UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[x] Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended June 30, 2002.

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 0-25150

STRATTEC SECURITY CORPORATION
(Exact name of registrant as specified in its charter)

WISCONSIN	39-1804239
(State of Incorporation)	(I.R.S. Employer Identification No.)

3333 WEST GOOD HOPE ROAD, MILWAUKEE, WI 53209
(Address of principal executive offices)

(414) 247-3333
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
N/A	N/A

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $.01 par value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [x]Yes [ ]No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K. [X]

The aggregate market value of the voting Common Stock held by non-affiliates of the registrant as of July 31, 2002 was approximately $161,612,000 (based upon the last reported sale price of the Common Stock at July 31, 2002 on the NASDAQ National Market). On July 31, 2002, there were outstanding 3,915,623 shares of $.01 par value Common Stock.

Documents Incorporated by Reference

Document	Part of the Form 10-K into which incorporated
Portions of the Annual Report to Shareholders for the fiscal year ended June 30, 2002.	I, II, IV
Portions of the Proxy Statement dated August 28, 2002, for the Annual Meeting of Shareholders to be held on October 8, 2002.	II, III

PART I

ITEM 1. BUSINESS

The information set forth under "Company Description" which appears on pages 5 through 10 of the Company's 2002 Annual Report to Shareholders is incorporated herein by reference. For information as to export sales, see the information set forth under "Export Sales" included on page 25 of the Company's 2002 Annual Report to Shareholders, which is incorporated herein by reference.

EMERGING TECHNOLOGIES

Automotive vehicle access systems, which are both theft deterrent and end user friendly, are being developed as mechanical-electrical devices. Electronic companies are developing user identification systems such as bio-systems, card holder (transmitter) systems, etc., while locks and door latches are metamorphosing to accommodate the electronics. This will result in more secure vehicles and eventually passive entry and passive start.

Vehicle access modules that pre-assemble and pre-test individual components allow assembly cost reductions at the original equipment manufacturer and the potential for the introduction of different components.

Innovations in alternative materials could potentially eliminate the need for grease and hexavalent chromiom, reduce mass and offer potential cost reductions for suppliers and original equipment manufacturers.

These technologies benefit the Company by increasing the potential customer base as a tier 2 supplier while attaining tier 1 status on some product lines and adding additional product line availability.

SOURCES AND AVAILABILITY OF RAW MATERIALS

The primary raw materials used by the Company are high-grade zinc, brass, steel and plastic resins. These materials are generally available from a number of suppliers, but the Company has chosen to concentrate its sourcing with one primary vendor for each commodity. The Company believes its sources for raw materials are very reliable and adequate for its needs. The Company has not experienced any significant long term supply problems in its operations and does not anticipate any significant supply problems in the foreseeable future. See further discussion under "Risk Factors" included on page 14 of the Company's 2002 Annual Report to Shareholders, which is incorporated herein by reference.

PATENTS, TRADEMARKS AND OTHER INTELLECTUAL PROPERTY

The Company believes that the success of its business will not only result from the technical competence, creativity and marketing abilities of its employees but also from the protection of its intellectual property through patents, trademarks and copyrights. As part of its ongoing research, development and manufacturing activities, the Company has a policy of seeking patents on new products, processes and improvements when appropriate. The Company owns 27 issued United States patents, with expirations occurring between 2010 and 2019.

Although, in the aggregate, the patents discussed above are of considerable importance to the manufacturing and marketing of many of its products, the Company does not consider any single patent or trademark or group of patents or trademarks to be material to its business as a whole, except for the STRATTEC and STRATTEC with logo trademarks.

The Company also relies upon trade secret protection for its confidential and proprietary information. The Company maintains confidentiality agreements with its key executives. In addition, the Company enters into confidentiality agreements with selected suppliers, consultants and associates as appropriate to evaluate new products or business relationships pertinent to the success of the Company. However, there can be no assurance that others will not independently obtain similar information and techniques or otherwise gain access to the Company's trade secrets or that the Company can effectively protect its trade secrets.

DEPENDENCE UPON SIGNIFICANT CUSTOMERS

A very significant portion of the Company's annual sales are to General Motors Corporation, Delphi Corporation, Ford Motor Company, and DaimlerChrysler Corporation. These four customers accounted for approximately 82 percent to 85 percent of the Company's total net sales in each fiscal year 2000 through 2002. Further information regarding sales

to the Company's largest customers is set forth under "Risk Factors" included on page 13 of the Company's 2002 Annual Report to Shareholders and "Sales and Receivable Concentration" included on page 25 of the Company's 2002 Annual Report to Shareholders, both of which are incorporated herein by reference.

The products sold to these customers are model specific, fitting only certain defined applications. Consequently, the Company is highly dependent on its major customers for their business, and on these customers' ability to produce and sell vehicles which utilize the Company's products. The Company has enjoyed relationships with General Motors Corporation, DaimlerChrysler Corporation, Ford Motor Company, and Delphi Corporation in the past, and expects to do so in the future. However, a significant change in the purchasing practices of, or a significant loss of volume from, one or more of these customers could have a detrimental effect on the Company's financial performance.

SALES AND MARKETING

The Company provides its customers with engineered locksets and steering column housings, which are unique to specific vehicles. Any given vehicle will typically take 1 to 3 years of development and engineering design time prior to being offered to the public. The locksets and housings are designed concurrently with the vehicle. Therefore, commitment to the Company as the production source occurs 1 to 3 years prior to the start of production. The Company employs an engineering staff that assists in providing design and technical solutions to its customers. The Company believes that its engineering expertise is a competitive advantage and contributes toward its strong market position.

The typical process used by automotive manufacturers in selecting a lock or housing supplier is to offer the business opportunity to the Company and various of the Company's competitors. Each competitor will pursue the opportunity, doing its best to provide the customer with the most attractive proposal. Price pressure is strong during this process but once an agreement is reached, the price is fixed for each year of the product program. Typically, price reductions resulting from productivity improvement by the Company are included in the contract and are estimated in evaluating each of these opportunities by the Company. A blanket purchase order, a contract indicating a specified part will be supplied at a specified price during a defined time period, is issued by customers for each model year and releases, quantity commitments, are made to that purchase order for weekly deliveries to the customer. As a consequence and because the Company is a "Just-in-Time" supplier to the automotive industry, it does not maintain a backlog of orders in the classic sense for future production and shipment.

COMPETITION

The Company competes with domestic and foreign-based competitors on the basis of custom product design, engineering support, quality, delivery and price. While the number of direct competitors is currently relatively small, the automotive manufacturers actively encourage competition between potential suppliers. Although the Company may not be the lowest cost producer, it has a dominant share of the North American market because of its ability to provide a beneficial combination of price, quality and technical support. In order to reduce lockset or housing production costs while still offering a wide range of technical support, the Company utilizes assembly and component manufacturing operations in Mexico, which results in lower labor costs as compared to the United States.

As locks become more sophisticated and involve additional electronics, competitors with specific electronic expertise may emerge to challenge the Company. To address this, the Company is strengthening its electrical engineering knowledge and service. It is also working with several electronics suppliers to jointly develop and supply these advanced products.

The Company's lockset and housing competitors include Huf North America, Ushin-Ortech, Tokai-Rika, Alpha-Tech Valeo, Methode, Intermet, Delphi Corporation and Omron. For additional information related to competition, see the information set forth under "Risk Factors" included on page 14 of the Company's 2002 Annual Report to Shareholders, which is incorporated herein by reference.

RESEARCH AND DEVELOPMENT

The Company engages in research and development activities pertinent to automotive access control. A major area of focus for research is the expanding role of vehicle access via electronic interlocks and modes of communicating authorization data between consumers and vehicles. Development activities include new products, applications and product performance improvement. In addition, specialized data collection equipment is developed to facilitate increased product development efficiency and continuous quality improvements. For fiscal years 2002, 2001, and 2000, the Company spent $2,550,000, $2,380,000, and $2,306,000, respectively, on research and development. The Company

believes that, historically, it has committed sufficient resources to research and development and anticipates increasing such expenditures in the future as required to support additional product programs associated with both existing and new customers. Patents are pursued and will continue to be pursued as appropriate to protect the Company's interests resulting from these activities.

CUSTOMER TOOLING

The Company incurs costs related to tooling used in component production and assembly. See the information set forth under "Customer Tooling in Progress" included on page 20 of the Company's 2002 Annual Report to Shareholders, which is incorporated herein by reference.

ENVIRONMENTAL COMPLIANCE

As is the case with other manufacturers, the Company is subject to federal, state, local and foreign laws and other legal requirements relating to the generation, storage, transport, treatment and disposal of materials as a result of its housing, lock and key manufacturing and assembly operations. These laws include the Resource Conservation and Recovery Act (as amended), the Clean Air Act (as amended), the Clean Water Act of 1990 (as amended) and the Comprehensive Environmental Response, Compensation and Liability Act (as amended). The Company has an environmental management system that is ISO-14001 certified. The Company believes that its existing environmental management system is adequate and it has no current plans for substantial capital expenditures in the environmental area.

As discussed in "Commitments and Contingencies" included on page 21 of the Company's 2002 Annual Report to Shareholders, which is incorporated herein by reference, a site at the Company's Milwaukee facility is contaminated by a solvent spill from an above-ground solvent storage tank, located on the east side of the facility, which occurred in 1985. This is being monitored.

The Company does not currently anticipate any materially adverse impact on its financial statements or competitive position as a result of compliance with federal, state, local and foreign environmental laws or other legal requirements. However, risk of environmental liability and charges associated with maintaining compliance with environmental laws is inherent in the nature of the Company's business and there is no assurance that material liabilities or charges could not arise.

EMPLOYEES

At June 30, 2002, the Company had approximately 2,415 full-time employees, of which approximately 460 or 19% percent were represented by a labor union, which accounts for all production associates at the Company's Milwaukee facility. During June 2001, there was a 16-day strike by the represented employees at the Company's Milwaukee facility. Further information regarding the strike, work stoppages and other labor matters is discussed under "Management's Discussion and Analysis" which appears on pages 11 through 15 of the Company's 2002 Annual Report to Shareholders, which is incorporated herein by reference.

ITEM 2. PROPERTIES

The Company has three manufacturing plants, one warehouse, and a sales office. These facilities are described as follows:

LOCATION	TYPE	SQ. FT.	OWNED OR LEASED
Milwaukee, Wisconsin	Headquarters and General Offices; Component Manufacturing , Assembly and Service Parts Distribution..	352,000	Owned
Juarez, Chihuahua Mexico	Subsidiary Offices and Assembly.........................	97,000	Owned
Juarez, Chihuahua Mexico	Subsidiary Offices and Key Finishing Operations..........	62,000	Leased
El Paso, Texas	Finished Goods Warehouse................................	22,800	Leased**
Troy, Michigan	Sales and Engineering Office for Detroit Area..........	6,000	Leased**

** Leased unit within a complex.

The Company believes its production facilities are adequate for the foreseeable future as they relate to the Company's current products. As the Company evaluates and expands into other products, consideration of further production facilities will be necessary.

ITEM 3. LEGAL PROCEEDINGS

In the normal course of business the Company may be involved in various legal proceedings from time to time. The Company does not believe it is currently involved in any claim or action the ultimate disposition of which would have a material adverse effect on the Company's financial statements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of shareholders during the fourth quarter of fiscal 2002.

EXECUTIVE OFFICERS OF REGISTRANT

The names, ages and positions of all executive officers of the Company as of the date of this filing are listed below, together with their business experience during the past five years. Executive officers are appointed annually by the Board of Directors at the meeting of directors immediately following the annual meeting of shareholders. There are no family relationships among any of the executive officers of the Company, nor any arrangements or understanding between any such officer and another person pursuant to which he was appointed as an executive officer.

NAME AND AGE	POSITION AND BUSINESS EXPERIENCE
Harold M. Stratton II, 54	Chairman and Chief Executive Officer of the Company since 1999. President and Chief Executive Officer of the Company 1995 to 1999. Vice President of Briggs & Stratton Corporation and General Manager of the Technologies Division of Briggs & Stratton Corporation from 1989 to 1995.
John G. Cahill, 45	President and Chief Operating Officer of the Company since 1999. Executive Vice President, Chief Financial Officer, Treasurer and Secretary of the Company 1994 to 1999. Vice President, Chief Financial Officer, Secretary and Treasurer, Johnson Worldwide Associates, Inc. (manufacturer and marketer of recreational and marking systems products) 1992 to 1994 and Corporate Controller from 1989 to 1992.
Patrick J. Hansen, 43	Vice President, Chief Financial Officer, Secretary and Treasurer of the Company since 1999. Corporate Controller of the Company 1995 to 1999. Controller, Schwarz Pharma (manufacturer and distributor of pharmaceutical drugs) 1993 to 1995. Corporate Controller, ASAA

	Inc. (manufacturer of automotive parts) 1989 to 1993.
Donald J. Harrod, 58	Vice President - Engineering of the Company since 1998. Product Engineering Manager, Mertior/Rockwell (manufacturer of automotive parts) 1997 to 1998. Vice President - Engineering, Coltec Farnem Holley (manufacturer of automotive parts) 1986 to 1997.
Gerald L. Peebles, 59	Vice President and General Manager of Mexican Operations of the Company since 2002. Vice President and General Manager of STRATTEC de Mexico from 1997 to 2001. Vice President - Operations of the Company 1995 to 1997. Vice President - Operations of the Technologies Division of Briggs & Stratton Corporation from 1994 to 1995. Operations Manager - Juarez Plant of the Technologies Division from 1990 to 1994. Plant Manager - Juarez Plant of the Technologies Division from 1988 to 1990.
Kris R. Pfaehler, 47	Vice President -- Marketing & Sales of the Company since 2001. Vice President -- Business Development, Talon Automotive Group from 1998 to 2001. Vice President -- Sales & Marketing, Talon Automotive Group from 1993 to 1998.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information set forth in the "Quarterly Financial Data" section appearing on page 27 of the Company's 2002 Annual Report to Shareholders is incorporated herein by reference, and the information set forth in the "Equity Compensation Plan Information" section on page 16 of the Company's Proxy Statement dated August 28, 2002, is incorporated herein by reference.

The information set forth under "Revolving Credit Facility" included on page 21 of the Company's 2002 Annual Report to Shareholders is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information set forth under "Five Year Financial Summary" which appears on page 27 of the Company's 2002 Annual Report to Shareholders is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The information set forth under "Management's Discussion and Analysis" which appears on pages 11 through 15 of the Company's 2002 Annual Report to Shareholders is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company did not hold any market risk sensitive instruments during the period covered by this report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements, together with the report thereon of Deloitte & Touche LLP dated July 30, 2002, which appear on pages 16 through 27 of the Company's 2002 Annual Report to Shareholders, are incorporated herein by reference. The report of Arthur Andersen LLP is included on page 8 in this Form 10-K Report.

The Quarterly Financial Data (unaudited) which appears on page 27 of the Company's 2002 Annual Report to Shareholders is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On May 30, 2002, the Company dismissed Arthur Andersen LLP as its independent public accountants and appointed Deloitte & Touche LLP as its new independent accountants. The decision to dismiss Arthur Andersen LLP and to retain Deloitte & Touche LLP was recommended by the Company's Audit Committee and approved by its Board of Directors on May 7, 2002, subject to Deloitte & Touche LLP completing their internal formal client acceptance procedures. Formal client acceptance was received by the Company on May 30, 2002.

Arthur Andersen LLP's reports on the Company's consolidated financial statements for the fiscal years ended July 1, 2001 and July 2, 2000, did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

During the Company's two most recent fiscal years ended July 1, 2001 and July 2, 2000, and the subsequent interim period through May 30, 2002, there were no disagreements between the Company and Arthur Andersen LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Arthur Andersen LLP's satisfaction, would have caused them to make reference to the subject matter of the disagreement in connection with their reports.

None of the reportable events described in Item 304(a) (1) (v) of Regulation S-K occurred during the fiscal years ended July 1, 2001 and July 2, 2000, and the subsequent interim period through May 30, 2002.

During the fiscal years ended July 1, 2001 and July 2, 2000, and the subsequent interim period through May 30, 2002, the Company did not consult with Deloitte & Touche LLP regarding any of the matters or events set forth in Item 304 (a) (2) (i) and (ii) of regulation S-K.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information on pages 2 through 9 of the Company's Proxy Statement, dated August 28, 2002, under "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information on pages 4, 5 and 10 through 22 of the Company's Proxy Statement, dated August 28, 2002, under "Executive Compensation" and "Compensation of Directors" is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information on pages 6 through 9 of the Company's Proxy Statement, dated August 28, 2002, under "Security Ownership" is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information on pages 10 through 22 of the Company's Proxy Statement, dated August 28, 2002, under "Executive Compensation" is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents Filed as part of this Report

(1)(i) Financial Statements - The following financial statements of the Company, included on pages 16 through 26 of the Company's 2002 Annual Report to Shareholders, are incorporated by reference in Item 8.

Independent Auditors' Report

Consolidated Balance Sheets - as of June 30, 2002 and July 1, 2001

Consolidated Statements of Income - years ended June 30, 2002, July 1, 2001 and July 2, 2000

Consolidated Statements of Stockholders' Equity - years ended June 30, 2002, July 1, 2001 and July 2, 2000

Consolidated Statements of Cash Flows - years ended June 30, 2002, July 1, 2001 and July 2, 2000

Notes to Financial Statements

(ii) The following is included at page 8 in this Form 10-K Report.

Report of Independent Public Accountants

(2) Financial Statement Schedule

All other schedules have been omitted because they are not applicable or are not required, or because the required information has been included in the Financial Statements or Notes thereto.

(3) Exhibits. See "Exhibit Index" beginning on page 13.

(b) Reports on Form 8-K

During the fourth quarter of 2002, the Company filed the following Form 8-K Current Report with the United States Securities and Exchange Commission:

- The Company's current report on Form 8-K dated May 30, 2002, reporting the Company's change in auditors under Item 4 (Commission File No. 0-25150).

This is a copy of a previously issued report by Arthur Andersen LLP. This report has not been re-issued by Arthur Andersen LLP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF STRATTEC SECURITY CORPORATION:

We have audited the accompanying consolidated balance sheets of STRATTEC SECURITY CORPORATION and subsidiaries, as of July 1, 2001, and July 2, 2000, and the related consolidated statements of income, changes in equity and cash flows for each of the three years in the period ended July 1, 2001. 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 auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit 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 STRATTEC SECURITY CORPORATION and subsidiaries, as of July 1, 2001, and July 2, 2000, and the results of their operations and their cash flows for each of the three years in the period ended July 1, 2001, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
July 30, 2001

This is a copy of a previously issued report by Arthur Andersen LLP. This report has not been re-issued by Arthur Andersen LLP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

We have audited in accordance with generally accepted auditing standards the consolidated financial statements included in the STRATTEC SECURITY CORPORATION Annual Report to Shareholders incorporated by reference in this Form 10-K and have issued our report thereon dated July 1, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the accompanying index is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Arthur Andersen LLP

Milwaukee, Wisconsin,
July 30, 2001.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of STRATTEC SECURITY CORPORATION:

We have audited the consolidated financial statements of STRATTEC SECURITY CORPORATION and subsidiaries as of June 30, 2002, and for the year then ended and have issued our report thereon dated July 30, 2002; such consolidated financial statements and report are included in your 2002 Annual Report to Shareholders and are incorporated herein by reference. Our audit also included the consolidated financial statement schedule of STRATTEC SECURITY CORPORATION for the year ended June 30, 2002, listed in Item 14. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Milwaukee, Wisconsin
July 30, 2002

STRATTEC SECURITY CORPORATION
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
(THOUSANDS OF DOLLARS)

	Balance, Beginning of Year	Provision Charged to Profit & Loss	Payments and Accounts Written Off	Balance, End of Year
Year ended June 30, 2002				
Allowance for doubtful accounts	$250	$42	$42	$250
Year ended July 1, 2001				
Allowance for doubtful accounts	$250	$61	$61	$250
Year ended July 2, 2000				
Allowance for doubtful accounts	$250	$43	$43	$250

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

STRATTEC SECURITY CORPORATION

By:/s/ Harold M. Stratton II

Harold M. Stratton II, Chairman
and Chief Executive Officer

Date: August 20, 2002

Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Harold M. Stratton II --------------------------- Harold M. Stratton II	Chairman, Chief Executive Officer, and Director	August 20, 2002
/s/ John G. Cahill --------------------------- John G. Cahill	President, Chief Operating Officer and Director	August 20, 2002

/s/ Frank J. Krejci --------------------------- Frank J. Krejci	Director	August 20, 2002
/s/ Michael J. Koss --------------------------- Michael J. Koss	Director	August 20, 2002
/s/ Robert Feitler --------------------------- Robert Feitler	Director	August 20, 2002
/s/ Patrick J. Hansen --------------------------- Patrick J. Hansen	Vice President, Chief Financial Officer, Secretary and Treasurer (Principal Financial and Accounting Officer)	August 20, 2002

EXHIBIT INDEX TO ANNUAL REPORT
ON FORM 10-K

Exhibit		Page Number in Sequential Numbering of all Form 10-K and Exhibit Pages
3.1 (2)	Amended and Restated Articles of Incorporation of the Company	*
3.2 (2)	By-laws of the Company	*
4.1 (2)	Rights Agreement between the Company and Firstar Trust Company, as Rights Agent	*
4.2 (3)	Revolving Credit Agreement dated as of February 27, 1995 by and between the Company and M&I Bank, together with Revolving Credit Note	*
4.3 (6)	Amendments to Revolving Credit Agreement dated as of February 27, 1995 by and between the Company and M&I Bank, together with Revolving Credit Notes	*
10.1 (4)	STRATTEC SECURITY CORPORATION Stock Incentive Plan	*
10.2 (5)	Employment Agreements between the Company and the identified executive officers	*
10.3 (1) (5)	Change In Control Agreement between the Company and the identified executive officers	*
10.4	Employment Agreement between the Company and Kris Pfaehler	
10.5	Change In Control Agreement between the Company and Kris Pfaehler	
10.15	Amended STRATTEC SECURITY CORPORATION Economic Value Added Plan for Executive Officers and Senior Managers	
13	Annual Report to Shareholders for the year ended June 30, 2002	
21 (1)	Subsidiaries of the Company	*
23	Independent Auditors' Consent dated August 28, 2002	

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(1) Incorporated by reference from Amendment No. 1 to the Form 10 filed on January 20, 1995.

(2) Incorporated by reference from Amendment No. 2 to the Form 10 filed on February 6, 1995.

(3) Incorporated by reference from the April 2, 1995 Form 10-Q filed on May 17, 1995.

(4) Incorporated by reference from the Proxy Statement for the 1997 Annual Meeting of Shareholders filed on September 10, 1997.

(5) Incorporated by reference from the June 27, 1999 Form 10-K filed on September 17, 1999.

(6) Incorporated by reference from the July 1, 2001 Form 10-K filed on September 4, 2001.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made as of the fourth day of December, 2001, by and between STRATTEC SECURITY CORPORATION, a Wisconsin corporation (the "Company"), and Kris R. Pfaehler (the "Employee").

RECITAL

The Company desires to employ the Employee and the Employee is willing to make his services available to the Company on the terms and conditions set forth below.

AGREEMENTS

In consideration of the premises and the mutual agreements which follow, the parties agree as follows:

1. Employment. The Company hereby employs the Employee and the Employee hereby accepts employment with the Company on the terms and conditions set forth in this Agreement.

2. Term. The term of the Employee's employment hereunder shall commence effective on December 3, 2001 and shall continue through June 30, 2002, and shall thereafter be automatically renewed for successive fiscal year terms unless either the Company or Employee gives notice of nonrenewal not less than 30 days prior to the end of the then current term (the "Employment Period").

3. Duties. The Employee shall serve as the Vice President, Marketing and Sales of the Company and will, under the direction of the Chairman of the Board and Chief Executive Officer, faithfully and to the best of Employee's ability, perform the duties of the Vice President, Marketing and Sales. The Vice President, Marketing and Sales shall be one of the principal executive officers of the Company and shall, subject to the control of the Chairman of the Board and Chief Executive Officer, supervise the Marketing and Sales functions of the Company. The Employee shall also perform such additional duties and responsibilities which may from time to time be reasonably assigned or delegated by the Chairman of the Board and Chief Executive Officer of the Company. The Employee agrees to devote Employee's entire business time, effort, skill and attention to the proper discharge of such duties while employed by the Company. However, the Employee may engage in other business activities unrelated to, and not in conflict with, the business of the Company if the Chairman of the Board and Chief Executive Officer consents in writing to such other business activity.

4. Compensation. The Employee shall receive a base salary of $155,000 per year, payable in regular and semi-monthly installments (the "Base Salary"). Employee's Base Salary shall be reviewed annually by the Board of Directors of the Company to determine appropriate increases, if any, in such Base Salary.

5. Fringe Benefits.

(a) Medical, Health, Dental, Disability and Life Coverage. The Employee shall be eligible to participate in any medical, health, dental, disability and life insurance policy in effect for senior management of the Company (collectively, the "Senior Management").

(b) Incentive Bonus and Stock Ownership Plans. The Employee shall be entitled to participate in any incentive bonus or other incentive compensation plan developed generally for the Senior Management of the Company, on a basis consistent with Employee's position and level of compensation with the Company. The Employee shall also be entitled to participate in any incentive stock option plan or other stock ownership plan developed generally for the Senior Management of the Company, on a basis consistent with Employee's position and level of compensation with the Company.

(c) Reimbursement for Reasonable Business Expenses. Subject to the terms and conditions of the Company's expense reimbursement policy, the Company shall pay or reimburse the Employee for reasonable expenses incurred by Employee in connection with the performance of Employee's duties pursuant to this Agreement, including, but not limited to, travel expenses, expenses in connection with seminars, professional conventions or similar professional functions and other reasonable business expenses.

6. Termination of Employment.

(a) Termination for Cause, Disability or Death. During the term of this Agreement, the Company shall be entitled to terminate the Employee's employment at any time upon the "Disability" of the Employee or for "Cause" upon notice to the Employee. The Employee's employment hereunder shall automatically terminate upon the death of the Employee. For purposes of this Agreement, "Disability" shall mean a physical or mental sickness or any injury which renders the Employee incapable of performing the essential functions of Employee's job (with or without reasonable accommodations) and which does or may be expected to continue for more than 4 months during any 12-month period. In the event Employee shall be able to perform the essential functions of Employee's job (with or without reasonable accommodations) following a period of disability, and does so perform such duties, or such other duties as are prescribed by the President of the Company, for a period of three continuous months, any subsequent period of disability shall be regarded as a new period of disability for purposes of this Agreement. The Company and the Employee shall determine the existence of a Disability and the date upon which it occurred. In the event of a dispute regarding whether or when a Disability occurred, the matter shall be referred to a medical doctor selected by the Company and the Employee. In the event of their failure to agree upon such a medical doctor, the Company

and the Employee shall each select a medical doctor who together shall select a third medical doctor who shall make the determination. Such determination shall be conclusive and binding upon the parties hereto.

The Company may terminate the Employee's employment under this Agreement for "Cause," effective immediately upon delivery of notice to the Employee. Cause shall be deemed to exist if the Employee shall have (1) materially breached the terms of this Agreement; (2) willfully failed to substantially perform his duties, other than a failure resulting from incapacity due to physical or mental illness; or (3) serious misconduct which is demonstrably and substantially injurious to the Company. No act or failure to act will be considered "cause" if such act or failure is done in good faith and with a reasonable belief that it is in the best interests of the Company.

In the event of termination for Disability or death, payments of the Employee's Base Salary shall be made to the Employee, his designated beneficiary or Employee's estate for a period of six months after the date of the termination (even if this period would extend beyond the Employment Period); provided, however that the foregoing payments in the event of a Disability shall be reduced by the amount, if any, that is paid to Employee pursuant to a disability plan or policy maintained by the Company. During this period, the Company shall also reimburse the Employee for amounts paid, if any, to continue medical, dental and health coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act. During this period, the Company will also continue Employee's life insurance and disability coverage, to the extent permitted under applicable policies, and will pay to the Employee the fringe benefits pursuant to section 5 which have accrued prior to the date of termination. Termination of this Agreement for a Disability shall not change Employee's rights to receive benefits, if any, pursuant to any disability plan or policy then maintained by the Company.

(b) Termination Without Cause. If the Employee's employment is terminated by the Company for any reason other than for Cause, Disability or death, or if this Agreement is terminated by the Company for what the Company believes is Cause or Disability, and it is ultimately determined that the Employee was wrongfully terminated, Employee shall, as damages for such a termination, receive Employee's Base Salary, for the remainder of the Employment Period or six months, if longer. During this period, the Company shall also reimburse the Employee for amounts paid, if any, to continue medical, dental and health coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act. During this period, the Company will also continue Employee's life insurance and disability coverage, to the extent permitted under applicable policies, and will pay to the Employee the fringe benefits pursuant to section 5 which have accrued prior to the date of termination. The Company's termination of the Employee's employment under this section 6(b) shall immediately relieve the Employee of all obligations under this Agreement (except as provided in sections 7 and 8) and, except as provided below, shall not be construed to require the application of any compensation which the Employee may earn in any such other employment to reduce the Company's obligation to provide severance benefits and liquidated damages under this section 6(b).

(c) Effect of Termination. The termination of the Employee's employment pursuant to section 6 shall not affect the Employee's obligations as described in sections 7 and 8.

7. Noncompetition. The parties agree that the Company's customer contacts and relations are established and maintained at great expense and by virtue of the Employee's employment with the Company, the Employee will have unique and extensive exposure to and personal contact with the Company's customers, and that Employee will be able to establish a unique relationship with those individuals and entities that will enable Employee, both during and after employment, to unfairly compete with the Company. Further, the parties agree that the terms and conditions of the following restrictive covenants are reasonable and necessary for the protection of the Company's business, trade secrets and confidential information and to prevent great damage or loss to the Company as a result of action taken by the Employee. The Employee acknowledges that the noncompete restrictions and nondisclosure of confidential information restrictions contained in this Agreement are reasonable and the consideration provided for herein is sufficient to fully and adequately compensate the Employee for agreeing to such restrictions. The Employee acknowledges that Employee could continue to actively pursue Employee's career and earn sufficient compensation in the same or similar business without breaching any of the restrictions contained in this Agreement.

(a) During Term of Employment. The Employee hereby covenants and agrees that, during Employee's employment with the Company, Employee shall not, directly or indirectly, either individually or as an employee, principal, agent, partner, shareholder, owner, trustee, beneficiary, co-venturer, distributor, consultant or in any other capacity, participate in, become associated with, provide assistance to, engage in or have a financial or other interest in any business, activity or enterprise which is competitive with or a supplier to the Company or any successor or assign of the Company. The ownership of less than a one percent interest in a corporation whose shares are traded in a recognized stock exchange or traded in the over-the-counter market, even though that corporation may be a competitor of the Company, shall not be deemed financial participation in a competitor.

(b) Upon Termination of Employment. The Employee agrees that during a period after termination of Employee's employment with the Company equal to the shorter of one year or the duration of Employee's employment with the Company, Employee will not, directly or indirectly, either individually or as an employee, agent, partner, shareholder, owner, trustee, beneficiary, co-venturer, distributor, consultant or in any other capacity:

(i) Canvass, solicit or accept from any person or entity who is a customer of the Company (any such person or entity is hereinafter referred to individually as a "Customer" and collectively as the "Customers") any business in competition with the business of the Company or the successors or assigns of the

Company, including the canvassing, soliciting or accepting of business from any individual or entity which is or was a Customer of the Company within the two-year period preceding the date on which the canvassing, soliciting or accepting of business begins.

(ii) Request or advise any of the Customers, suppliers, or other business contacts of the Company who currently have or have had business relationships with the Company within two years preceding the date hereof or within two years preceding the date of such action, to withdraw, curtail or cancel any of their business or relations with the Company.

(iii) Induce or attempt to induce any employee, sales representative, consultant or other personnel of the Company to terminate his or her relationship or breach his or her agreements with the Company.

(iv) Use, disclose, divulge or transmit or cause to be used by or disclosed, divulged or transmitted to any third party, any information acquired by the Employee during the Employment Period which relates to the trade secrets and confidential information of the Company, except as may be required by law.

(v) Participate in, become associated with, provide assistance to, engage in or have a financial or other interest in any business, activity or enterprise which is competitive with the business of the Company or any successor or assign of the Company to the extent such activities relate to products or services which are competitive with the products and services of the Company; provided, however, that the ownership of less than 1% of the stock of a corporation whose shares are traded in a recognized stock exchange or traded in the over-the-counter market, even though that corporation may be a competitor of the Company, shall not be deemed financial participation in a competitor.

For purposes of this section 7, a competitive business is defined as a business which is involved in designing, developing, manufacturing or marketing mechanical, electro-mechanical and/or electronic security and access control products in the global motor vehicle industry.

8. Confidential Information. The parties agree that the Company's customers, business connections, suppliers, customer lists, procedures, operations, techniques, and other aspects of its business are established at great expense and protected as confidential information and provide the Company with a substantial competitive advantage in conducting its business. The parties further agree that by virtue of the Employee's employment with the Company, Employee will have access to, and be entrusted with, secret, confidential and proprietary information, and that the Company would suffer great loss and injury if the Employee would disclose this information or use it to compete with the Company. Therefore, the Employee agrees that during the term of Employee's employment, and for a period of two years after the termination of his employment with the Company, Employee will not, directly or indirectly, either

individually or as an employee, agent, partner, shareholder, owner, trustee, beneficiary, co-venturer, distributor, consultant or in any other capacity, use or disclose, or cause to be used or disclosed, any secret, confidential or proprietary information acquired by the Employee during Employee's employment with the Company whether owned by the Company prior to or discovered and developed by the Company subsequent to the Employee's employment, and regardless of the fact that the Employee may have participated in the discovery and the development of that information. Employee also agrees and acknowledges that Employee will comply with all applicable laws regarding insider trading or the use of material nonpublic information in connection with the trading of securities.

9. Common Law of Torts and Trade Secrets. The parties agree that nothing in this Agreement shall be construed to limit or negate the common law of torts or trade secrets where it provides the Company with broader

protection than that provided herein.

10. Specific Performance. The Employee acknowledges and agrees that irreparable injury to the Company may result in the event the Employee breaches any covenant and agreement contained in sections 7 and 8 and that the remedy at law for the breach of any such covenant will be inadequate. Therefore, if the Employee engages in any act in violation of the provisions of sections 7 and 8, the Employee agrees that the Company shall be entitled, in addition to such other remedies and damages as may be available to it by law or under this Agreement, to injunctive relief to enforce the provisions of sections 7 and 8.

11. Waiver. The failure of either party to insist, in any one or more instances, upon performance of the terms or conditions of this Agreement shall not be construed as a waiver or a relinquishment of any right granted hereunder or of the future performance of any such term, covenant or condition.

12. Notices. Any notice to be given hereunder shall be deemed sufficient if addressed in writing, and delivered by registered or certified mail or delivered personally, in the case of the Company, to its principal business office, and in the case of the Employee, to his address appearing on the records of the Company, or to such other address as he may designate in writing to the Company.

13. Severability. In the event that any provision shall be held to be invalid or unenforceable for any reason whatsoever, it is agreed such invalidity or unenforceability shall not affect any other provision of this Agreement and the remaining covenants, restrictions and provisions hereof shall remain in full force and effect and any court of competent jurisdiction may so modify the objectionable provision as to make it valid, reasonable and enforceable. Furthermore, the parties specifically acknowledge the above covenant not to compete and covenant not to disclose confidential information are separate and independent agreements.

14. Amendment. This Agreement may only be amended by an agreement in writing signed by all of the parties hereto.

15. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Wisconsin, regardless of choice of law requirements. The parties hereby consent to the jurisdiction of the state courts of the State of Wisconsin and of any federal court in the venue of Wisconsin for the purpose of any suit, action or proceeding arising out of or related to this Agreement, and expressly waive any and all objections they may have as to venue in any of such courts.

16. Dispute Resolution. The parties hereto shall attempt to resolve disputes arising out of or relating to this Agreement. Any dispute not resolved in writing within 21 days may be referred by either party to mediation involving a mediator (a third party neutral), trained and experienced in the mediation process and mutually agreed to by the parties. The mediator shall ascribe to and follow the AAA/SPIDR or ABA code of ethics for mediators in conduct and management of the mediation process. Expenses for the mediation shall be shared equally by the parties unless otherwise agreed during the mediation process. The parties may be accompanied in the mediation process by legal counsel, and/or other persons mutually agreed to by the parties and the mediator. All participants will openly and honestly participate in the mediation. The mediation may be terminated at any time, for any reason by the mediator or by either party. Any resolution reached by the parties during the mediation shall be recorded in writing and agreed to by the parties. Such resolution may be drafted and/or revised by the parties' legal counsel and shall be legally binding on the parties.

17. Benefit. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by and against the Company, its successors and assigns and the Employee, his heirs, beneficiaries and legal representatives. It is agreed that the rights and obligations of the Employee may not be delegated or assigned.

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day, month and year first above written.

EMPLOYEE	STRATTEC SECURITY CORPORATION
/s/ Kris R. Pfaehler	BY /s/ Harold M. Stratton II
Kris R. Pfaehler	Harold M. Stratton II, Chairman of the Board and Chief Executive Officer

EMPLOYMENT AGREEMENT

AGREEMENT by and between STRATTEC SECURITY CORPORATION, a Wisconsin corporation (the "Company") and Kris R. Pfaehler (the "Executive"), dated as of the fourth day of December, 2001.

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Executive's employment with the Company or this Agreement is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment or of this Agreement (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment or purported termination of this Agreement.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Approval by the shareholders of the Company of a reorganization, merger or consolidation (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities,

as the case may be, (ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation, with respect to which following such sale or other disposition, [a] more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and outstanding Company Voting Securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, [b] less than 20% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by any Person (excluding any employee benefit plan (or related trust) of the Company or such corporation), except to the extent that such Person owned 20% or more of the Outstanding Company Common Stock or Outstanding Company Voting Securities prior to the sale or disposition, and [c] at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such sale or other disposition of assets of the Company or were elected, appointed or nominated by the Board.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the

employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, [a] the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and [b] the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to [a] serve on corporate, civic or charitable boards or committees, [b] deliver lectures, fulfill speaking engagements or teach at educational institutions and [c] manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually and shall be first increased no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually by the higher of (x) the average increase (excluding promotional increases) in base salary awarded to the Executive for each of the three full fiscal years (annualized in the case of any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve months) prior to the Effective Date, and (y) the percentage increase (excluding promotional increases) in base salary generally awarded to peer executives of the Company and its affiliated companies for the year of determination. Any increase in Annual Base Salary shall not serve to limit or reduce any

other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the higher of (x) the average of the three highest bonuses paid or payable, including any bonus or portion thereof which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the five fiscal years (or such shorter period during which the Executive has been employed by the Company) immediately preceding the fiscal year in which the Effective Date occurs (annualized for any fiscal year during such period consisting of less than twelve full months or with respect to which the Executive has been employed by the Company for less than twelve full months) and (y) the bonus paid or payable (annualized as described above), including any bonus or portion thereof which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the most recently completed fiscal year prior to the Effective Date (such higher amount being referred to as the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated

companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and the affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the

120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the

Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For the sole and exclusive purposes of this Agreement, "Cause" shall mean:

(i) The willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) The willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the

Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For the sole and exclusive purposes of this Agreement, "Good Reason" shall mean:

(i) The assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) Any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) The Company's requiring the Executive to be based at any office or location other than as provided in Section 4(a)(i)(b) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) Any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(v) Any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Executive for any reason during the 30-day period immediately following the first anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment

under the provision so indicated, and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of

Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause, death or Disability or the Executive shall terminate employment for Good Reason:

(i) The Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

[a] The sum of [i] the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, [ii] the product of (x) the higher of [A] the Recent Annual Bonus and [B] the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Executive was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and [iii] any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses [i], [ii] and [iii] shall be hereinafter referred to as the "Accrued Obligations"); and

[b] The amount equal to the product of [i] three and [ii] the sum of (x) the Executive's Annual Base Salary and (y) the Highest Annual Bonus; and

[c] An amount equal to the difference between [i] the actuarial equivalent of the benefit (utilizing actuarial assumptions no less favorable to the Executive than those in effect under the Retirement Plan (as defined below) immediately prior to the Effective Date, except as specified below with respect to increases in base salary and annual bonus) under the qualified defined benefit retirement plan in which the Executive participates (the "Retirement Plan") and any excess or supplemental retirement plan in which the Executive participates (together, the "SERP") which the Executive would receive if the Executive's employment continued for three years after the Date of Termination assuming for this purpose that all accrued benefits are fully vested, and, assuming that (x) the Executive's base salary increased in each of the three years by the amount required by Section 4(b)(i) (in the case of Section 4-(b)(i)(y) based on increases (excluding promotional increases) in base salary for the most recently completed fiscal year prior to the Date of Termination) had the Executive remained employed, and (y) the Executive's annual bonus (annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months) in each of the three years bears the same proportion to the Executive's base salary in such year or fraction thereof as it did for the last full year prior to the Date of Termination, and [ii] the actuarial equivalent of the Executive's actual benefit (paid or payable), if any, under the Retirement Plan and the SERP as of the Date of Termination;

(ii) For three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated in accordance with the most favorable plans, practices, programs or policies of the Company and its affiliated companies applicable generally to other peer executives and their families during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families, provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until two and one-half years after the Date of Termination and to have retired on the last day of such period;

(iii) The Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his sole discretion; and

(iv) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executives estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (i) his Annual Base Salary through the Date of Termination, (ii) the amount of any compensation previously deferred by the Executive, and (iii) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code").

9. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed

or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen & Co. or such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that failure to report the Excise Tax on the Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as

practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) Give the Company any information reasonably requested by the Company relating to such claim,

(ii) Take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) Cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) Permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to his address appearing on the records of the Company.

If to the Company:

STRATTEC SECURITY CORPORATION
3333 West Good Hope Road
Milwaukee, WI 53209
Attn: President

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision hereof or any other provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, prior to the Effective Date, the Executive's employment and this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

/s/ Kris R. Pfaehler

Kris R. Pfaehler

STRATTEC SECURITY CORPORATION

BY Harold M. Stratton, II

Harold M. Stratton, II,
Chairman of the Board
and Chief Executive Officer

ECONOMIC VALUE ADDED BONUS PLAN
FOR
EXECUTIVE OFFICERS
AND
SENIOR MANAGERS

Effective February 27, 1995
as Amended August 24, 1999, August 21, 2001 and October 23, 2001

ECONOMIC VALUE ADDED BONUS PLAN
FOR
EXECUTIVE OFFICERS
AND
SENIOR MANAGERS

TABLE OF CONTENTS

I. PLAN OBJECTIVES

A. To promote the maximization of shareholder value over the long term by providing incentive compensation to key employees of STRATTEC SECURITY CORPORATION (the "Company") in a form which is designed to financially reward participants for an increase in the value of the Company.

B. To provide competitive levels of compensation that enable the Company to attract and retain employees who can have a positive impact on the economic value of the Company.

C. To encourage teamwork and cooperation in the achievement of Company goals.

II. PLAN ADMINISTRATION

The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") shall be responsible for the design, administration, and interpretation of the Plan.

III. DEFINITIONS

A. "Accrued Bonus" means the bonus, which may be negative or positive, which is calculated in the manner set forth in Section V.A.

B. "Actual EVA" means the EVA as calculated for the relevant Plan Year.

C. "Capital" means the Company's average monthly net operating capital employed for the Plan Year, calculated as follows:

	Current Assets
-	Current Interest Bearing Assets
+	Bad Debt Reserve
+	LIFO Reserve
-	Future Income Tax Benefits
-	Current Noninterest-Bearing Liabilities
+	Property, Plant, Equipment, (Net)
-	Construction in Progress
(+/-)	Unusual Capital Items

D. "Capital Charge" means the deemed opportunity cost of employing Capital in the Company's business, determined as follows:

Capital Charge = Capital x Cost of Capital

E. "Company" means STRATTEC SECURITY CORPORATION. The Company's Compensation Committee may act on behalf of the Company with respect to this Plan.

F. "Cost of Capital" means the weighted average of the cost of equity and the after tax cost of debt for the relevant Plan Year. The Cost of Capital will be determined by the Compensation Committee prior to each Plan Year, consistent with the following methodology:

(a) Cost of Equity = Risk Free Rate + (Business Risk Index x Average Equity Risk Premium)

(b) Debt Cost of Capital = Debt Yield x (1 - Tax Rate)

(c) The weighted average of the Cost of Equity and the Debt Cost of Capital is determined by reference to the expected debt-to-capital ratio

where the Risk Free Rate is the average daily closing yield rate on 30 year U.S. Treasury Bonds for an appropriate period (determined by the Compensation Committee from time to time) preceding the relevant Plan Year, the Business Risk Index is determined by reference to an auto supply industry factor selected by the Compensation Committee, the Average Equity Risk Premium is 6%, the Debt Yield is the weighted average yield of all borrowing included in the Company's permanent capital, and the tax rate is the combination of the relevant corporate Federal and state income tax rates.

The Compensation Committee will review the Cost of Capital annually and make appropriate adjustments only if the calculated Cost of Capital changes by more than 1% from that used during the prior Plan Year.

G. "Earned Wages" includes all wages paid in the Plan Year, excluding employment signing bonuses, EVA bonus payments, reimbursement or other expense allowances, imputed income, value of fringe benefits (cash and noncash), moving reimbursements, welfare benefits and special payments.

H. "Economic Value Added" or "EVA" means the NOPAT that remains after subtracting the Capital Charge, expressed as follows:

EVA = NOPAT - Capital Charge

EVA may be positive or negative.

I. Effective Date. February 27, 1995, the date as of which the Plan first applies to the Company.

J. "EVA Leverage Factor" means the adjustment factor reflecting deviation in the use of capital employed as a percentage of capital employed. For purposes of this Plan, the Company's EVA Leverage Factor is determined to be 5% of the monthly average net operating capital employed during the prior Plan year.

K. "NOPAT" means cash adjusted net operating profits after taxes for the Plan Year, calculated as follows:

	Net Sales
-	Cost of Goods Sold
(+ -)	Change in LIFO Reserve
-	Engineering/Selling & Admin.
(+ -)	Change in Bad Debt Reserve
(+ -)	Other Income & Expense excluding Interest Income or Expense
(+ -)	Other Unusual Income or Expense Items (See Section VI. B.)
(+ -)	Amortization of Unusual Income or Expense Items
-	Cash Taxes on the Above (+/- change in deferred tax liability)

L. "Participant" means individual who has satisfied the eligibility requirements of the Plan as provided in Section IV.

M. "Plan Year" means the one-year period coincident with the Company's fiscal year.

N. "Executive Officers" means those Participants designated as

Executive Officers by the Compensation Committee with respect to any Plan Year.

O. "Senior Managers" means those Participants designated as Senior Managers by the Compensation Committee with respect to any Plan Year.

P. "Target EVA" means the target level of EVA for the Plan Year, determined as follows:

$$\text{Current Plan Year Target EVA} = \frac{\text{Prior Year Target EVA} + \text{Prior Year Actual EVA}}{2} + \text{Expected Improvement}$$

Expected Improvement will be approved by the Board of Directors annually, based on past practice and consideration for current relevant economic conditions. Regardless of the above defined formula, the Current Plan Year Target EVA cannot be less than the Expected Improvement approved by the Board of Directors.

IV. ELIGIBILITY

A. Eligible Positions. In general, only Executive Officers and Senior Managers selected by the Compensation Committee may be eligible for participation in the Plan. However, actual participation will depend upon the contribution and impact each eligible employee may have on the Company's value to its shareholders, as determined by the Compensation Committee.

B. Nomination and Approval. Each Plan Year, the Chairman and President will nominate eligible employees to participate in the Plan for the next Plan Year. The Compensation Committee will have the final authority to select Plan participants (the "Participants") among the eligible employees nominated by the Chairman and President. Continued participation in the Plan is contingent on approval of the Compensation Committee.

C. Employee Performance Requirement. Employees whose performance is rated "Needs Improvement" on their annual performance review will not be eligible for an EVA bonus applicable to the year covered by such performance review. However, if the employee so rated is subject to a performance improvement plan, and successfully meets the requirement of the plan in the time frame prescribed, the employee's EVA eligibility will be reinstated, and the

EVA bonus will be paid with the next regular payroll check following reinstatement.

V. INDIVIDUAL PARTICIPATION LEVELS

A. Calculation of Accrued Bonus. Each Participant's Accrued Bonus will be determined as a function of the Participant's Earned Wages, the Participant's Target Incentive Award (provided in Section V.B., below), Company Performance Factor (provided in Section VI.A.) and the Individual Performance Factor (provided in Section VI.C.) for the Plan Year. Each Participant's Accrued Bonus will be calculated as follows:

$$\text{Participant's Earned Wages} \times \text{Target Incentive Award} \times \text{Company Performance Factor} + \text{Individual Performance Factor}$$

B. Target Incentive Award. The Target Incentive Award will be determined according to the following schedule:

Position	Target Incentive Award (% of Base Salary)
Chairman (if also CEO of Company)	75%
President	65%
Executive Vice President	50%
Vice President	35%
Senior Managers (as specified in Exhibit A)	12%-20%

VI. PERFORMANCE FACTORS

A. Company Performance Factor Calculation. For any Plan Year, the Company Performance Factor will be calculated as follows:

$$\text{Company Performance Factor} = 1.00 + \frac{\text{Actual EVA} - \text{Target EVA}}{\text{EVA Leverage Factor}}$$

B. Adjustments to Company Performance. When Company performance is based on Economic Value Added or other quantifiable financial or accounting measure, it may be necessary to exclude significant, unusual, unbudgeted or noncontrollable gains or losses from actual financial results in order to measure performance properly. The Compensation Committee will decide those items that shall be considered in adjusting actual results. For example, some types of items that may be considered for exclusion are:

(1) Any gains or losses which will be treated as extraordinary in the Company's financial statements.

(2) Profits or losses of any entities acquired by the Company during the Plan Year, assuming they were not included in the budget and/or the goal.

(3) Material gains or losses not in the budget and/or the goal which are of a nonrecurring nature and are not considered to be in the ordinary course of business Some of these would be as follows:

(a) Gains or losses from the sale or disposal of real estate or property.

(b) Gains resulting from insurance recoveries when such gains relate to claims filed in prior years.

(c) Losses resulting from natural catastrophes, when the cause of the catastrophe is beyond the control of the Company and did not result from any failure or negligence on the Company's part.

C. Individual Performance Factor Calculation. Determination of the Individual Performance Factor will be the responsibility of the individual to whom the participant reports. This determination will be subject to approval by the Chairman and President (or the Compensation Committee with respect to the Chairman and President) and shall conform with the process set forth below:

(1) Quantifiable Supporting Performance Factors. The Individual Performance Factor of the Accrued Bonus calculation will be based on the accomplishment of individual, financial and/or

other goals ("Supporting Performance Factors"). Whenever possible, individual performance will be evaluated according to quantifiable benchmarks of success. These Supporting Performance Factors will be enumerated from 0 to 2.0 based on the levels of achievement for each goal per the schedule in VI C. (2). Provided, however, that if the quantifiable Supporting Performance Factor is based on the Company Performance Factor as set forth in Section VI.A., then the Supporting Performance Factor may be unlimited.

(2) Non-Quantifiable Supporting Performance Factors. When performance cannot be measured according to a quantifiable monitoring system, an assessment of the Participant's performance shall be made based on a non-quantifiable Supporting Performance Factor (or Factors). The individual to whom the participant reports (or the Compensation Committee with respect to the Chairman) will evaluate the Participant's performance based on behavioral attributes and overall performance and this evaluation will determine the Participant's Supporting Performance Factor (or Factors) according to the following schedule:

Non Quantifiable Supporting Performance Rating	Supporting Performance Factor	Quantifiable Supporting Performance Rating
Significantly Exceeds Requirements	1.8-2.0	Significantly Exceeds Goal
Exceeds Requirements	1.4-1.7	Exceeds Goal
Meets Requirements	.7-1.3	Meets Goal
Marginally Meets Requirements	.3-.6	Goal Not Met, but Significant Progress Made
Needs Improvement	0-.2	
	0	Goal Not Met

(3) Aggregate Individual Performance Factor. The Individual Performance Factor to be used in the calculation of the Accrued Bonus shall be equal to the sum of the quantifiable and/or non-quantifiable Supporting Performance Factor(s), divided by two as follows:

$$\text{Individual Performance Factor} = \frac{\text{Quantifiable Supporting Performance Factor} + \text{Non-Quantifiable Supporting Performance Factor}}{2}$$

Notwithstanding the foregoing, the individual to whom the Participant reports (with the approval of the Chairman and President or the Compensation Committee with respect to the Chairman and President), shall have the authority to weight the Supporting Performance Factors, according to relative importance. The weighting of each Supporting Performance Factor shall be expressed as a percentage, and the sum of the percentages applied to all of the Supporting Performance Factors shall be 100%. The Individual Performance Factor, if weighted factors are used, will then be equal to the weighted average of such Supporting Performance Factors.

VII. CHANGE IN STATUS DURING THE PLAN YEAR

A. New Hires and Promotions. A newly hired employee or an employee promoted during the Plan Year to a position qualifying for participation (or leaving the participating class) may accrue (subject to discretion of the Compensation Committee) a pro rata Accrued Bonus based on Base Salary received.

B. Discharge. An employee discharged during the Plan Year shall not be eligible for an Accrued Bonus, even though his or her service arrangement or contract extends past year-end, unless the Compensation Committee determines that the conditions of the termination indicate that a prorated Accrued Bonus is appropriate. The Compensation Committee shall have full and final authority in making such a determination.

C. Resignation. An employee who resigns during the Plan Year to accept employment elsewhere (including self-employment) will not be eligible for an Accrued Bonus, unless the Compensation Committee determines that the conditions of the termination indicate that a prorated Bonus is appropriate. The Compensation Committee shall have full and final authority in making such a determination.

D. Death, Disability and Retirement. If a Participant's employment is terminated during a Plan Year by reason of death, disability, or normal or early retirement under the Company's retirement plan, a tentative Accrued Bonus will be calculated as if the Participant had

remained employed as of the end of the Plan Year. The final Accrued Bonus will be calculated based upon the Base Salary received.

Each employee may name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Plan is to be paid in case of the employee's death.

Each such designation shall revoke all prior designations by the employee, shall be in the form prescribed by the Compensation Committee, and shall be effective only when filed by the employee in writing with the Compensation Committee during his or her lifetime.

In the absence of any such designation, benefits remaining unpaid at the employee's death shall be paid to the employee's estate.

E. Leave of Absence. An employee whose status as an active employee is changed during a Plan Year as a result of a leave of absence may, at the discretion of the Compensation Committee, be eligible for a pro rata Accrued Bonus determined in the same way as in paragraph D of this Section.

F. Needs Improvement Status. Associates whose performance has been rated Needs Improvement on their annual performance review will not be eligible for an EVA bonus until such time as their performance is at an acceptable level. If the associate's performance returns to an acceptable level, the EVA bonus that was withheld will be paid with the next available pay period.

VIII. BONUS PAID AND BONUS BANK

All or a portion of the Accrued Bonus will be either paid to the Participant or credited to or charged against the Bonus Bank as provided in this Article.

A. Participants Who Are Not Executives Officers. All positive Accrued Bonuses of Participants who are not Executive Officers for the Plan Year shall be paid in full, less amounts required by law to be withheld for income and employment tax purposes, as soon as administratively feasible following the end of the Plan Year in which the Accrued Bonus was earned. Participants who are not Executive Officers shall not be charged or otherwise assessed for negative

Accrued Bonuses nor shall such Participants have any portion of their Accrued Bonuses banked.

B. Participants Who Are Executive Officers. The Total Bonus Payout to Participants who are Executive Officers for the Plan Year shall be as follows:

Total Bonus Payout = [Accrued Bonus - Extraordinary Bonus Accrual] + Bank Payout

The Total Bonus Payout for each Plan Year, less amounts required by law to be withheld for income tax and employment tax purposes, shall be paid as soon as administratively feasible following the end of the Plan Year in which the Accrued Bonus was earned.

C. Establishment of a Bonus Bank. To encourage a long term commitment to the enhancement of shareholder value by Executive Officers, "Extraordinary Bonus Accruals" shall be credited to an "at risk" deferred account ("Bonus Bank") for each such Participant, and all negative Accrued Bonuses shall be charged against the Bonus Bank, as determined in accordance with the following:

1. "Bonus Bank" means, with respect to each Executive Officer, a bookkeeping record of an account to which Extraordinary Bonus Accruals are credited, and negative Accrued Bonuses debited as the case may be, for each Plan Year, and from which bonus payments to such Executive Officers are debited.

2. "Bank Balance" means, with respect to each Executive Officer, a bookkeeping record of the net balance of the amounts credited to and debited against such Executive Officer's Bonus Bank. The Bank Balance shall initially be equal to zero.

3. "Extraordinary Bonus Accrual" shall mean the amount of the Accrued Bonus for any year that exceeds 1.25 times the portion of the Executive Officer's Base

Salary which is represented by the Target Incentive Award in the event that the beginning Bank Balance is positive or zero, and .75 times the portion of the Executive Officer's Base Salary which is represented by the Target Incentive Award in the event that the beginning Bank Balance is negative.

4. Annual Allocation. Each Executive Officer's Extraordinary Bonus Accrual or negative Accrued Bonus is credited or debited to the Bonus Bank maintained for that Executive Officer. Such Annual Allocation will occur as soon as administratively feasible after the end of each Plan Year. Although a Bonus Bank may, as a result of negative Accrual Bonuses have a deficit, no Executive Officer shall be required, at any time, to reimburse his/her Bonus Bank.

5. "Available Balance" means the Bank Balance at the point in time immediately after the Annual Allocation has been made.

6. "Payout Percentage" means the percentage of the Available Balance that may be paid out in cash to the Participant. The Payout Percentage will equal 33%.

7. "Bank Payout" means the amount of the Available Balance that may be paid out in cash to the Executive Officer for each Plan Year. The Bank Payout is calculated as follows:

   Bank Payout = Available Balance x Payout Percentage

   The Bank Payout is subtracted from the Bank Balance.

8. Treatment of Available Balance Upon Termination

   (a) Resignation or Termination With Cause. Executive Officers leaving voluntarily to accept employment elsewhere (including self-employment) or who are terminated with cause will forfeit their Available Balance.

   (b) Retirement, Death, Disability or Termination Without Cause. In the event of an Executive Officer's normal or early retirement under the STRATTEC SECURITY CORPORATION Retirement Plan, death, disability, or termination without cause, the Available Balance, less amounts required by law to be withheld for income tax and employment tax purposes shall be paid to the Executive Officer as soon as administratively feasible following the end of the Plan Year in which the termination for one of such events occurred.

   (c) For purposes of this Plan "cause" shall mean:

      1. The willful and continued failure of a Participant to perform substantially the Participant's duties with the Company or one of its affiliates (other than any such

failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Participant has not substantially performed the Participant's duties, or

2. The willful engaging by the Participant in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Participant, shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company. The cessation of employment of the Participant shall not be deemed to be for cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the

Participant and the Participant is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Participant is guilty of the conduct described in subparagraph (I) or (ii) above, and specifying the particulars thereof in detail.

IX. ADMINISTRATIVE PROVISIONS

A. Amendments. The Compensation Committee or full Board of Directors of the Company shall have the right to amend or restate the Plan at any time from time to time. The Company reserves the right to suspend or terminate the Plan at any time. No such modification, amendment, suspension, or termination may, without the consent of any affected participants (or beneficiaries of such participants in the event of death), reduce the rights of any such participants (or beneficiaries, as applicable) to a payment or distribution already earned under Plan terms in effect prior to such change. The provisions of the Plan as in effect at the time of a Participant's termination of employment shall control as to that Participant, unless otherwise specified in the Plan.

B. Authority to Act. The Compensation Committee or full Board of Directors may act on behalf of the Company for purposes of the Plan.

C. Interpretation of Plan. Any decision of the Compensation Committee with respect to any issues concerning individuals selected for awards, the amounts, terms, form and time of payment of awards, and interpretation of any Plan guideline, definition, or requirement shall be final and binding.

D. Effect of Award on Other Employee Benefits. By acceptance of a bonus award, each recipient agrees that such award is special additional compensation and that it will not affect any employee benefit, e.g., life insurance, etc., in which the recipient participates, except as provided in paragraph E. below.

E. Retirement Programs. Awards made under this Plan shall be included in the employee's compensation for purposes of the STRATTEC SECURITY CORPORATION Retirement Plan and

STRATTEC SECURITY CORPORATION Employee Savings Investment Plan.

F. Right to Continued Employment; Additional Awards. The receipt of a bonus award shall not give the recipient any right to continued employment, and the right and power to dismiss any employee is specifically reserved to the Company. In addition, the receipt of a bonus award with respect to any Plan Year shall not entitle the recipient to an award with respect to any subsequent Plan Year.

X. MISCELLANEOUS

A. Indemnification. The Compensation Committee shall not be liable for, and shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred in connection with any claim, action, suit, or proceeding to which the Compensation Committee may be a party by reason of any action taken or failure to act under this Plan. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person(s) may be entitled under the Company's Certificate of Incorporation of By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify such person(s) or hold such person(s) harmless.

B. Expenses of the Plan. The expenses of administering this Plan shall be borne by the Company.

C. Withholding Taxes. The Company shall have the right to deduct from all payments under this Plan any Federal or state taxes required by law to be withheld with respect to such payments.

D. Governing Law. This Plan shall be construed in accordance with and governed by the laws of the State of Wisconsin.

EXHIBIT A

The Senior Managers and corresponding Target Incentive Awards referenced in Section V.B. are as follows:

Senior Manager	Target Incentive Award (% of Base Pay)

2002 STRATTEC ANNUAL REPORT

[KEYS IMAGE]

2002 STRATTEC ANNUAL REPORT

[CAR HOOD AND KEYS IMAGE]

A POCKETFUL OF INNOVATION

America's auto industry was still in its infancy when our first ignition lock was produced in 1915. Since then, STRATTEC has led the pack when it comes to product enhancements and technical innovation. With today's integrated key that puts security control right in the keyhead, we've upped the ante again. And as the security requirements of the auto industry evolve, STRATTEC is poised to meet them with the engineering expertise and manufacturing know-how these new technologies demand.

CONTENTS

STRATTEC SECURITY CORPORATION

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks, electro-mechanical locks, latches and related security/access control products for global automotive manufacturers. Our products are shipped to customer locations in the United States, Canada, Mexico, Europe and South America, and we provide full service and aftermarket support. We also supply products for the heavy truck, recreational vehicle, marine and industrial markets.

LETTER TO SHAREHOLDERS

Fellow Shareholders: August 2002

The financial results for our fiscal 2002 were quite good, as you will see in the Management's Discussion and Analysis, and Financial Statements sections of this annual report. When reviewing those sections and our Financial Highlights, please note that we created $8.6 million of positive Economic Value Added (EVA(R)) in fiscal 2002, a $3 million increase over last year's performance, and our second best year overall.

We are very pleased to be able to report these good numbers to you, especially in light of the uncertainty following the shocking events of September 11, 2001. Thanks to the marketing efforts of the automotive manufacturers and the subsequent response from the resilient American people, production of cars and light trucks settled into a post-9/11 pattern that remained reasonably robust and stable throughout our fiscal year. This stability allowed us to operate more efficiently than the previous year, in which fluctuating vehicle production rates and a strike at our Milwaukee facility created a difficult operating environment.

Despite the more stable operating environment, our operations group and cost-reduction teams have remained focused on short term and strategic mid-to-long term activities to reduce cost. During the year, many initiatives were pursued to implement savings which contributed to our improved results. From a longer-term perspective, we expanded our presence in Mexico with the addition of a new facility, STRATTEC Componentes Automotrices S.A. de C.V. Located in Juarez, in close proximity to our existing assembly facility, this new facility is being focused initially on key finishing operations for both new keys, such as the integrated key shown on our cover, and existing keys which were previously finished in Milwaukee. We expect this change to have long term benefits through the reduction of inventory and labor costs associated with our key finishing processes.

Our cost reduction efforts are an important component to our long-term strategy as we see price pressure continuing on our traditional lock and key products. In addition to our customers' expectation for reduced prices on existing products, this price pressure has resulted in increased competition for new model locksets. This competition causes a certain amount of ebb-and-flow among the suppliers of these products. For example, we will lose some of our share of General Motors' business over the next 1-3 years, while picking up additional share of Ford Motor Company's business. Overall, we see a modest reduction in our North American market share for locks and keys during this time frame, but we will maintain our position as the dominant supplier of these components.

As explained in previous annual reports, we have been working to expand our access control product offerings beyond our traditional lock products to include such things as ignition lock housings, latches and door handles. During this fiscal year, we have made progress. Our expansion into ignition lock housings has been going well, and we will see a significant increase in the volume of these products over the next two years. Our market share for these housings is relatively low. But we believe we are in a unique position to capitalize on our position as the ignition lock supplier by providing value-added engineering and coordination for the housings that receive our locks. We believe we will be able to capture additional market share of these products, and we expect this to add value to our overall business.

Our Alliance with WITTE-Velbert GmbH was formed nearly two years ago to help our product expansion efforts and to provide a means of being a globally-capable supplier to our customers. The product expansion effort is primarily focused on secondary latches like those currently produced by WITTE in Germany, and the development of our passive entry side door latch. Building our reputation in these products is taking longer than we anticipated, but we are getting positive attention from our customers, and we have won business on certain low-volume vehicles that will be going into production over the next two years. This is in addition to the hood latch we will be supplying to Volkswagen de Mexico. While the rate at which we are winning new business is not yet where we want it, we still see opportunity with this product line, and we will continue to pursue our strategy to compliment our traditional lock sets with these and other access control products.

In terms of globalization, we formalized the relationships we began working on last year in Brazil and China. With the incorporation of WITTE-STRATTEC do Brasil in November 2001, and WITTE-STRATTEC China in March 2002, we have accomplished what we and Witte-Velbert set out to establish in the emerging markets outside of Europe and North America. Our investment in Brazil is modest, and we do not anticipate significant results from this investment for some time. However, we believe our investment in China will be more exciting, and should see some positive results in the short to medium term, assuming the increase in vehicle production in China meets forecasted levels.

As we write this letter to you, our company is in very good financial condition. We and our independent auditors have always made every effort to provide timely, accurate reports of that condition. We are all aware, however, that due to recent revelations that there are certain companies which have not reported accurately, there is a crisis in confidence among investors. Regrettably, certain offices of our former auditors, Arthur Andersen & Co., were involved in these errant companies. These revelations led to the disintegration of Arthur Andersen as a firm over the spring and early summer months. Although there has been no involvement in these cases by the local Milwaukee office of Arthur Andersen, and the integrity of the auditing they performed for STRATTEC is not in question, the disintegration of that firm and resulting questions about its ongoing viability clearly indicated a need for us to make a change. We therefore began a systematic search for a replacement. Through our search and evaluation process, we identified and engaged the firm of Deloitte & Touche LLP as our new auditors. They are dedicated, as are we, to the proper reporting of our financial condition, and we are pleased to have them help our shareholders maintain their confidence in our financial reporting.

We continue to pursue those opportunities, near and long term, which we believe will add value to your investment in STRATTEC. Our strong financial position gives us the flexibility to do that, as does your support. As always, we wish to thank you for that support.

Sincerely,

/s/ Harold M. Stratton II /s/ John G. Cahill

Harold M. Stratton II
Chairman and Chief Executive Officer

John G. Cahill
President and Chief Operating Officer

FINANCIAL HIGHLIGHTS

(In Millions)

	2002	2001	2000
Net Sales	$207.3	$203.0	$224.8
Gross Profit	43.9	40.2	49.4
Income from Operations	24.3	20.6	29.1
Net Income	15.6	13.0	18.5
Total Assets	121.6	101.6	109.0
Total Debt	-	-	-
Shareholders' Equity	74.7	60.0	60.4

(In Millions)

[BAR GRAPH]

ECONOMIC VALUE ADDED (EVA(R))

All U.S. associates and many of our Mexico-based salaried associates participate in incentive plans that are based upon our ability to add economic value to the enterprise. During 2002, $8.6 million of positive economic value was generated, an increase of $3.0 million compared to the economic value the business generated in 2001. We continue to believe that EVA(R) represents STRATTEC's ultimate measure of success and shareholder value.

Net Operating Profit After Cash-Based Taxes		$15.1
Average Net Capital Employed	$53.8	
Capital Cost	12%	

		6.5

Economic Value Added		$ 8.6

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EVA is a registered trademark of Stern, Stewart & Co.

BASIC BUSINESS

[STRATTEC LOGO]

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks, electro-mechanical locks, latches and related security/access control products for major North American and global automotive manufacturers. We also supply these products for the heavy truck, recreational vehicle, marine and industrial markets. Through our alliance partner, WITTE-Velbert GmbH in Germany, both companies' security/access control products are manufactured and marketed globally. We also provide full service and aftermarket support.

HISTORY

STRATTEC formerly was a division of Briggs & Stratton Corporation. On February 27, 1995, STRATTEC was spun off from Briggs & Stratton through a tax-free distribution to the then-existing Briggs & Stratton shareholders. STRATTEC received substantially all of the assets and liabilities related to the lock and key business owned by Briggs & Stratton.

Starting as a division of Briggs & Stratton, and continuing today as a totally separate and independent company, we have a history in the automotive security business spanning over 85 years. We also have been in the zinc die-casting business for more than 75 years. STRATTEC has been the world's largest producer of automotive locks and keys since the late 1920s, and we currently maintain a dominant share of the North American markets for these products.

PRODUCTS

Our principal products are locks and keys for cars and trucks. A typical automobile contains a set of four to five locks: a steering column/ignition lock, a glove box lock, one or two front door locks and a deck lid (trunk) lock. Pickup trucks typically use three to four locks, while sport utility vehicles and vans use four to six locks. Some vehicles have additional locks for under-floor compartments or folding rear seat latches. T-top locks, spare tire locks and burglar alarm locks also are offered as options. Usually two keys are provided with each vehicle lockset.

Additional products include zinc die-cast steering column lock housings, and an electronic Vehicle Access Control System (VACS). VACS is a passive security system for commercial delivery vehicles. It's an example of our ability to effectively integrate mechanical and electronic components such as Radio Frequency Identification (RFID) and Hall Effect sensors.

Through our alliance with WITTE-Velbert in Germany, we are expanding our automotive security/access control product offerings to include hood latches, trunk or liftgate latches, door latches, door handles, and vehicle access modules that contain some or all of these components.

MARKETS

We are a direct supplier to OEM auto and light truck manufacturers, to over-the-road heavy truck manufacturers and recreational vehicle manufacturers, as well as to other transportation-related manufacturers. For the 2002 model year, we enjoyed a 61% market share in the North American automotive industry, supplying locks and keys for nearly 84% of General Motors' production, over 62% of Ford's, 97% of DaimlerChrysler's and 100% of Mitsubishi's production. We also are an OEM components supplier to other "Tier 1" automotive suppliers and a wide array of smaller industrial manufacturers.

[MILWAUKEE DISTRIBUTION SERVICE WAREHOUSE PHOTO]

Direct sales to various OEMs represent approximately 84% of our total sales. The remainder of the company's revenue is received primarily through sales to the OEM service channels, and the locksmith aftermarket.

Sales to our major automotive customers are coordinated through our direct sales personnel located in our Detroit-area office. Sales also are partially facilitated through daily interaction between our application engineers located in Detroit and customer engineering departments. Sales to other OEM customers are accomplished through a combination of our own sales personnel and manufacturer representative agencies.

STRATTEC's products are supported by an extensive staff of experienced lock, housing and latch engineers. This staff, which includes product design, quality and manufacturing engineers, is capable of providing complete design, development and testing services of new products for our customers. This staff also is available for customer problem solving, warranty analysis, and other activities that arise during a product's life cycle. Our customers receive after-sales support in the form of special field service kits, service manuals, and specific in-plant production repair programs.

The majority of our OEM products are sold in North America. However, our dominance in the North American market translates into a world market share of around 20%, making STRATTEC the largest producer of automotive locks and keys in the world. While a modest amount of exporting is done to automotive assembly plants in Europe and South America, we are in the process of expanding our presence in these markets and elsewhere through our alliance with WITTE-Velbert GmbH.

OEM service and replacement parts are sold to the OEM's own service operations. In addition, we distribute our components and security products to the automotive aftermarket through approximately 50 authorized wholesale distributors, as well as other marketers and users of component parts, including export customers. These aftermarket activities are serviced through a warehousing operation integral to our Milwaukee headquarters and manufacturing facility.

CUSTOMER FOCUS

[STRATTEC ABSOLUTE QUALITY QS-9000/ISO 9001 CERTIFIED LOGO]

Since the majority of the company's sales are to the "Big Three" North American automotive manufacturers, STRATTEC is organized to assure that our activities are focused on these major customers and their associated entities. We have customer-focused teams for General Motors, for Ford, for DaimlerChrysler/Mitsubishi and for Tier 1 steering column suppliers. A fifth team deals with programs and new products associated with our alliance partner, WITTE-Velbert, while a sixth team handles our industrial and service customers, including such heavy truck manufacturers as Peterbilt, Kenworth, Mack, Freightliner, Navistar and Volvo.

[MILWAUKEE HEADQUARTERS AND MANUFACTURING FACILITY PHOTO]

Each of the six teams possesses all of the necessary disciplines required to meet their customers' needs. Leading each team's efforts are Product Business Managers who handle the overall coordination of various product programs. The Product Business Managers work closely with their team's quality engineers, cost engineers, purchasing agents, internal and external customer service representatives, service manager, and engineering manager. The engineering manager in turn helps coordinate the efforts of design engineers, product and process engineers, component engineers, and electrical engineers.

[STRATTEC DE MEXICO ASSEMBLY FACILITY PHOTO]

STRATTEC uses a formalized product development process to identify and meet customer needs in the shortest possible time. By creating and following this streamlined development system, we shorten product lead times, tighten our response to market changes, and provide our customers with the optimum value solution to their security/access control requirements. STRATTEC also is

QS9000, ISO/TS16949 and ISO14001 certified. This means we embrace the philosophy that quality should exist not only in the finished product, but in every step of our processes as well.

OPERATIONS

Most of the components that go into our products are manufactured at our main facility and headquarters in Milwaukee, Wisconsin. This facility produces zinc die cast components, stampings, and finished keys. Key finishing also takes place at STRATTEC Componentes Automotrices in Juarez, Mexico. Assembly is also performed at our Milwaukee location, but the majority takes place at STRATTEC de Mexico, also located in Juarez.

[STRATTEC COMPONENTES AUTOMOTORICES PHOTO]

ADVANCED DEVELOPMENT

Research and development activities are centered around a dedicated research engineering staff we call our Advanced Development Group. This group has the responsibility for developing future products and processes that will keep us in the forefront of the markets we serve. Projects we are pursuing focus on electronic and mechanical access control products, modularization of related access/security control components, and new manufacturing processes to reduce costs for ourselves and our customers.

ALLIANCE

Our alliance with WITTE-Velbert GmbH consists of two main initiatives. The first is a set of cross-licensing agreements which allows STRATTEC to manufacture, market and sell WITTE products in North America, and allows WITTE to manufacture, market and sell STRATTEC products in Europe. In this way, both STRATTEC and WITTE have established international reach for their respective products and services, while sharing the potential profits of those products sold outside of their respective home markets.

The second initiative is a 50-50 joint venture company, WITTE-STRATTEC LLC, which is the legal entity through which we and WITTE are pursuing emerging markets outside of Europe and North America. Additionally, the two companies will jointly own the intellectual property rights for any products that result from the coordinated activities of our respective research and development resources.

[CAR PHOTO SHOWING STRATTEC PRODUCTS]

[WITTE STRATTEC LOGO]

GLOBAL PARTNERS

[MAP]

1. STRATTEC - MILWAUKEE, WISCONSIN
2. STRATTEC DE MEXICO - JUAREZ, MEXICO
3. STRATTEC COMPONENTES AUTOMOTRICES - JUAREZ, MEXICO
4. WITTE-VELBERT, GERMANY
5. WITTE - NEJDEK, CZECH REPUBLIC
6. WITTE-STRATTEC DO BRASIL - SAO PAULO, BRAZIL
7. WITTE-STRATTEC CHINA - FUZHOU, CHINA

CYCLICAL NATURE OF THE BUSINESS

The manufacturing of components used in automobiles is driven by the normal peaks and valleys associated with the automotive industry. Typically, the months of July and August are relatively slow as summer vacation shutdowns and model year changeover occur at the automotive assembly plants. September volumes increase rapidly as the new model year begins. This volume strength continues through October and into early November. As the holiday and winter seasons approach, the demand for automobiles slows. March usually brings a major sales and production increase, which then continues through most of June. This results in our first fiscal quarter (ending in September) sales and operating results typically being our weakest, with the remaining quarters being more consistent.

ECONOMIC VALUE COMMITMENT

The underlying philosophy of our business, and the means by which we measure our performance, is Economic Value Added (EVA(R)). Simply stated, economic value is created when our business enterprise yields a return greater than the cost of capital we and our shareholders have invested in STRATTEC. The amount by which our return exceeds the cost of our capital is EVA(R). In line with this philosophy, EVA(R) bonus plans are in effect for all our U.S. associates, outside directors and many of our Mexico-based associates as an incentive to help positively drive the business.

STRATTEC's significant market share is the result of an eight-decade-long commitment to creating quality products and systems that are responsive to changing needs. As technologies advance and markets grow, STRATTEC retains that commitment to meeting and exceeding the expectations of our customers, and providing economic value to our shareholders.

VEHICLE LIST

2003 VEHICLES

We're proud of the quality vehicles that use STRATTEC components. They include over-the-road trucks like Peterbilt, Kenworth, Mack, Freightliner, Navistar and Volvo. And recreational vehicles such as Winnebago. Also, the following model year 2003 cars and light trucks:

CARS

Buick Century	Chrysler PT Cruiser	Mitsubishi Galant
Buick La Sabre	Chrysler Sebring	Oldsmobile Alero
Buick Park Avenue	Dodge Intrepid	Pontiac Grand Am
Buick Regal	Dodge Neon	Pontiac Grand Prix
Cadillac Deville	Dodge Stratus	Pontiac Sunfire
Chevrolet Cavalier	Dodge Viper	Saturn Ion
Chevrolet Corvette	Ford Taurus	Saturn L Series
Chevrolet Impala	Ford Thunderbird	
Chevrolet Malibu	GM Impact EV1	
Chevrolet Monte Carlo	Jaguar S-Type	
Chrysler Concorde	Lincoln LS	
Chrysler 300M	Mercury Sable	
Chrysler Pacifica*	Mitsubishi Eclipse/Eclipse Spyder	

LIGHT TRUCKS, VANS AND SPORT UTILITY VEHICLES

Cadillac Escalade	Dodge Durango	GMC Yukon XL
Cadillac Escalade ESV*	Dodge Ram Pickup	Hummer H2
Cadillac Escalade EXT	Dodge Ram Van/Wagon	Isuzu Ascender
Chevrolet Astro	Ford Excursion	Isuzu Hombre Pickup
Chevrolet Avalanche	Ford Expedition	Jeep Grand Cherokee
Chevrolet Blazer	Ford Explorer	Jeep Liberty
Chevrolet Express	Ford Explorer Sport	Jeep Wrangler
Chevrolet S-10 Pickup	Ford Explorer Sport Trac	Lincoln Aviator
Chevrolet Silverado Pickup	Ford F-Series Pickup	Lincoln Blackwood

Chevrolet SSR*	Ford F-Series Super Duty	Lincoln Navigator
Chevrolet Suburban	Ford Ranger Pickup	Mazda B-Series Pickup
Chevrolet Tahoe	GMC Envoy / Envoy XL	Mercury Mountaineer
Chevrolet Trailblazer	GMC Equinox*	Mitsubishi Montero Sport*
Chevrolet Trailblazer XL	GMC Jimmy	Oldsmobile Bravada
Chevrolet Venture	GMC Safari	Oldsmobile Silhouette
Chrysler Town & Country	GMC Savana	Pontiac Montana
Chrysler Voyager	GMC Sierra Pickup	
Dodge Caravan/Grand Caravan	GMC Sonoma Pickup	
Dodge Dakota Pickup	GMC Yukon	

* Starting production in calendar year 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Discussion and Analysis should be read in conjunction with the Company's Financial Statements and Notes thereto. Unless otherwise indicated, all references to years refer to fiscal years.

RESULTS OF OPERATIONS
2002 COMPARED TO 2001

Net sales were $207.3 million in 2002 compared to $203.0 million in 2001. Sales to the Company's largest customers overall increased in the current year compared to the prior year levels, with General Motors at $64.1 million compared to $60.2 million, Delphi Corporation at $29.5 million compared to $26.9 million, and DaimlerChrysler Corporation at $37.9 million compared to $33.9 million. Sales to Ford Motor Company and Mitsubishi Motor Manufacturing of America decreased in comparison to the prior year, with Ford at $42.4 million compared to $45.3 million and Mitsubishi at $10.0 million compared to $12.2 million. The change in sales to these customers is primarily the result of actual vehicle production at our customers' assembly plants related to the vehicles the Company supplies, content changes and agreed upon price reductions with these customers. In addition, a 16-day strike at the Company's Milwaukee facility in June 2001 resulted in a shift in sales from 2001 to 2002 due to delayed shipments of approximately $1.5 million.

Gross profit as a percentage of net sales was 21.2 percent in 2002 compared to 19.8 percent in 2001. The gross margin improvement is primarily the result of the Company's ongoing cost reduction initiatives and was also impacted by a more normalized production schedule during the last three quarters of 2002 allowing for better management of costs. In addition, the prior year margin was negatively impacted by the 16-day strike at the Milwaukee facility, which resulted in additional costs to support customer requirements, reduced efficiencies at the Company's Mexican facility, and reduced sales due to delayed shipments. The strike also negatively impacted the margin in the first quarter of 2002 as additional costs were incurred to expedite past due orders and rebuild inventories depleted during the strike.

Engineering, selling and administrative expenses were $19.6 million, or 9.5 percent of net sales in 2002, compared to $19.7 million, or 9.7 percent of net sales in 2001. Cost savings realized as a result of the human resources realignment, which took place in the third quarter of fiscal 2001, were offset by additional engineering costs incurred during 2002 in the development of new products.

Income from operations was $24.3 million in 2002, compared to $20.6 million in 2001, reflecting the increased sales volumes and profitability as discussed above.

The effective income tax rate was 37.0 percent in both 2002 and 2001. The overall effective rate differs from the federal statutory tax rate primarily due to the effects of state income taxes.

RESULTS OF OPERATIONS
2001 COMPARED TO 2000

Net sales were $203.0 million in 2001 compared to $224.8 million in 2000. Fiscal 2000 included one additional shipping week, which accounted for approximately $3.8 million of the overall sales reduction in 2001. Sales to the Company's largest customers overall decreased in fiscal 2001 compared to the record fiscal 2000 levels, with General Motors at $60.2 million compared to

$69.0 million, Delphi Corporation at $26.9 million compared to $31.5 million, DaimlerChrysler Corporation at $33.9 million compared to $35.1 million, and Ford Motor Company at $45.3 million compared to $54.5 million. Sales to Mitsubishi Motor Manufacturing of America actually increased from $9.4 million to $12.2 million. The overall sales decrease is the result of reduced vehicle production at our customers' assembly plants. In addition, a 16-day strike at the Company's Milwaukee facility in June 2001 resulted in a shift in sales from 2001 to 2002 due to delayed shipments of approximately $1.5 million.

Gross profit as a percentage of net sales was 19.8 percent in 2001 compared to 22.0 percent in 2000. The lower gross margin was the result of several factors, including a 16-day strike in June 2001 at the Company's Milwaukee facility which resulted in additional costs to support customer requirements, reduced efficiencies at the Company's Mexican facility, and reduced sales due to delayed shipments. Also negatively impacting the fiscal 2001 margin was less favorable absorption of manufacturing costs due to reduced production volumes resulting from customer plant shutdowns, an overall decline in automotive production, and a reduction in the Company's inventory levels in comparison to the prior year. Additional items impacting the gross margin included an increase in the cost of zinc, and increased U.S. dollar costs at the Company's Mexico assembly facility. The average cost of zinc per pound, which the Company uses at a rate of approximately 1 million pounds per month, increased to approximately $.57 in 2001, from approximately $.55 in 2000. The increased U.S. dollar costs at the Company's Mexico assembly facility were the result of the appreciation of the Mexican peso and overall inflation in Mexico in the current year. The inflation rate in Mexico for the 12 months ended June 2001 was approximately 7 percent while the U.S. dollar/Mexican peso exchange rate fell to approximately 9.4 in 2001, from approximately 9.5 in 2000.

Engineering, selling and administrative expenses were $19.7 million, or 9.7 percent of net sales in 2001, compared to $20.3 million, or 9.0 percent of net sales in 2000. The decreased operating expenses are attributed to one less week of operating expenses totaling approximately $200,000 in fiscal 2001 compared to fiscal 2000 and the impact of cost savings realized as a result of the human resources realignment which took place in the third quarter of fiscal 2001. The

increase in operating expenses as a percentage of net sales was primarily the result of the reduction in sales as previously discussed.

Income from operations was $20.6 million in 2001, compared to $29.1 million in 2000, reflecting the decreased sales volume and reduced gross margin as discussed above.

The effective income tax rate in 2001 was 37.0 percent compared to 39.0 percent in 2000. The reduction was due to an increase in the foreign sales benefit. The overall effective rate differs from the federal statutory tax rate primarily due to the effects of state income taxes.

LIQUIDITY AND CAPITAL RESOURCES

The Company generated cash from operating activities of $27.6 million in 2002 compared to $23.2 million in 2001. The increase in the generation of cash is due to several factors including increased sales levels and profitability as previously discussed and an increase in accounts payable and accrued liabilities in 2002 as opposed to a decrease in 2001. The changes in accounts payable and accrued liabilities each year were primarily in response to production levels impacting purchases from and payments to vendors in accordance with normal payment terms, and financial results, which impact the bonus amounts paid to eligible associates. In addition, the accounts receivable and inventory balances of $27.9 million and $8.2 million, respectively, at June 30, 2002 were relatively consistent with the July 1, 2001 balances of $27.2 million and $8.6 million, respectively. The prior year finished products inventory levels were depleted as a result of decreased customer vehicle production levels and the 16-day strike during June 2001 at the Milwaukee facility. During 2002, the Company focused efforts to manage inventory levels resulting in reduced in process inventory, which resulted in relatively consistent inventory balances between years. The Company believes the current in process inventory levels will be adequate to meet customer requirements.

Capital expenditures in 2002 were $5.3 million, compared to $7.5 million in 2001. Expenditures were primarily in support of requirements for new product programs and the upgrade and replacement of existing equipment. The Company anticipates that capital expenditures will be approximately $6 million in fiscal 2003, primarily in support of requirements for new product programs and the upgrade and replacement of existing equipment.

The Board of Directors of the Company has authorized a stock repurchase program to buy back up to 3,039,395 outstanding shares. A total of 2,375,992 shares have been repurchased as of June 30, 2002, at a cost of approximately $79.2 million. Additional repurchases may occur from time to time. Funding for the repurchases was provided from cash flow from operations.

The Company has a $50 million unsecured, revolving credit facility (the "Credit Facility"), of which $30 million expires October 31, 2002, and $20 million expires October 31, 2003. There were no outstanding borrowings under the Credit Facility at June 30, 2002. Interest on borrowings under the Credit Facility are at varying rates based, at the Company's option, on the London Interbank Offering Rate, the Federal Funds Rate, or the bank's prime rate. The Credit Facility contains various restrictive covenants including covenants that require the Company to maintain minimum levels for certain financial ratios such as tangible net worth, ratio of indebtedness to tangible net worth and fixed charge coverage. The Company believes that the Credit Facility will be adequate, along with cash flow from operations, to meet its anticipated capital expenditure, working capital and operating expenditure requirements.

The Company has not been significantly impacted by inflationary pressures over the last several years, except for fluctuations in the market price of zinc, which the Company uses at a rate of approximately 1 million pounds per month, fluctuations in the market price of brass, steel and plastic resins and inflation in Mexico, which impacts the U.S. dollar costs of the Mexican assembly and key finishing operations.

MEXICAN OPERATIONS

The Company has assembly and key finishing operations in Juarez, Mexico. Since December 28, 1998, the functional currency of the Mexican operation has been the Mexican peso. The effects of currency fluctuations result in adjustments to the U.S. dollar value of the Company's net assets and to the equity accounts in accordance with Statement of Financial Accounting Standard (SFAS) No. 52, "Foreign Currency Translation."

JOINT VENTURES

On November 28, 2000, the Company signed certain alliance agreements with E. WITTE Verwaltungsgesellschaft GMBH, and its operating unit, WITTE-Velbert GmbH & Co. KG ("WITTE"). WITTE, of Velbert, Germany, is a privately held, QS 9000 and VDA 6.1 certified automotive supplier with sales of approximately 200 million EUROs in their last fiscal year. WITTE designs, manufactures and markets components including locks and keys, hood latches, rear compartment latches, seat back latches, door handles and specialty fasteners. WITTE's primary market for these products has been Europe. The WITTE-STRATTEC alliance provides a set of cross-licensing agreements for the manufacture, distribution and sale of WITTE products by the Company in North America, and the manufacture, distribution and sale of the Company's products by WITTE in Europe. Additionally, a joint venture company ("WITTE-STRATTEC LLC") in which each company holds a 50 percent interest has been established to seek opportunities to manufacture and sell

both companies' products in other areas of the world outside of North America and Europe.

On March 1, 2002, WITTE-STRATTEC LLC completed the formation of WITTE-STRATTEC China, a joint venture between WITTE-STRATTEC LLC and a unit of Elitech Technology Co. Ltd of Taiwan. WITTE-STRATTEC China, located in Fuzhou, People's Republic of China, will be the base of operations to service the

Company's automotive customers in the Asian market. In November 2001, WITTE-STRATTEC do Brasil, a joint venture formed between WITTE-STRATTEC LLC and Ifer Estamparia e Ferramentaria Ltda. was formed to service customers in South America.

The Company made initial investments in the joint ventures of $690,000 in 2002. The investments are accounted for using the equity method of accounting. The activities related to the joint ventures resulted in a loss of $297,000 in 2002.

CRITICAL ACCOUNTING POLICIES

The Company believes the following represents its critical accounting policies:

Pension and Post-Retirement Health Benefits - The determination of the obligation and expense for pension and post-retirement health benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in the Notes to Financial Statements and include, among others, the discount rate, expected long term rate of return on plan assets and rates of increase in compensation and health care costs. In accordance with accounting principles generally accepted in the United States of America, actual results that differ from these assumptions are accumulated and amortized over future periods. While the Company believes that the assumptions used are appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and post-retirement health obligations and future expense.

Other Reserves - The Company has reserves such as an environmental reserve, incurred but not reported claim reserves for self-insured health plans, and a repair and maintenance supply parts reserve. These reserves require the use of estimates and judgement with regard to risk exposure, ultimate liability, and net realizable value. The Company believes such reserves are estimated using consistent and appropriate methods. However, changes to the assumptions could materially affect the recorded reserves.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In July 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Impairment or Disposal of Long-Lived Assets," which is effective for fiscal years beginning after December 15, 2001. The provisions of this Statement provide a single accounting model for impairment of long-lived assets. The adoption of SFAS No. 144 is not expected to have a material impact on the Company's financial position or its results of operations.

RISK FACTORS

The Company understands it is subject to the following risk factors based on its operations and the nature of the automotive industry in which it operates:

Loss of Significant Customers - Sales to General Motors Corporation, Ford Motor Company, DaimlerChrysler Corporation and Delphi Corporation represent approximately 85 percent of the Company's annual sales. Further detail regarding sales to these customers is discussed in the Notes to Financial Statements. The contracts with these customers provide for supplying the customer's requirements for a particular model. The contracts do not specify a specific quantity of parts. The contracts typically cover the life of a model, which averages approximately 4 to 5 years. Certain customer models are also market tested annually. Therefore, the loss of any one of these customers, the loss of a contract for a specific vehicle model, or a significant reduction in demand for certain key models could have a material adverse effect on the Company's existing and future revenues and net income.

Cost Reduction - There is continuing pressure from the Company's major customers to reduce costs, including the cost of components purchased from outside suppliers. If the Company is unable to generate sufficient production cost savings in the future to offset price reductions and any reduction in consumer demand for automobiles, the Company's gross margin and profitability would be adversely affected.

Cyclicality and Seasonality in the Automotive Market - The automotive market is highly cyclical and is dependent on consumer spending. Economic factors adversely affecting automotive production and consumer spending could adversely impact the Company's revenues and net income. The Company typically experiences decreased revenue and operating income during the first fiscal quarter of each year due to the impact of scheduled customer plant shut-downs in July and new model changeovers.

Foreign Operations - As discussed under Joint Ventures, the Company has joint venture investments in Brazil and China. These operations are currently not material to the total financial statements of the Company. However, as these operations expand, their success will depend, in part, on the ability to anticipate and effectively manage certain risks inherent in international operations including: enforcing agreements and collecting receivables through certain foreign legal systems, payment cycles of foreign customers, compliance with foreign tax laws, general economic and political conditions in these countries, and compliance with foreign laws and regulations.

Currency Exchange Rate Fluctuations -The Company incurs a portion of its expenses in Mexican pesos. Exchange rate fluctuations between the U.S. dollar and the Mexican peso

could have an adverse effect on financial results.

Sources of and Fluctuations in Market Prices of Raw Materials - The primary raw materials used by the Company are high-grade zinc, brass, steel and plastic resins. These materials are generally available from a number of suppliers, but the Company has chosen to concentrate its sourcing with one primary vendor for each commodity. The Company believes its sources of raw materials are reliable and adequate for its needs. However, the development of future sourcing issues related to the availability of these materials as well as significant fluctuations in the market prices of these materials may have an adverse affect on the Company's financial results.

Disruptions due to Work Stoppages and Other Labor Matters - The Company's major customers and many of their suppliers have unionized work forces. Work stoppages or slow-downs experienced by the Company's customers or their suppliers could result in slow-downs or closures of assembly plants where the Company's products are included in assembled vehicles. For example, strikes by the United Auto Workers led to a shut-down of most of General Motors Corporation's North American assembly plants in June and July of 1998. A material work stoppage experienced by one or more of the Company's customers could have an adverse effect on the Company's business and its financial results. In addition, all production associates at the Company's Milwaukee facility are unionized. A 16-day strike by these associates in June 2001 resulted in increased costs by the Company as all salaried associates worked with additional outside resources to produce the components necessary to meet customer requirements. The current contract with the unionized associates is effective through June 26, 2005. The Company may encounter further labor disruption after the effective date of this contract and may also encounter unionization efforts in its other plants or other types of labor conflicts, any of which could have an adverse effect on the Company's business and its financial results.

Environmental and Safety Regulations - The Company is subject to federal, state, local and foreign laws and other legal requirements related to the generation, storage, transport, treatment and disposal of materials as a result of its manufacturing and assembly operations. These laws include the Resource Conservation and Recovery Act (as amended), the Clean Air Act (as amended), and the Comprehensive Environmental Response, Compensation and Liability Act (as amended). The Company has an environmental management system that is ISO-14001 certified. The Company believes that its existing environmental management system is adequate and it has no current plans for substantial capital expenditures in the environmental area.

As discussed in the Notes to Financial Statements, a site at the Company's Milwaukee facility is contaminated by a solvent spill from a former above-ground solvent storage tank, located on the east side of the facility, which occurred in 1985. This is being monitored in accordance with federal, state and local requirements.

The Company does not currently anticipate any materially adverse impact on its results of operations, financial condition or competitive position as a result of compliance with federal, state, local and foreign environmental laws or other legal requirements. However, risk of environmental liability and charges associated with maintaining compliance with environmental laws is inherent in the nature of the Company's business and there is no assurance that material liabilities or charges could not arise.

Highly Competitive Automotive Supply Industry - The automotive component supply industry is highly competitive. Some of the Company's competitors are companies, or divisions or subsidiaries of companies, that are larger than the Company and have greater financial and other resources. The Company's products may not be able to compete successfully with the products of these other companies, which could result in loss of customers and, as a result, decreased revenues and profitability. In addition, the Company's competitive position in the North American automotive component supply industry could be adversely affected in the event that it is unsuccessful in making strategic acquisitions or establishing joint ventures that would enable it to expand globally.

The Company principally competes for new business at the beginning of the development of new models and upon the redesign of existing models by its major customers. New model development generally begins two to five years prior to the marketing of such new models to the public. The failure to obtain new business on new models or to retain or increase business on redesigned existing models could adversely affect the Company's business and financial results. In addition, as a result of relatively long lead times for many of its components, it may be difficult in the short-term for the Company to obtain new sales to replace any unexpected decline in the sale of existing products. The Company may incur significant product development expense in preparing to meet anticipated customer requirements which may not be recovered.

Program Volume and Pricing Fluctuations - The Company incurs costs and makes capital expenditures for new program awards based upon certain estimates of production volumes over the anticipated program life for certain vehicles. While the Company attempts to establish the price of its products for variances in production volumes, if the actual production of certain vehicle models is significantly less than planned, the Company's revenues and net income may be adversely affected. The Company cannot predict its customers' demands for the products it supplies either in the aggregate or for particular reporting periods.

Investments in Customer Program Specific Assets - The Company makes investments in machinery and equipment used exclusively to manufacture products for specific customer programs. This machinery and equipment is capitalized and depreciated over the expected

useful life of each respective asset. Therefore, the loss of any one of the Company's major customers or specific vehicle models could result in impairment in the value of these assets and have a material adverse effect on the Company's financial results.

PROSPECTIVE INFORMATION

A number of the matters and subject areas discussed in this Annual Report contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words or phrases such as "anticipate," "believe," "would," "expect," "intend," "may," "planned," "potential," "should," "will," and "could." These include expected future financial results, product offerings, global expansion, liquidity needs, financing ability, planned capital expenditures, management's or the Company's expectations and beliefs, and similar matters discussed in the Company's Management's Discussion and Analysis. The discussions of such matters and subject areas are qualified by the inherent risks and uncertainties surrounding future expectations generally, and also may materially differ from the Company's actual future experience.

The Company's business, operations and financial performance are subject to certain risks and uncertainties, which could result in material differences in actual results from the Company's current expectations. These risks and uncertainties include, but are not limited to, general economic conditions, in particular, relating to the automotive industry, customer demand for the Company's and its customers' products, competitive and technological developments, customer purchasing actions, foreign currency fluctuations, costs of operations and other matters described under "Risk Factors" above.

Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this Annual Report and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances occurring after the date of this Annual Report.

CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Fiscal Years Ended		
	June 30, 2002	July 1, 2001	July 2, 2000
NET SALES	$ 207,286	$ 202,973	$224,817
Cost of goods sold	163,370	162,735	175,459
GROSS PROFIT	43,916	40,238	49,358
Engineering, selling and administrative expenses	19,644	19,676	20,254
INCOME FROM OPERATIONS	24,272	20,562	29,104
Interest income	538	628	1,056
Interest expense	--	--	--
Other income (expense), net	(42)	(514)	189
INCOME BEFORE PROVISION FOR INCOME TAXES	24,768	20,676	30,349
Provision for income taxes	9,164	7,650	11,836
NET INCOME	$ 15,604	$ 13,026	$ 18,513
EARNINGS PER SHARE:			
BASIC	$ 3.80	$ 3.02	$ 3.75
DILUTED	$ 3.73	$ 2.96	$ 3.65
AVERAGE SHARES OUTSTANDING:			
BASIC	4,109	4,310	4,936
DILUTED	4,185	4,401	5,079

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED BALANCE SHEETS (IN THOUSANDS)

	June 30, 2002	July 1, 2001

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 34,956	$ 15,298
Receivables, less allowance for doubtful accounts of $250 at June 30, 2002, and July 1, 2001	27,860	27,189
Inventories	8,242	8,605
Customer tooling in progress	3,499	2,588
Future income tax benefits	2,022	1,880
Other current assets	5,668	4,107
Total current assets	82,247	59,667
DEFERRED INCOME TAXES	469	130
INVESTMENT IN JOINT VENTURE	393	--
PROPERTY, PLANT, AND EQUIPMENT, NET	38,531	41,851
	$ 121,640	$ 101,648
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 15,291	$ 14,178
Accrued liabilities:		
Payroll and benefits	9,725	7,501
Environmental	2,730	2,749
Income taxes	1,736	354
Other	2,043	1,711
Total current liabilities	31,525	26,493
BORROWINGS UNDER REVOLVING CREDIT FACILITY	--	--
ACCRUED PENSION OBLIGATIONS	10,728	10,617
ACCRUED POSTRETIREMENT OBLIGATIONS	4,720	4,528
SHAREHOLDERS' EQUITY		
Common stock, authorized 12,000,000 shares $.01 par value, issued 6,495,780 shares at June 30, 2002, and 6,195,889 shares at July 1, 2001	65	62
Capital in excess of par value	59,425	49,545
Retained earnings	96,594	80,990
Accumulated other comprehensive loss	(2,440)	(1,749)
Less: Treasury stock, at cost (2,364,145 shares at June 30, 2002 and 2,149,800 shares at July 1, 2001)	(78,977)	(68,838)
Total shareholders' equity	74,667	60,010
	$ 121,640	$ 101,648

The accompanying notes are an integral part of these consolidated balance sheets.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (IN THOUSANDS)

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Comprehensive Income
BALANCE, JUNE 27, 1999	$ 59	$ 43,999	$ 49,451	$ (2,081)	$ (9,083)	
Net income	-	-	18,513	-	-	$18,513
Translation adjustments	-	-	-	(158)	-	(158)
Comprehensive income						$18,355
Purchase of common stock	-	-	-	-	(44,230)	
Exercise of stock options, including tax benefit of $1,109	2	3,925	-	-	53	

BALANCE, JULY 2, 2000	61	47,924	67,964	(2,239)	(53,260)	
Net income	-	-	13,026	-	-	$13,026
Translation adjustments	-	-	-	490	-	490
Comprehensive income						$13,516
Purchase of common stock	-	-	-	-	(15,620)	
Exercise of stock options, including tax benefit of $436	1	1,621	-	-	42	
BALANCE, JULY 1, 2001	62	49,545	80,990	(1,749)	(68,838)	
Net income	-	-	15,604	-	-	$15,604
Translation adjustments	-	-	-	(691)	-	(691)
Comprehensive income						$14,913
Purchase of common stock	-	-	-	-	(10,165)	
Exercise of stock options, including tax benefit of $1,727	3	9,880	-	-	26	
BALANCE, JUNE 30, 2002	$ 65	$ 59,425	$ 96,594	$ (2,440)	$(78,977)	

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS)

	Years Ended		
	June 30, 2002	July 1, 2001	July 2, 2000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 15,604	$ 13,026	$ 18,513
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	8,270	7,939	7,576
Loss on disposition of property, plant and equipment	115	201	254
Deferred taxes	(391)	(312)	392
Change in operating assets and liabilities:			
(Increase) decrease in receivables	(771)	1,639	7,294
(Increase) decrease in inventories	363	5,737	(538)
(Increase) decrease in other assets	(2,587)	960	(1,284)
Increase (decrease) in accounts payable and accrued liabilities	5,691	(6,830)	2,957
Tax benefit from options exercised	1,727	436	1,109
Other, net	(417)	439	(260)
Net cash provided by operating activities	27,604	23,235	36,013
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in joint venture	(690)	-	-
Additions to property, plant and equipment	(5,297)	(7,548)	(9,357)
Proceeds received on sale of property, plant and equipment	24	88	7

Net cash used in investing activities	(5,963)	(7,460)	(9,350)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of common stock	(10,165)	(15,620)	(44,230)
Exercise of stock options	8,182	1,228	2,871
Net cash used in financing activities	(1,983)	(14,392)	(41,359)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,658	1,383	(14,696)
CASH AND CASH EQUIVALENTS			
Beginning of year	15,298	13,915	28,611
End of year	$ 34,956	$ 15,298	$ 13,915
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Income taxes paid	$ 6,544	$ 7,101	$ 10,880
Interest paid	-	-	-

The accompanying notes are an integral part of these consolidated statements.

NOTES TO FINANCIAL STATEMENTS

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

STRATTEC SECURITY CORPORATION (the "Company") designs, develops, manufactures and markets mechanical locks, electro-mechanical locks and related access-control products for North American and global automotive manufacturers. The accompanying financial statements reflect the consolidated results of the Company, its two wholly owned Mexican subsidiaries, and its foreign sales corporation. The Company has only one reporting segment.

The significant accounting policies followed by the Company in the preparation of these financial statements, as summarized in the following paragraphs, are in conformity with accounting principles generally accepted in the United States of America.

PRINCIPLES OF CONSOLIDATION AND PRESENTATION: The accompanying financial statements reflect the consolidated results of the Company, its wholly owned Mexican subsidiaries, and its foreign sales corporation. All intercompany accounts have been eliminated.

FISCAL YEAR: The Company's fiscal year ends on the Sunday nearest June 30. The years ended June 30, 2002, July 1, 2001, and July 2, 2000 are comprised of 52, 52 and 53 weeks, respectively.

USE OF ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS: The fair value of financial instruments does not materially differ from their carrying values.

CASH AND CASH EQUIVALENTS: Cash and cash equivalents include all short-term investments with an original maturity of three months or less due to the short term nature of the instruments. Excess cash balances are placed in a money market account at a high quality financial institution.

INVENTORIES: Inventories are stated at cost, which does not exceed market. The last-in, first-out (LIFO) method was used for determining the cost of the inventories at the end of each period.

Inventories consist of the following (thousands of dollars):

	June 30, 2002	July 1, 2001
Finished products	$ 2,395	$ 1,737
Work in process	7,909	8,456
Raw materials	427	594
LIFO adjustment	(2,489)	(2,182)
	$ 8,242	$ 8,605

CUSTOMER TOOLING IN PROGRESS: The Company incurs costs related to tooling used in component production and assembly. The Company accumulates its costs for development of certain tooling which will be directly reimbursed by the customer whose parts are produced from the tool. These costs are accumulated on the Company's balance sheet and are then billed to the customer upon formal acceptance by the customer of products produced with the individual tool. Other tooling costs are not directly reimbursed by the customer. These costs are capitalized and amortized over the life of the related product based on the fact that the Company will use the related tool over the life of the supply arrangement.

PROPERTY, PLANT, AND EQUIPMENT: Property, plant, and equipment are stated at cost, and depreciation is computed using the straight-line method over the following estimated useful lives:

Classification	Expected Useful Lives
Land improvements	20 years
Buildings and improvements	20 to 35 years
Machinery and equipment	3 to 10 years

Property, plant, and equipment consist of the following (thousands of dollars):

	June 30, 2002	July 1, 2001
Land	$ 1,419	$ 1,389
Buildings and improvements	11,824	11,780
Machinery and equipment	86,785	82,939
	100,028	96,108
Less: accumulated depreciation	(61,497)	(54,257)
	$ 38,531	$ 41,851

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The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for major renewals and betterments, which significantly extend the useful lives of existing plant and equipment, are capitalized and depreciated. Upon retirement or disposition of plant and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income.

SUPPLIER CONCENTRATIONS: During 2002, approximately 17% of all inventory purchases were made from one major supplier. The Company does have long-term contracts or arrangements with most of its suppliers to guarantee the availability of merchandise.

REVENUE RECOGNITION: Revenue is recognized upon the shipment of products, net of estimated costs of returns and allowances.

RESEARCH AND DEVELOPMENT COSTS: Expenditures relating to the development of new products and processes, including significant improvements and refinements to existing products, are expensed as incurred. Research and development expenditures were approximately $2.6 million in 2002.

FOREIGN CURRENCY TRANSLATION: Since December 28, 1998, the functional currency of the Mexican operation has been the Mexican peso. The effects of currency fluctuations result in adjustments to the U.S. dollar value of the Company's net assets and to the equity accounts in accordance with Statement of Financial Accounting Standard (SFAS) No. 52, "Foreign Currency Translation."

ACCUMULATED OTHER COMPREHENSIVE LOSS: The only component of accumulated other comprehensive loss is cumulative translation adjustments. Deferred taxes have not been provided for the translation adjustments in accordance with SFAS No. 109, "Accounting for Income Taxes."

IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS: In July 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Impairment or Disposal of Long-Lived Assets," which is effective for fiscal years beginning after December 15, 2001. The provisions of this Statement provide a single accounting model for impairment of long-lived assets. The adoption of SFAS No. 144 is not expected to have a material impact on the Company's financial position or its results of operations.

INVESTMENT IN JOINT VENTURE

The Company has a joint venture with E. WITTE Verwaltungsgesellschaft GMBH, and its operating unit, WITTE-Velbert GmbH & Co. KG ("WITTE"), WITTE-STRATTEC LLC, in which each company holds a 50 percent interest. The joint venture was established to seek opportunities to manufacture and sell both companies' products in areas of the world outside of North America and Europe.

On March 1, 2002, WITTE-STRATTEC LLC completed the formation of WITTE-STRATTEC China, a joint venture between WITTE-STRATTEC LLC and a unit of Elitech Technology Co. Ltd of Taiwan. WITTE-STRATTEC China, located in Fuzhou, People's Republic of China, will be the base of operation to service the Company's automotive customers in the Asian market. In addition, WITTE-STRATTEC do Brasil was formed in November 2001 between WITTE-STRATTEC LLC and Ifer Estamparia e Ferramentaria Ltda. to service customers in South

America.

The Company made initial investments in the joint ventures of $690,000 in 2002. The investments are accounted for using the equity method of accounting. The activities related to the joint ventures resulted in a loss of $297,000 in 2002.

REVOLVING CREDIT FACILITY

The Company has a $50 million unsecured, revolving credit facility (the "Credit Facility"), of which $30 million expires October 31, 2002 and $20 million expires October 31, 2003. Interest on borrowings under the Credit Facility are at varying rates based, at the Company's option, on the London Interbank Offering Rate, the Federal Funds Rate, or the bank's prime rate. There were no outstanding borrowings at June 30, 2002 or July 1, 2001. There were no borrowings under the Credit Facility during the years ended June 30, 2002, July 1, 2001, or July 2, 2000.

The Credit Facility contains various restrictive covenants that require the Company to maintain minimum levels for certain financial ratios, including tangible net worth, ratio of indebtedness to tangible net worth and fixed charge coverage. Minimum tangible net worth is based on specified financial results and is calculated at approximately $8.2 million at June 30, 2002.

COMMITMENTS AND CONTINGENCIES

In 1995, the Company recorded a provision of $3.0 million for estimated costs to remediate a site at the Company's Milwaukee facility that was contaminated by a solvent spill, which occurred in 1985 from a former above-ground solvent storage tank located on the east side of the facility. The Company continues to monitor and evaluate the site since the provision was recorded in 1995. The ultimate resolution of this matter is still unknown. However, management believes, based upon findings-to-date and known environmental regulations, that the environmental reserve at June 30, 2002, is adequate to cover any future developments.

INCOME TAXES

The provision for income taxes consists of the following (thousands of dollars):

	2002	2001	2000
Currently payable:			
Federal	$ 6,895	$ 5,817	$ 8,809
State	1,635	1,535	2,044
Foreign	1,025	610	591
	9,555	7,962	11,444
Deferred tax (benefit) provision	(391)	(312)	392
	$ 9,164	$ 7,650	$ 11,836

A reconciliation of the U.S. statutory tax rates to the effective tax rates follows:

2002	2001	2000

U.S. statutory rate	35.0%	35.0%	35.0%
State taxes, net of federal tax benefit	4.1	4.6	4.5
Foreign sales benefit	(.9)	(.9)	(.6)
Other	(1.2)	(1.7)	.1
	37.0%	37.0%	39.0%

The components of deferred tax assets and (liabilities) are as follows (thousands of dollars):

	June 30, 2002	July 1, 2001
Future income tax benefits:		
Customer tooling	$ 95	$ 95
Payroll-related accruals	482	523
Environmental reserve	1,038	1,045
Other	407	217
	$ 2,022	$ 1,880
Deferred income taxes:		
Accrued pension obligations	$ 4,077	$ 4,034
Accumulated depreciation	(5,401)	(5,625)
Postretirement obligations	1,793	1,721
	$ 469	$ 130

Foreign income before the provision for income taxes was $2.5 million in 2002 and was not significant for 2001 and 2000.

RETIREMENT PLANS AND POSTRETIREMENT COSTS

The Company has a noncontributory defined benefit pension plan covering substantially all U.S. associates. Benefits are based on years of service and final average compensation. The Company's policy is to fund at least the minimum actuarially computed annual contribution required under the Employee Retirement Income Security Act of 1974 (ERISA). Plan assets consist primarily of listed equity and fixed income securities. The Company recognizes the expected cost of retiree health care benefits for substantially all U.S. associates during the years that the associates render service. Effective June 1, 2001, any new U.S. associates hired after the above date are no longer eligible for postretirement plan benefits. The postretirement health care plan is unfunded.

The following tables summarize the pension and postretirement plans' income and expense, funded status, and actuarial assumptions for the years indicated (thousands of dollars):

	Pension Benefits		Postretirement Benefits	
	2002	2001	2002	2001
CHANGE IN BENEFIT OBLIGATION:				
Benefit obligation at beginning of year	$ 38,097	$ 31,320	$ 4,387	$ 3,729
Service cost	1,989	1,614	210	184
Interest cost	2,826	2,403	326	286
Plan amendments	(29)	389	-	(78)
Actuarial (gain) loss	(2,428)	3,233	1,158	508

Benefits paid	(1,035)	(862)	(339)	(242)
Benefit obligation at end of year	$ 39,420	$ 38,097	$ 5,742	$ 4,387
CHANGE IN PLAN ASSETS:				
Fair value of plan assets at beginning of year	$ 31,303	$ 34,612	-	-
Actual return on plan assets	(3,560)	(2,753)	-	-
Employer contributions	1,787	306	339	242
Benefits paid	(1,035)	(862)	(339)	(242)
Fair value of plan assets at end of year	28,495	31,303	-	-
Funded status	(10,925)	(6,794)	(5,742)	(4,387)
Unrecognized net (gain) loss	240	(3,696)	878	(280)
Unrecognized prior service cost	305	372	144	139
Unrecognized net transition asset	(348)	(499)	-	-
Accrued benefit cost	$(10,728)	$(10,617)	$ (4,720)	$ (4,528)

	June 30, 2002	July 1, 2001	June 30, 2002	July 1 2001
WEIGHTED-AVERAGE ASSUMPTIONS				
Discount rate	7.25%	7.5%	7.25%	7.5%
Expected return on plan assets	8.5%	8.5%	n/a	n/a
Rate of compensation increases	4.0%	4.0%	n/a	n/a

For measurement purposes, a 7 percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 2002; the rate was assumed to remain at that level thereafter.

	Pension Benefits		Postretirement Benefits	
	2002	2001	2002	2001
COMPONENTS OF NET PERIODIC BENEFIT COST:				
Service cost	$1,989	$1,614	$210	$184
Interest cost	2,826	2,403	326	286
Expected return on plan assets	(2,717)	(2,491)	-	-
Amortization of prior service cost	38	12	10	16
Amortization of unrecognized net gain	(87)	(304)	-	(25)
Amortization of net transition asset	(150)	(150)	-	-

Net periodic benefit cost	$1,899	$1,084	$546	$461

The health care cost trend assumption has a significant effect on the postretirement benefit amounts reported. A 1% change in the health care cost trend rates would have the following effects (thousands of dollars):

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$111	($ 93)
Effect on postretirement benefit obligation	$796	($681)

All U.S. associates of the Company may participate in a 401(k) Plan. The Company contributes a fixed percentage of up to the first 6 percent of eligible compensation that a participant contributes to the plan. The Company's contributions totaled approximately $619,000 in 2002, $679,000 in 2001, and $679,000 in 2000.

SHAREHOLDERS' EQUITY

The Company has 12,000,000 shares of authorized common stock, par value $.01 per share, with 4,131,635 and 4,046,089 shares issued and outstanding at June 30, 2002, and July 1, 2001, respectively. Holders of Company common stock are entitled to one vote for each share on all matters voted on by shareholders.

On February 27, 1995, one common stock purchase right (a "right") was distributed for each share of the Company's common stock outstanding. The rights are not currently exercisable, but would entitle shareholders to buy one-half of one share of the Company's common stock at an exercise price of $30 per share if certain events occurred relating to the acquisition or attempted acquisition of 20 percent or more of the outstanding shares. The rights expire in the year 2005, unless redeemed or exchanged by the Company earlier.

The Board of Directors of the Company authorized a stock repurchase program to buy back up to 3,039,395 outstanding shares. As of June 30, 2002, 2,375,992 shares have been repurchased at a cost of approximately $79.2 million.

EARNINGS PER SHARE (EPS)

A reconciliation of the components of the basic and diluted per share computations follows (thousands of dollars, except per share amounts):

	2002		
	Net Income	Shares	Per-Share Amount
Basic EPS	$15,604	4,109	$3.80
Stock Options		76	
Diluted EPS	$15,604	4,185	$3.73

	2001		
	Net Income	Shares	Per-Share Amount
Basic EPS	$13,026	4,310	$3.02
Stock Options		91	
Diluted EPS	$13,026	4,401	$2.96

	2000		
	Net Income	Shares	Per-Share Amount
Basic EPS	$18,513	4,936	$3.75
Stock Options		143	
Diluted EPS	$18,513	5,079	$3.65

All options were included in the computation of diluted earnings per share for the year ended June 30, 2002. Options to purchase the following shares of common stock were outstanding as of each date indicated but were not included in the computation of diluted EPS because the options' exercise prices were greater than the average market price of the common shares:

	Shares	Exercise Price
July 1, 2001	80,000	$45.79
	80,000	$43.07
	78,623	$37.88
	5,000	$35.97
	20,000	$33.63
July 2, 2000	80,000	$45.79
	78,623	$37.88
	5,000	$35.97

STOCK OPTION AND PURCHASE PLANS

The Company maintains an omnibus stock incentive plan, which provides for the granting of stock options. The Board of Directors has designated 1,200,000 shares of the Company's common stock available for grant under the plan at a price not less than the fair market value on the date the option is granted. Options become exercisable as determined at the date of grant by a committee of the Board of Directors and expire 5 to 10 years after the date of grant unless an earlier expiration date is set at the time of grant. Options vest 1 to 3 years after the date of grant.

	Shares	Weighted Average Exercise Price
Balance at June 27, 1999	637,438	$20.30
Granted	105,000	$43.01
Exercised	175,490	$15.72
Terminated	1,377	$37.88
Balance at July 2, 2000	565,571	$25.89
Granted	136,000	$38.49
Exercised	75,101	$15.18
Terminated	2,500	$30.81

Balance at July 1, 2001	623,970	$29.91
Granted	114,000	$42.51
Exercised	299,891	$27.07
Terminated	17,872	$41.82
Balance at June 30, 2002	420,207	$34.85
Exercisable as of		
June 30, 2002	144,079	$19.56
July 1, 2001	316,847	$20.07
July 2, 2000	277,661	$14.08
Available for grant as of June 30, 2002	69,413	

Options granted at a price greater than the market value on the date of grant included above total 80,000 at an exercise price of $45.44 in 2002, 80,000 at an exercise price of $43.07 in 2001 and 80,000 at an exercise price of $45.79 in 2000.

The Company accounts for its stock-based compensation plans in accordance with APB Opinion No. 25 and related Interpretations as permitted by SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation cost related to these plans was charged against earnings in 2002, 2001, and 2000. Had compensation cost for these plans been determined consistent with SFAS No. 123, the pro forma impact on earnings per share would have been as follows (thousands of dollars):

	June 30, 2002	July 1, 2001	July 2, 2000
Net income			
As reported	$15,604	$13,026	$18,513
Pro forma	$14,955	$12,447	$17,961
Basic earnings per share			
As reported	$ 3.80	$ 3.02	$ 3.75
Pro forma	$ 3.64	$ 2.89	$ 3.64
Diluted earnings per share			
As reported	$ 3.73	$ 2.96	$ 3.65
Pro forma	$ 3.59	$ 2.84	$ 3.54

The fair value of each option grant was estimated as of the date of grant using the Black-Scholes pricing model. The resulting pro forma compensation cost was amortized over the vesting period.

The grant date fair values and assumptions used to determine such impact are as follows:

Options Granted During	2002	2001	2000
Weighted average grant date fair value:			
All options issued	$7.72	$9.08	$9.64
Options issued above grant date market value	$5.85	$7.68	$8.45
Assumptions:			
Risk free interest rates	4.22%	5.38%	6.18%
Expected volatility	23.53%	24.97%	25.39%
Expected term (in years)	5.67	5.50	5.67

No dividends were assumed in the grant date fair value calculations as the Company does not intend to pay cash dividends on the Company common stock in the forseeable future.

The range of options outstanding as of June 30, 2002, is as follows:

Price Range per Share	Number of Options Outstanding/ Exercisable	Weighted Average Exercise Price Outstanding/ Exercisable	Weighted Average Remaining Contractual Life (in years)
$11.75-$17.05	100,500/100,500	$12.20/$12.20	2.8
$19.68-$31.95	28,300/2,300	$31.64/$28.17	8.7
Over $31.95	291,407/41,279	$42.97/$37.00	3.7
	420,207/144,079	$34.85/$19.56	3.8

The Company has an Employee Stock Purchase plan to provide substantially all U.S. full-time associates an opportunity to purchase shares of its common stock through payroll deductions. A participant may contribute a maximum of $5,200 per calendar year to the plan. On the last day of each month, participant account balances are used to purchase shares of stock at the average of the highest and lowest reported sales prices of a share of the Company's common stock on the NASDAQ National Market. A total of 100,000 shares may be issued under the plan. Shares issued from treasury stock under the plan totaled 1,621 at an average price of $38.06 during fiscal 2002, 2,695 at an average price of $33.05 during fiscal 2001, and 3,317 at an average price of $34.07 during fiscal 2000. A total of 88,153 shares are available for purchase under the plan as of June 30, 2002.

EXPORT SALES

Export sales are summarized below (thousands of dollars):

	Export Sales	Percent of Net Sales
2002	$27,025	13%
2001	$29,013	14%
2000	$31,745	14%

These sales were primarily to automotive manufacturing assembly plants in Canada and Mexico.

SALES AND RECEIVABLE CONCENTRATION

Sales to the Company's largest customers were as follows (thousands of dollars and percent of total net sales):

	2002 Sales	%	2001 Sales	%	2000 Sales	%
General Motors Corporation	$ 64,109	31%	$ 60,216	30%	$ 68,985	31%
Ford Motor Company	42,355	21%	45,341	22%	54,498	24%
DaimlerChrysler Corporation	37,940	18%	33,939	17%	35,055	16%
Delphi Corporation	29,500	14%	26,913	13%	31,487	14%

$173,904	84%	$166,409	82%	$190,025	85%

Receivables from the Company's largest customers were as follows (thousands of dollars and percent of gross receivables):

	2002 Receivables	%
General Motors Corporation	$ 5,606	20%
Ford Motor Company	4,327	15%
DaimlerChrysler Corporation	6,597	24%
Delphi Corporation	5,671	20%
	$22,201	79%

REPORT OF INDEPENDENT AUDITORS'

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF STRATTEC SECURITY CORPORATION:

We have audited the accompanying consolidated balance sheet of STRATTEC SECURITY CORPORATION and subsidiaries, as of June 30, 2002, and the related consolidated statements of income, shareholders' equity and cash flows for the year then ended. 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 audit. The Company's financial statements as of July 1, 2001 and for each of the two years in the period ended July 1, 2001 were audited by other auditors whose report dated July 30, 2001, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of STRATTEC SECURITY CORPORATION and subsidiaries, as of June 30, 2002, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/DELOITTE & TOUCHE LLP
Deloitte & Touche LLP
Milwaukee, Wisconsin
July 30, 2002

REPORT OF MANAGEMENT

The management of STRATTEC SECURITY CORPORATION is responsible for the fair presentation and integrity of the financial statements and other information contained in this Annual Report. We rely on a system of internal financial controls to meet the responsibility of providing financial statements. The system provides reasonable assurances that assets are safeguarded, that transactions are executed in accordance with management's authorization and that the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, including amounts based upon management's best estimates and judgments.

The financial statements for each of the years covered in this Annual Report have been audited by independent auditors, who have provided an independent assessment as to the fairness of the financial statements.

The Audit Committee of the Board of Directors meets with management and the independent auditors to review the results of their work and to satisfy itself that their responsibilities are being properly discharged. The independent auditors have full and free access to the Audit Committee and have discussions with the committee regarding appropriate matters, with and without management present.

/s/HAROLD M. STRATTON II	/s/JOHN G. CAHILL	/s/PATRICK J. HANSEN
Harold M. Stratton II Chairman and Chief Executive Officer	John G. Cahill President and Chief Operating Officer	Patrick J. Hansen Vice President and Chief Financial Officer

FINANCIAL SUMMARY

FIVE-YEAR FINANCIAL SUMMARY

The financial data for each period presented below reflects the consolidated results of the Company and its wholly owned subsidiaries. The information below should be read in conjunction with "Management's Discussion and Analysis," and the Financial Statements and Notes thereto included elsewhere herein. The following data are in thousands of dollars except per share amounts.

	Fiscal Years				
	2002	2001	2000	1999	1998
INCOME STATEMENT DATA					
Net sales	$ 207,286	$ 202,973	$ 224,817	$ 202,625	$ 186,805
Gross profit	43,916	40,238	49,358	46,804	39,940
Engineering, selling, and administrative expenses	19,644	19,676	20,254	20,191	18,925
Income from operations	24,272	20,562	29,104	26,613	21,015
Interest income	538	628	1,056	1,132	351
Interest expense	-	-	-	-	(19)
Other income (expense), net	(42)	(514)	189	(239)	73
Income before taxes	24,768	20,676	30,349	27,506	21,420
Provision for income taxes	9,164	7,650	11,836	10,491	7,931
Net income	$ 15,604	$ 13,026	$ 18,513	$ 17,015	$ 13,489
Earnings per share:					
Basic	$ 3.80	$ 3.02	$ 3.75	$ 3.02	$ 2.36
Diluted	$ 3.73	$ 2.96	$ 3.65	$ 2.94	$ 2.30
BALANCE SHEET DATA					
Net working capital	$ 50,722	$ 33,174	$ 32,500	$ 54,861	$ 42,953
Total assets	121,640	101,648	108,982	128,194	107,998
Long-term liabilities	15,448	15,145	14,132	12,915	12,138
Shareholders' Equity	74,667	60,010	60,450	82,345	70,398

QUARTERLY FINANCIAL DATA (UNAUDITED)

					Earnings Per Share		Market Price Per Share	
	Quarter	Net Sales	Gross Profit	Net Income	Basic	Diluted	High	Low
2002	First	$ 49,455	$ 10,082	$ 3,654	$ .90	$ .88	$36.25	$27.00
	Second	49,178	10,106	3,235	.79	.78	36.50	27.50
	Third	51,687	11,374	4,030	.98	.96	48.75	35.25
	Fourth	56,966	12,354	4,685	1.13	1.11	64.29	44.93
	TOTAL	$207,286	$ 43,916	$15,604	$3.80	$3.73		
2001	First	$ 52,421	$ 11,303	$ 3,881	$ .87	$ .85	$39.50	$32.25
	Second	49,988	9,922	3,429	.77	.76	35.25	30.50
	Third	48,179	9,337	2,611	.61	.60	33.50	29.00
	Fourth	52,385	9,676	3,105	.77	.75	35.74	31.20
	TOTAL	$202,973	$ 40,238	$13,026	$3.02	$2.96		

The Company does not intend to pay cash dividends on the Company's common stock in the foreseeable future; rather, it is currently anticipated that Company earnings will be retained for use in its business. The future payment of dividends will depend on business decisions that will be made by the Board of Directors from time to time based on the results of operations and financial condition of the Company and such other business considerations as the Board of Directors considers relevant. The Company's revolving credit agreement contains restrictions on the payment of dividends.

Registered shareholders of record at June 30, 2002, were 3,199.

DIRECTORS/OFFICERS/SHAREHOLDERS INFORMATION

BOARD OF DIRECTORS

HAROLD M. STRATTON II, 54
Chairman and Chief
Executive Officer.

JOHN G. CAHILL, 45
President and Chief
Operating Officer

ROBERT FEITLER, 71
Former President and
Chief Operating Officer
of Weyco Group, Inc.
Chairman of the Executive
Committee and Director
of Weyco Group, Inc.
Trustee of ABN.AMRO Funds

MICHAEL J. KOSS, 48
President and Chief
Executive Officer of
Koss Corporation.
Director of Koss Corporation.

FRANK J. KREJCI, 52
President and Chief
Executive Officer of
Wisconsin Furniture, LLC.

[PHOTO]

STRATTEC BOARD OF DIRECTORS: (LEFT TO RIGHT) JOHN G. CAHILL, MICHAEL J. KOSS, ROBERT FEITLER, HAROLD M. STRATTON II, FRANK J. KREJCI

EXECUTIVE OFFICERS

HAROLD M.
STRATTON II, 54

JOHN G. CAHILL, 45

PATRICK J. HANSEN, 43
Vice President-
Chief Financial Officer,
Treasurer and Secretary.

GERALD L. PEEBLES, 59
Vice President-
General Manager-
Mexican Operations

DONALD J. HARROD, 58
Vice President-
Engineering

KRIS R. PFAEHLER, 47
Vice President-
Marketing and Sales

SHAREHOLDERS INFORMATION

ANNUAL MEETING

The Annual Meeting of Shareholders will convene at 2 p.m. (CST) on October 8, 2002, at the Manchester East Hotel, 7065 North Port Washington Road, Milwaukee.

COMMON STOCK

STRATTEC SECURITY CORPORATION common stock is traded on the NASDAQ National Market under the symbol: STRT.

FORM 10-K

You may receive a copy of the STRATTEC SECURITY CORPORATION Form 10-K, filed with the Securities and Exchange Commission, by writing to the Secretary at STRATTEC SECURITY CORPORATION, 3333 West Good Hope Road, Milwaukee, WI 53209.

SHAREHOLDER INQUIRIES

Communications concerning the transfer of shares, lost certificates or changes of address should be directed to the Transfer Agent.

TRANSFER AGENT AND REGISTRAR

Wells Fargo Bank Minnesota, N.A.
Shareholder Services
P.O. Box 64854
St. Paul, MN 55164-0854
1-800-468-9716

[KEYS IMAGE]

STRATTEC SECURITY CORPORATION

3333 West Good Hope Road
Milwaukee, WI 53209
Phone: 414.247.3333 Fax: 414.247.3329
www.strattec.com

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 333-4300, 333-31002 and 333-45221 on Form S-8 of STRATTEC SECURITY CORPORATION of our reports dated July 30, 2002, appearing in and incorporated by reference in this Annual Report on Form 10-K of STRATTEC SECURITY CORPORATION for the year ended June 30, 2002.

DELOITTE & TOUCHE LLP
Milwaukee, Wisconsin
August 28, 2002