, respectively.

DISCUSSION

In order to qualify as a tax-free reorganization, a transaction must satisfy certain statutory requirements set forth in the Internal Revenue Code of 1986, as amended (the "Code"), and several judicially-created requirements which have been developed through court rulings and Internal Revenue Service ("IRS") interpretations. Based upon our review of the representations and the documentation concerning the proposed Merger, we believe that these statutory and judicial requirements will be satisfied.

It is well established that in order for the Merger to be treated as a tax-free reorganization under Code Section 368, the "continuity of shareholder interest" requirement must be satisfied.(1) The purpose of this requirement is to ensure that the shareholders of the acquired corporation (E/C) maintain a substantial part of their historic equity investment in the acquired corporation following the reorganization through holding of the acquiring corporation's stock. In general, to satisfy the IRS ruling guidelines applicable to the continuity of shareholder interest requirement, the E/C shareholders, as a group:

(i) must exchange at least 50% of their E/C Stock solely for La-Z-Boy Common Stock in the reorganization(2);

(ii) must have the unrestricted right to maintain ownership of the La-Z-Boy Common Stock for some period following the reorganization(3); and

(iii) either must (a) in fact retain ownership of the La-Z-Boy Common Stock for some minimum period following the Merger or (b) demonstrate any early disposition was not pursuant to a plan or arrangement in place at the time of the Merger.

In addition to the consideration received at the Effective Time, shareholders of E/C will be issued a Performance Unit for each share of E/C Stock surrendered. A Performance Unit entitles an E/C shareholder who exchanges shares of E/C Stock in the Merger to the opportunity to receive additional shares of La-Z-Boy Common Stock based on the financial performance of the Surviving Corporation during the two-year period following the Effective Time.

Generally the IRS will treat contingent stock consideration as not adversely affecting the tax-free qualification of a merger if the requirements set forth in Rev. Proc. 84-42, 1984-1 C.B. 521, are satisfied. These requirements are as follows:

(1) The contingent stock arrangement will settle within five years after the date of the merger;

(2) There is a valid business purpose for the contingent consideration arrangement (e.g., the resolution of a dispute pertaining to the value of the acquired company at the time of the merger);

(3) The maximum number of shares which may be issued under the contingent stock arrangement must be expressly stated in the merger agreement;

(4) At least 50 percent of the maximum number of shares of stock that may be issued is issued in the initial distribution;

(5) The event that triggers the right to receive additional stock under the contingent consideration arrangement cannot be within the control of the acquired corporation's shareholders and cannot be based on the determination of a reorganization-related federal income tax liability;

(6) The formula for calculating the amount of stock to be issued or delivered is objective and readily ascertainable; and

(7) The right to receive additional stock cannot be assignable (except by operation of law), and the contingent stock arrangement can be satisfied only with additional stock.

It has been represented that the proposed provision for contingent considerations in connection with the Merger will satisfy all of these guidelines.

OPINION

Based upon the foregoing, we are of the opinion that under current law:

The Merger will be treated as a reorganization within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(D) of the Code, and La-Z-Boy, LZB Acquisition and E/C will each be a party to the reorganization within the meaning of Section 368(b) of the Code.

Although the Merger is treated as a tax free reorganization, under current regulations of the IRS, La-Z-Boy Common Stock issued in settlement of the Performance Units will be subject to tax treatment as a deferred payment which will include imputed taxable interest.

The parties do not intend to submit a ruling request regarding the transaction to the National Office of the IRS.

In rendering our opinion, we have considered the applicable provisions of the Code, Treasury Regulations promulgated thereunder, pertinent judicial authorities, interpretive rulings of the IRS and such other authorities as we have considered relevant. It should be noted that statutes, regulations, judicial decisions and administrative interpretations are subject to change at any time and, in some circumstances, with retroactive effect. A material change in the authorities upon which our opinion is based could affect our conclusions. However, we assume no obligation to revise or supplement this opinion if any subsequent change were to occur.

Except as set forth above, we express no opinion as to the tax consequences, whether federal, state, local or foreign, of the Merger, or of any transactions related thereto. We are furnishing this opinion to you in connection with Sections 7.2.4 and 7.3.4 of the Reorganization Agreement; this opinion is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to for any purpose without our express written permission. This opinion may not be relied upon by anyone other than the addressees.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the references made to us under the heading "The Merger and Related Transactions -- Certain Federal Income Tax Consequences" in the Proxy Statement/Prospectus of La-Z-Boy which forms a part of the Registration Statement. In giving such consent we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules or regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

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(1) Pinellas Ice & Cold Storage v. Commissioner, 287 U.S. 462 (1933) and Treasury Regulation section 1.368-1(b).

(2) Rev. Proc. 77-37, section 3.02, 1972-2 CB 568.

(3) Ordinarily five years will, and two years should, suffice.

Exhibit (12)

LA-Z-BOY CHAIR COMPANY
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(DOLLARS IN THOUSANDS)

	26 weeks	1994	1993	1992	1991	1990
Pre-tax income from continuing operations	$27,925	$58,155	$45,299	$39,905	$38,370	$45,535
Interest expense	1,414	2,822	3,260	5,305	6,374	7,239
Rentals	519	961	964	940	1,045	850
Total fixed charges	1,933	3,783	4,224	6,245	7,419	8,089
Pre-tax earnings before interest and fixed charges	$29,858	$61,938	$49,523	$46,150	$45,789	$53,624
Ratio of earnings to fixed charges	15.4	16.4	11.7	7.4	6.2	6.6

Earnings to fixed charges have been determined based on continuing operations and have been computed by dividing earnings before income taxes and fixed charges by fixed charges. Fixed charges are considered to be interest on indebtedness and one-third of rentals, which the Company believes is representative of the interest factor of such rentals.

Exhibit (21)

Subsidiary	Jurisdiction of Incorporation
La-Z-Boy Canada, Ltd.	Ontario, Canada
La-Z-Boy Ad Co.	Michigan
Kincaid Furniture Company, Incorporated	Delaware
La-Z-Boy Export Ltd.	Barbados
LZB Finance, Inc.	Michigan
LZB Acquisition, Inc.	Michigan

Exhibit (23)(b)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-4 of La-Z-Boy Chair Company of our report dated June 2, 1994, which appears on page 17 of the 1994 Annual Report to Shareholders of La-Z-Boy Chair Company, which is incorporated by reference in its Annual Report on Form 10-K for the year ended April 30, 1994. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page S-2 of such Annual Report on Form 10-K. We also consent to the reference to us under the heading "Experts" in such Prospectus.

PRICE WATERHOUSE LLP
Toledo, Ohio
February 3, 1995

Exhibit (23)(c)

CONSENT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

England/Corsair, Inc.
Tazewell, Tennessee

We hereby consent to the use in the Prospectus constituting a part of this Registration Statement of our report dated August 12, 1994, relating to the financial statements of England/Corsair, Inc., which is contained in that Prospectus.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

High Point, North Carolina
February 3, 1995

BDO Seidman