

Champion Companies. The Champion Companies do not own, directly or indirectly, any capital stock or other equity securities of any corporation or have any direct or indirect equity ownership in any business other than the Champion Subsidiaries, the subsidiaries of the Related Companies as set forth in Disclosure Schedule 3.2 and 9,600 Class A Preferred Shares of General Parts, Inc. which are owned by Moog Automotive Company.

3.2. Capitalization. The authorized capital stock of Champion consists of 1,000 shares of Champion Common Stock, 1,000 shares of which are issued and outstanding as of the date hereof, and 1,000 shares of preferred stock, none of which are issued and outstanding as of the date hereof. Seller owns all of the shares of Champion Common Stock. Disclosure Schedule 3.2 sets forth for each of the Champion Subsidiaries and the Related Companies: (i) its name and jurisdiction of incorporation, (ii) the number of shares of each class of its authorized capital stock, and (iii) the number of issued and outstanding shares of each class of its capital stock, the names of the holders thereof, and the number of shares held by each such holder. All of the issued and outstanding shares of the Champion Companies are validly issued, fully paid and nonassessable, except for the shares of Cooper Automotive do Brasil, Ltda. as described in Disclosure Schedule 3.2. Except pursuant to this Agreement, there are no outstanding subscriptions, options, warrants, conversion rights, exchange rights, or other agreements or commitments obligating Seller or the Champion Companies to issue, transfer, sell or otherwise cause to become outstanding, any capital stock or other equity interests of the Champion Companies. Seller has good title to all of the shares of Champion Common Stock, and Seller and its Affiliates (including the Champion Companies) which hold the shares of the Champion Subsidiaries and Related Companies as set forth in Disclosure Schedule 3.2 have good title to such shares, free and clear of all Encumbrances. At Closing, (i) Seller shall transfer to Buyer good title to the shares of Champion Common Stock, free and clear of all Encumbrances; (ii) Seller shall or shall cause its Affiliates to transfer to Buyer or its designated Affiliate good title to all the shares of the Related Companies which are owned by Seller or its Affiliates, free and clear of all Encumbrances, and (iii) Seller shall cause the individuals who own the Nominal Shares of the Champion Subsidiaries to transfer to Buyer (or its designee) good title to such shares free and clear