DANA HOLDING CORP
Form DEF 14A
March 15, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

(AMENDMENT NO.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to Section 240.14a-12

DANA HOLDING CORPORATION

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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Dana Holding Corporation

Important Notice Regarding the Availability of Proxy

Materials for the Annual Meeting of

Shareholders to be Held on April 24, 2012

Proxy Statement and Notice of

2012 Annual Meeting of Shareholders

Our Proxy Statement and Annual Report

are Available at www.dana.com/2012proxy

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Dana Holding Corporation

3939 Technology Drive

Maumee, Ohio 43537

March 15, 2012

Dear Fellow Shareholder:

It is our pleasure to invite you to attend the 2012 Annual Meeting of Shareholders of Dana Holding Corporation at 8:30 a.m., Eastern Time, on Tuesday, April 24, 2012 at The Westin Detroit Metropolitan Airport, 2501 Worldgateway Place, Romulus, Michigan 48242. Registration will begin at 7:30 a.m., Eastern Time. A map showing the location of the Annual Meeting is on the back cover of the accompanying proxy statement.

The annual report, which is included in this package, summarizes Dana s major developments and includes our consolidated financial statements.

Whether or not you plan to attend the 2012 Annual Meeting of Shareholders, please either sign and return the accompanying proxy card in the postage-paid envelope or instruct us by telephone or via the Internet indicating how you would like your shares voted. Instructions on how to vote your shares by telephone or via the Internet are on the proxy card enclosed with this proxy statement.

Sincerely,

Keith E. Wandell
Chairman of the Board of Directors

PROXY STATEMENT

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Dana Holding Corporation

Notice of Annual Meeting of Shareholders

March 15, 2012

Date:	April 24, 2012
Time:	8:30 a.m., Eastern Time
Place:	The Westin Detroit Metropolitan Airport 2501 Worldgateway Place Romulus, Michigan 48242

We invite you to attend the Dana Holding Corporation 2012 Annual Meeting of Shareholders to:

1. Elect seven Directors for a one-year term expiring in 2013 or upon the election and qualification of their successors;

2. Act on an advisory vote on executive compensation;

3. Approve the Dana Holding Corporation 2012 Omnibus Incentive Plan;

4. Ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the fiscal year ending December 31, 2012; and

5. Transact any other business that is properly submitted before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

In addition to the items above, the 4.0% Series A Preferred Convertible Holders (Series A Preferred Holders) will vote separately as a class to elect three Directors for a one-year term expiring in 2013 or upon the election and qualification of their successors.

The record date for the Annual Meeting is February 24, 2012 (the Record Date). Only shareholders of record at the close of business on the Record Date can vote at the Annual Meeting. Dana mailed this Notice of Annual Meeting to those shareholders. Action may be taken at the Annual Meeting on any of the foregoing proposals on the date specified above or any date or dates to which the Annual Meeting may be adjourned or postponed.

Dana will have a list of shareholders who can vote at the Annual Meeting available for inspection by shareholders at the Annual Meeting and, for 10 days prior to the Annual Meeting, during regular business hours at Dana s Law Department, 3939 Technology Drive, Maumee, Ohio 43537.

If you plan to attend the Annual Meeting, but are not a shareholder of record because you hold your shares in street name, please bring evidence of your beneficial ownership of your shares (*e.g.,* a copy of a recent brokerage statement showing the shares) with you to the Annual Meeting. You also must bring the proxy card your broker provided to you if you intend to vote at the meeting. See the Questions and Answers section of the proxy statement for a discussion of the difference between a shareholder of record and a street name holder.

Whether or not you plan to attend the Annual Meeting and whether you own a few or many shares of stock, the Board of Directors urges you to vote promptly. Registered holders may vote by signing, dating and returning the enclosed proxy card, by using the automated telephone voting system, or by using the Internet voting system. You will find instructions for voting by telephone and by the Internet on the proxy card and in the Questions and Answers section of the proxy statement.

By Order of the Board of Directors,

Marc S. Levin
Senior Vice President, General Counsel,
and Corporate Secretary

March 15, 2012

Dana Holding Corporation

3939 Technology Drive

Maumee, Ohio 43537

2012 PROXY STATEMENT

QUESTIONS AND ANSWERS

The Board of Directors is soliciting proxies to be used at the Annual Meeting of Shareholders to be held on Tuesday, April 24, 2012, beginning at 8:30 a.m., Eastern Time, at The Westin Detroit Metropolitan Airport, 2501 Worldgateway Place, Romulus, Michigan 48242. This proxy statement and the enclosed form of proxy are being made available to shareholders beginning March 15, 2012.

What is a proxy?

A proxy is your authorization for someone else to vote for you in the way that you want to vote. When you complete and submit a proxy card or use the automated telephone voting system or the Internet voting system, you are submitting a proxy. Dana s Board of Directors is soliciting this proxy. All references in this proxy statement to you will mean you, the shareholder, and to yours will mean the shareholder s or shareholders , as appropriate.

What is a proxy statement?

A proxy statement is a document the United States Securities and Exchange Commission (the SEC) requires to explain the matters on which you are asked to vote on by proxy and to disclose certain related information. This proxy statement and the accompanying proxy card were first mailed to the shareholders on or about March 15, 2012.

What is the purpose of the Annual Meeting?

At our Annual Meeting, shareholders will act upon the matters outlined in the notice of meeting, including i) the election of directors; ii) an advisory vote on executive compensation; iii) approval of the Dana Holding Corporation 2012 Omnibus Incentive Plan; and iv) ratification of the selection of Dana s independent registered public accounting firm. Also, management will report on the state of Dana and respond to questions from shareholders.

What is the record date and what does it mean?

The record date for the Annual Meeting is February 24, 2012 (the Record Date). The Record Date was established by the Board of Directors as required by Delaware law. Holders of common stock and holders of 4.0% Series A Preferred Convertible Stock (Series A Preferred) and 4.0% Series B Preferred Convertible Stock (Series B Preferred, and together with Series A Preferred, Preferred Stock) at the close of business on the Record Date are entitled to receive notice of the meeting and to vote at the meeting and any adjournments or postponements of the meeting.

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Who is entitled to vote at the Annual Meeting?

Holders of our common stock and holders of our Preferred Stock at the close of business on the Record Date may vote at the meeting.

On February 24, 2012, 147,521,817 shares of our common stock, 2,500,000 shares of Series A Preferred and 5,221,199 shares of Series B Preferred were outstanding, and accordingly, are eligible to be voted. Pursuant to our Restated Certificate of Incorporation, the holders of our Preferred Stock vote their Preferred Stock on an as-if-converted basis based on a conversion price of $11.93. As of February 24, 2012, the outstanding Series A Preferred was convertible into approximately 20,955,574 shares of common stock, and the outstanding Series B Preferred was convertible into approximately 43,765,288 shares of common stock.

What are the voting rights of the holders of common stock and Preferred Stock?

Each outstanding share of common stock will be entitled to one vote on each matter to be voted upon.

The number of votes for each share of Preferred Stock is calculated in accordance with Dana s Restated Certificate of Incorporation. At this year s meeting, each outstanding share of Preferred Stock will be entitled to approximately 8.382 votes on each matter to be voted upon. As a result, the holders of our Series A Preferred will have approximately 20,955,574 shares of common stock on an as-if-converted basis to vote and the holders of our Series B Preferred will have approximately 43,765,288 shares of common stock on an as-if-converted basis to vote. The holders of Preferred Stock are permitted to vote on this as-if-converted basis along with the holders of common stock on (i) the election of directors, (ii) an advisory vote on executive compensation, (iii) the approval of the Dana Holding Corporation 2012 Omnibus Incentive Plan and (iv) the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm and for all other matters that properly come before the meeting.

Who elects the Series A Preferred Directors?

Our Restated Certificate of Incorporation and the Shareholders Agreement dated January 31, 2008 give the holders of our Series A Preferred the right to elect three directors at our Annual Meeting. Only the holders of our Series A Preferred will be entitled to vote to elect these three directors to our Board. Currently, Centerbridge Capital Partners, L.P. and certain of its affiliates (collectively, Centerbridge) are the only holders of our Series A Preferred.

What is the difference between a shareholder of record and a street name holder?

If your shares are registered directly in your name, you are considered the shareholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, then the brokerage firm, bank or other nominee is considered to be the shareholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the brokerage firm, bank or other nominee how to vote their shares. See How do I vote my shares? below.

How do I vote my shares?

If you are a shareholder of record as of February 24, 2012, as opposed to a street name holder, you will be able to vote in four ways: In person, by telephone, by the Internet, or by proxy card.

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To vote by proxy card, sign, date and return the enclosed proxy card. To vote by using the automated telephone voting system or the Internet voting system, the instructions for shareholders of record are as follows:

TO VOTE BY TELEPHONE: 800-560-1965

Use any touch-tone telephone to vote your proxy.

Have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available when you call.

Follow the simple instructions the system provides you.

You may dial this toll free number at your convenience, 24 hours a day, 7 days a week. The deadline for telephone voting is 1 PM (ET), April 23, 2012.

(OR)

TO VOTE BY THE INTERNET: www.eproxy.com/dan

Use the Internet to vote your proxy.

Have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available when you access the website.

Follow the simple instructions to obtain your records and create an electronic ballot.

You may log on to this Internet site at your convenience, 24 hours a day, 7 days a week. The deadline for Internet voting is 1 PM (ET), April 23, 2012.

If you submit a proxy to Dana before the Annual Meeting, the persons named as proxies will vote your shares as you directed. If no instructions are specified, the proxy will be voted: i) FOR all of the listed director nominees; ii) FOR approval of the advisory vote on executive compensation; iii) FOR approval of the Dana Holding Corporation 2012 Omnibus Incentive Plan; and iv) FOR ratification of PricewaterhouseCoopers LLP as the independent registered public accounting firm.

You may revoke a proxy at any time before the proxy is exercised by:

(1) delivering written notice of revocation to the Corporate Secretary of Dana at the Dana Law Department, 3939 Technology Drive, Maumee, Ohio 43537;

(2) submitting another properly completed proxy card that is later dated;

(3) voting by telephone at a subsequent time;

(4) voting by Internet at a subsequent time; or

(5) voting in person at the Annual Meeting.

If you hold your shares in street name, you must provide voting instructions for your shares in the manner prescribed by your brokerage firm, bank or other nominee. Your brokerage firm, bank or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the brokerage firm, bank or other nominee how to vote your shares. If you hold your shares in street name and you want to vote in person at the Annual Meeting, you must obtain a legal proxy from your broker and present it at the Annual Meeting. You will also need to provide to us a brokerage statement if you intend to attend the Annual Meeting.

What is a quorum?

There were 212,242,679 shares of Dana s common stock, including Preferred Stock on an as-if-converted basis for voting purposes, issued and outstanding on the Record Date. A majority of the issued and outstanding shares, on an as-if-converted basis, or 106,121,340 shares, present or represented by proxy, constitutes a quorum. A quorum must exist to conduct business at the Annual Meeting.

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Will my shares be voted if I do not provide my proxy?

For shareholders of record: If you are the shareholder of record and you do not vote by proxy card, by telephone or via the Internet or in person at the Annual Meeting, your shares will not be voted at the Annual Meeting.

For holders in street name: If your shares are held in street name, your shares may be voted even if you do not provide the brokerage firm with voting instructions. Under New York Stock Exchange (the NYSE) rules, your broker may vote shares held in street name on certain routine matters. The NYSE rules consider the ratification of the appointment of our independent registered public accounting firm to be a routine matter. As a result, your broker is permitted to vote your shares on this matter at its discretion without instruction from you.

When a proposal is not a routine matter, such as the election of directors, the advisory vote on executive compensation and approval of the 2012 Dana Holding Corporation Omnibus Incentive Plan, and you have not provided voting instructions to the brokerage firm with respect to that proposal, the brokerage firm cannot vote the shares on that proposal. The missing votes for these non-routine matters are called broker non-votes. Broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of quorum, but not as shares present and voting on a specific proposal.

What vote is required?

Proposal I Election of Directors: If a quorum exists, the election requires a plurality vote of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote, meaning that the director nominees with the most affirmative votes are elected to fill the available seats. As outlined in our Bylaws, regardless of this plurality vote any director who receives more withheld votes than for votes in an uncontested election is required to tender his or her resignation to the Board for consideration in accordance with the procedures set forth in the Bylaws. Our Nominating and Corporate Governance Committee will then evaluate the best interests of Dana and its shareholders and will recommend to the Board the action to be taken with respect to the tendered resignation. Following the Board s determination, Dana will promptly publicly disclose the Board s decision of whether or not to accept the resignation and an explanation of how the decision was reached, including, if applicable, the reasons for rejecting the resignation.

Proposal II Advisory Vote on Executive Compensation: If a quorum exists, the proposal represents an advisory vote and the results will not be binding on the Board or Dana. The affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the matter will constitute the shareholders non-binding approval with respect to our executive compensation programs. Therefore, abstentions will have the same effect as voting against the proposal. Broker non-votes will not be counted as eligible to vote on the applicable proposal and, therefore, will have no effect on the outcome of the voting on that proposal. The Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

Proposal III Approval of the 2012 Dana Holding Corporation Incentive Plan: If a quorum exists, the proposal must receive the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal in question. Therefore, abstentions will have the same effect as voting against the proposal. Broker non-votes will not be counted as eligible to vote on the applicable proposal and, therefore, will have no effect on the outcome of the voting on that proposal.

Proposal IV Ratify the Appointment of the Independent Registered Public Accounting Firm: If a quorum exists, the proposal to ratify the appointment of the independent registered public accounting firm must receive the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Therefore, abstentions will have the same effect as voting against the proposal. Brokers will have discretionary voting power to vote this proposal so we do not anticipate any broker non-votes (described above).

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Dana will vote properly completed proxies it receives prior to the Annual Meeting in the way you direct. If you do not specify how you want your shares voted, they will be voted in accordance with management s recommendations. If you hold shares in more than one account, you must vote each proxy and/or voting instruction card you receive to ensure that all shares you own are voted. No other matters are currently scheduled to be presented at the Annual Meeting. An independent third party, Wells Fargo Bank, N.A., will act as the inspector of the Annual Meeting and the tabulator of votes.

Who pays for the costs of the Annual Meeting?

Dana pays the cost of preparing and printing the proxy statement and soliciting proxies. Dana will solicit proxies primarily by mail, but may also solicit proxies personally and by telephone, the Internet, facsimile or other means. Dana will use the services of D.F. King & Co., Inc., a proxy solicitation firm, at a cost of $9,500 plus out-of-pocket expenses and fees for any special services. Officers and regular employees of Dana and its subsidiaries may also solicit proxies, but they will not receive additional compensation for soliciting proxies. Dana also will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their out-of-pocket expenses for forwarding solicitation materials to beneficial owners of Dana s common stock and Preferred Stock.

How can shareholders nominate individuals for election as directors or propose other business to be considered by the shareholders at the 2013 Annual Meeting of Shareholders?

All shareholder nominations of individuals for election as directors or proposals of other items of business to be considered by shareholders at the 2013 Annual Meeting of Shareholders must comply with applicable laws and regulations, including SEC Rule 14a-8, as well as Dana s Restated Certificate of Incorporation, Bylaws, and Shareholders Agreement, and must be submitted in writing to our Corporate Secretary, Dana Holding Corporation, 3939 Technology Drive, Maumee, Ohio 43537.

Under Dana s Bylaws, our shareholders must provide advance notice to Dana if they wish to nominate individuals for election as directors or propose an item of business to be considered by shareholders at the 2013 Annual Meeting of Shareholders. For the 2013 Annual Meeting of Shareholders, notice must be received by Dana s Corporate Secretary no later than the close of business on January 24, 2013 and no earlier than the close of business on December 24, 2012.

If Dana moves the 2013 Annual Meeting of Shareholders to a date that is more than 30 days before or more than 70 days after the date which is the one year anniversary of this year s Annual Meeting date (*i.e.,* April 24, 2013), Dana must receive your notice no earlier than the close of business on the 120th day prior to the meeting date and no later than the close of business on the later of the 90th day prior to the meeting date or the 10th day following the day on which Dana first makes a public announcement of the meeting date. In no event will a public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a shareholder s notice as described above.

If Dana increases the number of directors to be elected to the Board of Directors at the 2013 Annual Meeting of Shareholders and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the one year anniversary of this year s Annual Meeting date (*i.e.,* April 24, 2013), then Dana will consider your notice timely (but only with respect to nominees for any new positions created by such increase) if Dana receives your notice no later than the close of business on the 10th day following the day on which Dana first makes the public announcement of the increase in the number of directors.

Notice Requirements to Nominate Individuals for Election to the Board of Directors

A shareholder s notice to nominate individuals for election to the Board of Directors must provide: (A) all information relating to each individual that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act) and the rules and regulations promulgated thereunder, and (B) such person s written consent to being named in the proxy statement as a nominee and to serve as a director if elected.

Notice Requirements for Shareholder Proposals

A shareholder s notice to propose other business to be considered at the 2013 Annual Meeting of Shareholders must provide a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made.

Additional Notice Requirements Shareholder/Beneficial Owner Disclosures

Any shareholder or beneficial owner, if any, on whose behalf the nomination or proposal is to be made at the 2013 Annual Meeting of Shareholders must provide (A) the name and address of the shareholder or beneficial owner, (B) the class or series and number of shares of capital stock of Dana which are owned beneficially and of record by the shareholder or beneficial owner, (C) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among the shareholder and/or beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the shareholder s notice by, or on behalf of, the shareholder and beneficial owners, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, the shareholder or beneficial owner, whether or not such instrument or right will be subject to settlement in underlying shares of capital stock of Dana, with respect to shares of stock of Dana, (E) a representation that the shareholder is a holder of record of stock of Dana entitled to vote at the 2013 Annual Meeting of Shareholders and intends to appear in person or by proxy at the meeting to propose such business or nomination, (F) a representation whether the shareholder or the beneficial owner, if any, intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of Dana s outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (2) otherwise to solicit proxies from shareholders in support of such proposal or nomination, and (G) any other information relating to the shareholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

The notice requirements above will be deemed satisfied by a shareholder with respect to business other than a director nomination if the shareholder has notified Dana of his, her or its intention to present a proposal at the 2013 Annual Meeting of Shareholders in compliance with applicable rules and regulations promulgated under the Exchange Act and the shareholder s proposal has been included in a proxy statement that has been prepared by Dana to solicit proxies for the 2013 Annual Meeting of Shareholders. For the 2013 Annual Meeting of Shareholders, notice must be received by Dana s Corporate Secretary no later than the close of business on January 24, 2013 and no earlier than the close of business on December 24, 2012. Dana may require any proposed nominee to furnish such other information as it may reasonably require in determining the eligibility of the proposed nominee to serve as a director of Dana.

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Dana s Bylaws specifying the advance notice and additional requirements for shareholder nomination and shareholder proposal requirements are available on Dana s website at www.dana.com.

How many of Dana s directors are independent?

Dana s Board of Directors has determined that eight of Dana s ten current directors, or 80%, are independent. For a discussion of the Board of Directors basis for this determination, see the section of this proxy statement entitled Director Independence and Transactions of Directors with Dana.

Does Dana have a Code of Ethics?

Yes, Dana has *Standards of Business Conduct for Employees*, which applies to employees and agents of Dana and its subsidiaries and affiliates, as well as *Standards of Business Conduct for Members of the Board of Directors*. The *Standards of Business Conduct for Employees* and *Standards of Business Conduct for Members of the Board of Directors* are available on Dana s website at www.dana.com.

Is this year s proxy statement available electronically?

Yes. You may view this proxy statement and the proxy card, as well as the 2011 annual report, electronically by going to our website at www.dana.com/2012proxy and clicking on the document you wish to view, either the proxy statement and proxy card or annual report.

How can I find the results of the Annual Meeting?

Preliminary results will be announced at the Annual Meeting. Final results will be published in a Current Report on Form 8-K to be filed with the SEC within four business days after the Annual Meeting. If the official results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

A copy of Dana s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as filed with the Securities and Exchange Commission, may be obtained without charge upon written request to the Corporate Secretary, Dana Holding Corporation, 3939 Technology Drive, Maumee, Ohio 43537.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 24, 2012.

The proxy statement and Dana s annual report to security holders are available on our website at www.dana.com/2012proxy.

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EXECUTIVE OFFICERS

Following are the names and ages of the executive officers of Dana, their positions with Dana and summaries of their backgrounds and business experience. Our executive officers are those individuals who serve on Dana s Strategy Board. All executive officers are elected or appointed by the Board of Directors and hold office until the annual meeting of the Board of Directors following the annual meeting of shareholders in each year.

Name	Age as of March 1, 2012	Principal Occupation and Business Experience During Past 5 Years	Executive Officer	
Aziz S. Aghili	53	President of Off Highway Technologies (since July 2011), President, Asia Pacific (since October 2010), President, Dana Europe (December 2009 to October 2010), Dana Holding Corporation; Vice President and General Manager, Body Systems (France) (August 2007 to December 2009), Vice President, Asia Pacific (March 2007 to August 2007), Meritor, Inc. (global auto parts supplier).	2011	Present
Jeffrey S. Bowen	54	Chief Administrative Officer (since September 2011), Dana Holding Corporation; Corporate Vice President (January 2010 to August 2011), Vice President, GM Dealership (June 2008 to December 2009), Vice President, Human Resources Operations (2007 to May 2008), Navistar International Corporation (commercial vehicle manufacturer).	2011	Present
George T. Constand	53	Chief Technical and Quality Officer (since January 2009), Vice President Global Engineering, Light Axle Products, Automotive Systems Group (April 2005 to December 2008), Dana Holding Corporation.	2009	Present
Jacqueline A. Dedo	50	Chief Strategy Officer (since June 2010), Chief Strategy and Procurement Officer (June 2010 to June 2011), Senior Vice President Strategy and Business Development (September 2008 to June 2010), Dana Holding Corporation; Senior Vice President of Innovation and Growth (mid 2007 to March 2008), President Automotive Group (April 2004 to mid 2007), The Timken Company (manufacturer of bearings, alloy and specialty steel).	2008	Present
Marc S. Levin	57	Senior Vice President, General Counsel and Secretary (since February 2008), Acting General Counsel and Acting Secretary (April 2007 to February 2008), Deputy General Counsel (February 2005 to April 2007), Dana Holding Corporation.	2008	Present

Name	Age as of March 1, 2012	Principal Occupation and Business Experience During Past 5 Years	Executive Officer
Dwayne Matthews	52	President of Power Technologies (since September 2009), Vice President of Operations and Sales for Sealing Products Group North America (2006 to September 2009), Dana Holding Corporation.	2011 Present
William G. Quigley, III	50	Executive Vice President and Chief Financial Officer (since March 2012), Dana Holding Corporation; Executive Vice President and Chief Financial Officer (November 2007 to October 2011), Senior Vice President and Chief Financial Officer (March 2007 to November 2007), Visteon Corporation (global automotive supplier).	2012 Present
Mark E. Wallace	45	Executive Vice President and President of On Highway Technologies (since June 2011) President Heavy Vehicle Group (August 2009 to June 2011), President of Global Operations (January 2009 to December 2009), President Operational Excellence Group (October 2008 to December 2008), Dana Holding Corporation; President and Chief Executive Officer (January 2008 to October 2008), Vice President and Chief Operating Officer (June 2003 to January 2008) Webasto Roof Systems, subsidiary of Webasto A.G. (supplier of roof systems and heating/cooling systems to vehicle manufacturers).	2008 Present
Roger J. Wood	49	President and Chief Executive Officer (since April 2011), Dana Holding Corporation; Executive Vice President (May 2009 to April 2011) and Group President, Engine (January 2010 to April 2011), BorgWarner, Inc. (a leading, global supplier of highly engineered automotive systems and components); President (August 2005 to December 2009), BorgWarner Turbo Systems Inc. and BorgWarner Emissions Systems Inc. (subsidiaries of BorgWarner Inc.).	2011 to Present

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COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This Compensation Discussion and Analysis describes the key principles and approaches used to determine the elements of compensation awarded to, earned by and paid to each of our named executive officers. This discussion provides information and context to the compensation disclosures included in the accompanying compensation tables and corresponding narrative discussion and footnotes below, and this discussion should be read in conjunction with those disclosures.

We believe that our compensation program objectives outlined below have resulted in decisions on executive compensation that have appropriately encouraged the achievement of financial goals that have benefited our shareholders and are expected to drive long term shareholder value. We had a strong 2011 fiscal year, meeting or exceeding all of our financial goals. Summarized below are some key highlights of our financial performance for fiscal 2011:

- We achieved positive net income of $219 Million.
- Our Adjusted EBITDA was $765 Million on Sales of $7.592 Billion.
- Our Adjusted EBITDA was 10.1% as a percentage of Sales.
- Our Free Cash Flow was $174 Million.

These achievements represent the continuation of a strong growth trend. The compensation decisions made by our Compensation Committee with respect to 2011 reflect our company s strong performance relative to our expectations for the year despite the instability of the global economy, especially as it relates to the European region and Asia-Pacific.

The following members of our Strategy Board are our named executive officers for 2011:

Roger J. Wood President and Chief Executive Officer

James A. Yost Executive Vice President and Chief Financial Officer

Mark E. Wallace Executive Vice President and President, On-Highway Technologies

Aziz S. Aghili President, Off-Highway Technologies and President, Asia-Pacific

Marc S. Levin Senior Vice President, General Counsel and Secretary

John M. Devine, who served as our Executive Chairman prior to retiring from Dana in June 2011 is also included as a named executive officer since he served as our interim CEO during part of 2011. In addition, as previously disclosed, Mr. Yost stepped down from his role as our Chief Financial Officer on March 1, 2012 and will leave Dana on May 12, 2012.

Objectives and Elements of Our Compensation Program

The overall objectives of our executive compensation program are to attract, motivate, reward and retain talent. We believe that in order to achieve our objectives, our compensation and benefits must be competitive with executive compensation arrangements generally provided to executive officers at similar levels at other companies where we compete for talent. The various components of Dana s executive compensation program are designed to:

Align management incentives and shareholder interests;

Motivate executive management and employees to focus on business goals over short term and long term horizons; and

Attract and retain executive talent.

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The principal elements of our executive compensation program are:

- Base salary;
- Annual cash incentives;
- Long term incentives;
- Perquisite allowance; and
- Retirement benefits.

Certain executives, including some of our named executive officers, have executive employment agreements, supplemental executive retirement plans (SERPs), and change in control agreements, as described in the Executive Agreements section below.

Administration

The Compensation Committee of the Board of Directors assists the Board in fulfilling its obligations related to the compensation of Dana s executive officers, and in general, with respect to compensation and benefits programs relating to all employees. Our current Compensation Committee consists of a chairman and independent directors who are appointed annually by the Board. Under its Charter, the Compensation Committee must have a minimum of three members who meet the requirements for independence as set forth by the SEC, the New York Stock Exchange and our Standards of Director Independence. Members of the Committee must also qualify as non-employee directors within the meaning of Exchange Act Rule 16b-3 and as outside directors for purposes of Section 162(m) of the Internal Revenue Code.

The Compensation Committee members during 2011 were: Keith E. Wandell (Chairman), Mark A. Schulz (through October 2011), David P. Trucano (resigned February 2012), Joseph C. Muscari and Steven B. Schwarzwaelder (since October 2011).

The Compensation Committee s responsibilities include, but are not limited to, reviewing our executive compensation philosophy and strategy, participating in the performance evaluation process for our President and Chief Executive Officer (CEO), setting base salary and incentive opportunities for our CEO and other senior executives, establishing the overarching pay philosophy for Dana s management team, establishing incentive compensation and performance goals and objectives for our executive officers and other eligible executives and management, and determining whether performance objectives have been achieved. The Compensation Committee also recommends to the Board employment and severance agreements for our CEO and key senior executives designated by our CEO. Executive sessions are held by the Compensation Committee without the participation of any member of executive management, including the named executive officers.

Compensation Consultant

The Compensation Committee retained Mercer for 2011 as an independent advisor to the Compensation Committee. In addition to its services for the Compensation Committee, separate and distinct from executive and director compensation consulting services, Mercer provided select services for Dana in various other capacities in 2011. Those services included international benefits pooling consulting, other global compensation consulting where Mercer data was most prevalent in a given country, and employee benefits reviews and administration. Our management utilized Pay Governance for compensation and benefits advice.

Our Peer Group and Use of Competitive Market Data

Our management as well as the Compensation Committee reviews competitive market data to assist in decision-making regarding Dana s compensation and benefits programs. Both reviewed market pay data among comparably-sized general industrial companies, as provided by Towers Watson and Mercer. Market pay data was gathered from Towers Watson s 2010 U.S. CDB General Industry Executive Database which contains

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compensation data from over 750 participating companies in the U.S. as well as from Mercer s 2011 Benchmark Database which contains compensation data from over 3,000 participating companies in the U.S.

Our management and the Compensation Committee review the pay and performance of each named executive officer and, in the process, use the survey market pay data and peer group data when available to establish appropriate compensation levels. Our peer group includes the following companies: Eaton Corporation, TRW Automotive Holdings, Navistar International Corp, Cummins Inc., Parker-Hannifin Corp, Lear Corp, Federal-Mogul Corp, Oshkosh Corp, Tenneco Inc, Meritor Inc, BorgWarner Inc, Manitowoc Co, Joy Global Inc, Exide Technologies and Timken Co. Our peer group was selected by the Compensation Committee during 2010 based on the following considerations:

Similar industry Auto Parts and Heavy Equipment Manufacturers;

Similar size range $2.5 billion to $12 billion; and

Industrial Machinery, Construction and Farm Machinery, Heavy Trucks, and other Durable Goods manufacturers

Companies were excluded if they were non-U.S. based companies, companies with expected revenue less than one half and greater than two times Dana s annual revenue and companies recently in bankruptcy.

In October 2011, we completed a comprehensive review of the competitiveness of our U.S.-based employees in relation to base pay, annual and long term incentives and benefits, including our named executive officers. We use external data to develop a competitive range considering market median levels of total compensation and benefits. From time to time, Dana may choose to exceed the market median pay range to attract the right talent or as individual performance dictates, but it is our general policy to target the 50^{th} percentile.

Base Salaries

Base salaries are intended to be market-competitive and to provide a minimum level of guaranteed compensation. The base salaries of the executive officers, including our named executive officers, were determined when they first joined Dana, when they were promoted from within Dana, as part of our annual merit planning process or as a market adjustment. Dana s philosophy is to target a range of +/-15% of the 50th percentile for senior executives. From time to time, when recruiting key talent from other companies both within and outside of the automotive industry or promoting from within Dana, base salaries could exceed the range, based on the candidate s current salary or other factors. Our CEO and Chief Administrative Officer (CAO) are responsible for making salary recommendations to the Compensation Committee for executive officers, other than with respect to their own salary. The increases received by our named executive officers in 2011 consisted of a combination of merit increases, promotions and market adjustments. The average base salary increase (inclusive of merit increases, market adjustments and promotions) for 2011 was 8% for our named executive officers (excluding Mr. Devine who did not receive a base salary increase in 2011).

In April 2011, Dana entered into an executive employment agreement with Mr. Wood to serve as Dana s President and CEO succeeding Mr. Devine who had served as Chairman, interim CEO and President of Dana. Mr. Devine returned to his prior role as Executive Chairman until he retired in June 2011. For a discussion of why Dana chose to split the roles of Executive Chairman and CEO, see the Board Leadership section below. In determining Mr. Wood s base compensation, the Board considered input from Mercer including survey pay data and peer group data for the CEO position.

Annual Incentive Program

Dana maintains an Annual Incentive Program (AIP) for approximately 1,000 employees, including our named executive officers, that provides cash incentives driven by Dana s performance. Each year, the Compensation Committee reviews and approves an annual cash bonus target for the named executive officers, as

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a percentage of base salary. The named executive officers may earn from 0% to 200% of their individual target depending on actual corporate financial performance compared to the pre-established goals set by the Compensation Committee. The Compensation Committee also establishes the performance metrics and goals that are used for determining AIP payouts in compliance with Section 162(m) of the IRS Code.

The 2011 AIP was designed around achieving certain financial target performance goals, which were Earnings Before Interest, Taxes, less Restructuring and certain other adjustments or EBIT-R (60% weighted) of $416 million and Free Cash Flow or FCF of $262 million, defined as cash flow from operations plus i) pension contributions and ii) interest expense paid net of interest income received less i) capital expenditures and ii) reorganization-related claim payments (40% weighted). We believe utilizing EBIT-R as a component of short-term compensation was important because this metric measures our operational profitability without discouraging the pursuit of restructuring and other actions that are expected to provide long term value. Additionally, the Compensation Committee believed that FCF was a fundamental metric to use to determine short term incentive because of the significance of maintaining sufficient capital in industries such as ours. Our 2011 actual results for EBIT-R were $445 million and for FCF $230 million. This performance by Dana in 2011 resulted in a payout of 105% of the established targets for each of our named executive officers.

The amounts of annual incentive awards payable for reaching 2011 performance goals under the 2011 AIP at threshold, target and maximum for each of our named executive officers is set forth below in the table titled Grants of Plan-Based Awards . The actual award paid is set forth in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table .

Long Term Incentive Awards and 2011 Long Term Incentive Program

We believe that our long term incentive awards serve an important role by balancing short term goals with long term shareholder value creation and minimizing risk taking behaviors that could negatively affect long term results. All long term incentive awards are made pursuant to the 2008 Dana Holding Corporation Omnibus Incentive Plan (the Plan). These awards are provided to achieve the following objectives:

- Align the executives interests with those of shareholders;
- Focus executives on longer-term performance and business objectives, particularly the creation of shareholder value;
- Facilitate attraction, motivation and retention of executives; and
- Minimize and balance risk-taking behaviors for long-term results.

2011 Long Term Incentive Program (LTIP)

Approximately 140 senior management employees designated by Dana, including our named executive officers, participated in the 2011 LTIP (excluding Mr. Devine). For 2011, Dana utilized market pay data as described in the annual review mentioned above to create a long term incentive compensation structure for the management team, including our named executive officers. Each of our named executive officers receives an LTIP award based on a target dollar value assigned to his or her position based on our market comparison for similar positions, utilizing both peer and market data. For 2011, our senior executives, including our named executive officers, were eligible for long term incentive awards consisting of 1/3 stock options, 1/3 restricted stock units (RSUs) and 1/3 performance cash.

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We believe it is important to provide our senior executives, including the named executive officers, with stock options, restricted stock units (RSUs) and performance cash because the awards serve different purposes. Stock options, in particular, encourage executives to achieve long term goals because they only have value to the recipient if there are gains in the stock price that would also create value for our shareholders. Since the executive receives value from the stock option grants only in the event of stock appreciation, stock options are a strong incentive to (i) improve long term financial performance, (ii) focus on longer horizon decisions as well as short term decisions and (iii) increase shareholder value. Stock option awards under the 2011 LTIP have a contractual term of 10 years and vest in equal increments over 3 years.

Similar to stock options, RSUs encourage executives to achieve long term goals because they increase in value based on gains in the stock price that would also create value for our shareholders. Unlike stock options, RSUs provide an initial value to the employee which could decrease or increase based on stock price performance which aligns the employee s interest with those of our shareholders. Finally, the RSUs are not generally paid out unless the employee remains with the company through the vesting period which creates an incentive for employees to remain with the company and focus on enhancing long term growth.

Our performance cash award encourages the executive to achieve Dana s long term goals, while being rewarded only if certain financial objectives are achieved. In addition, awards paid over time in our LTIP are intended to have a retentive effect. Performance-based awards under the 2011 LTIP are based on two key metrics; Return On Invested Capital (ROIC) (75% weighted) and Net New Business Wins (25% weighted). Our 2011 target for ROIC was 14.7% and $750 million for Net New Business Wins. Our 2011 results for ROIC was 16% and $900 million for Net New Business Wins. Dana believes these two metrics are significant in that ROIC ensures management uses the company s capital in an effective manner which drives shareholder returns, and Net New Business Wins ensures profitable growth in the future and that we are pursuing the right business.

Performance cash granted in 2011 covers three performance cycles (2011, 2012 and 2013). Each cycle is measured independently using metrics that are aligned to each year s annual operating plan goals. Each year has the potential to be earned at, below, or above target but the award does not vest until the end of the performance period in early 2014. Each metric has a performance range of twenty five percent (25%) to two hundred fifty percent (250%) of target with the combined payout capped at 200%.

Based on 2011 company performance, the Compensation Committee certified that we achieved 169% of target for the 2011 performance cash cycle. The value of stock option awards and restricted stock units granted to each of our named executive officers in 2011 is set forth in the Summary Compensation Table below.

2010 Performance-Based Awards

As previously disclosed in the 2010 Proxy Statement, Dana granted performance shares and performance cash in 2010. These grants are scheduled to vest in 1/3 increments based on meeting or exceeding certain financial performance goals. The 2011 tranche of the 2010 performance-based awards was earned at 169%. Mr. Devine did not participate in this award. The actual cash-based award earned is provided in the Summary Compensation Table below. The performance cash is payable in 2012 and the performance shares are not payable until 2013.

2011 Award to Mr. Devine

In February 2011, the Compensation Committee made a determination that given the short term tenure of Mr. Devine s role as interim CEO of Dana and to induce Mr. Devine to further postpone retirement from Dana until our permanent CEO was named, it was appropriate to provide Mr. Devine with an award comprised of restricted stock units in lieu of participating in the 2011 Long Term Incentive Plan. A portion of this award was earned by Mr. Devine on a pro-rata basis as a result of his retirement from Dana.

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2011 Awards to Mr. Wood

As noted above, Mr. Wood was hired in April 2011 as our President and CEO. Mr. Wood received a long term incentive grant consisting of stock options, restricted stock units and performance cash as well as a cash payment to be used to buy Dana common stock as part of his negotiated executive employment agreement. Additional information regarding these awards is set forth in the Executive Agreements section below. These awards were made i) as an inducement to join Dana, ii) to make up for forfeited incentive awards from his prior employer and iii) as a participant in the 2011 Long Term Incentive Plan. The factors considered in determining the appropriate long term incentive grant for Mr. Wood included competitive compensation related to our peer group and encouraging him to forego outstanding compensation awards at his previous employer.

2011 Award to Mr. Wallace

In June 2011, Mr. Wallace received an award consisting of RSUs. This award was made to Mr. Wallace in recognition of his promotion within Dana to Executive Vice President and President of On-Highway Technologies, our largest business unit. Further, this award contained a retentive component designed to encourage Mr. Wallace to remain with Dana for the long term.

Equity awards granted for each of our named executive officers are set forth in the Grants of Plan-Based Awards table below.

Equity-Based Grant Practices

Under our equity-based granting practices, we make regular equity-based grants to eligible employees, including named executive officers, in the first quarter of the calendar year at a regularly scheduled meeting of the Compensation Committee. Under our current practice, the exercise price, in the case of stock options, is the closing price of our common stock on the New York Stock Exchange on the day of the grant. We also may award equity-based grants during the year to newly hired executive officers as part of their compensation package or to executives based on a promotion during the year. In the case of equity-based grants to newly hired employees who may be executive officers within the meaning of Section 162(m) of the Internal Revenue Code (Covered Employees), or officers subject to Section 16 of the Exchange Act (Section 16 Officers), including named executive officers, the grants are authorized by the Compensation Committee.

Mitigation of Potential Risk in Pay Programs

The Compensation Committee has reviewed our compensation policies and practices and determined that none are reasonably likely to have a material adverse effect on Dana. In order to avoid excessive risk taking behaviors, Dana has put into place several mechanisms, including, but not limited to, stock ownership guidelines, caps on annual incentive payouts, financial performance-based annual incentive programs, long term incentive awards (which are delivered primarily in the form of equity), a practice of using a mix of multiple types of awards, and a practice of using multiple metrics to determine annual and long term incentive payouts. Stock ownership guidelines, as discussed below, encourage our executives to maintain a certain level of company ownership, thus encouraging them to have an interest in the long term success of the company. Long term incentive awards such as restricted stock units or performance shares or equity acquired externally count toward our stock ownership guidelines. Annual incentive payouts are capped to avoid decisions that may lead to an exorbitant payout in one year to the detriment of performance in following years. In addition, our 2008 Omnibus Incentive Plan (and our proposed new 2012 Omnibus Incentive Plan) has a clawback provision related to incentive payments in the event of financial restatements. See Clawback Provisions below.

Stock Ownership Guidelines

We believe it is important to align the interests of the members of our Strategy Board (including our named executive officers) with those of our shareholders through ongoing stock ownership. Our Compensation Committee adopted stock ownership guidelines to encourage executives to own a significant number of shares of

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our common stock. The stock ownership guidelines are calculated based on a multiple of the executive s annual base salary. We require these executives to achieve the targeted stock ownership levels within 5 years of being promoted or named to the applicable executive position.

Title	Minimum Investment (Multiple of base salary)
Chief Executive Officer	5
Members of the Strategy Board	3

Employment Agreements

Our Compensation Committee determined it was necessary to offer executive employment agreements in certain limited circumstances to attract senior executives. As a result, we have executive employment agreements with Messrs. Wood and Yost as discussed under the Executive Agreements section below.

Severance Arrangements

We have adopted both an executive severance plan (Executive Severance Plan) and a change in control severance plan (Change in Control Plan). Each of our current named executive officers (except Mr. Devine) participates in these plans. These arrangements provide certainty to both Dana and the former executive as to their rights and obligations to each other, including restrictive covenants, non-compete agreements and consulting services.

Executive Severance Plan

The Executive Severance Plan was adopted in order to provide severance compensation to eligible executives whose employment is terminated for a reason other than cause, death, total disability or voluntary resignation. The plan is designed to offset the uncertainty of executives regarding their own futures if a termination actually occurs.

Change in Control Plan

We have also adopted the Change in Control Plan to provide severance benefits to eligible executives whose employment is terminated as a result of a change in control of the company. Each of our current named executive officers (except Mr. Devine) participates in the plan. We believe that such a plan helps to both attract and retain executives by reducing the personal uncertainty that arises from the possibility of a future business combination or restructuring. Dana believes that the Change in Control Plan helps to increase shareholder value by encouraging the executives to consider change in control transactions that are in the best interest of Dana and its shareholders, even if the transaction may ultimately result in their termination of employment.

All of our named executive officers who were eligible under the plan voluntarily agreed to waive the excise tax gross up provision of this plan excluding Mr. Yost, whose severance benefit is outlined in his executive employment agreement. As a result, eligible executive officers would receive the better of the following change in control payments on an after-tax basis: i) change in control payment less excise tax (paid by executive), if the payment is deemed to be an excess parachute payment, and less other applicable income taxes or ii) change in control payment reduced to an amount such that an excise tax payment is not triggered, less other applicable income tax. If the excess parachute amount is not triggered, the change in control payment is not affected by any excise tax.

Additional information on the terms and conditions of these plans as they relate to our named executive officers is described in the section entitled Potential Payments and Benefits upon Termination or Change in Control below.

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Perquisites and Other Benefits

Executive Perquisites Plan

We have adopted an Executive Perquisites Plan that provides for an annual cash allowance to eligible employees (including our named executive officers) in lieu of individual executive perquisites. We provide a cash allowance, in lieu of an administratively burdensome and costly perquisite program, as part of a competitive pay package, which assists in recruiting and retaining talented executives from other companies that offer similar benefits. A fixed cash allowance also reduces our costs to administer the various components of a perquisites program. A cash-based program is preferred in lieu of programs such as car allowances, club memberships, tax and financial planning, etc. typically provided in a company-managed executive perquisite program. In addition, our cash perquisite program is a taxable benefit paid on a monthly basis, and unlike some managed perquisite programs, we do not provide tax gross-up payments to cover applicable taxes on the allowance. Our former Executive Chairman received $37,500 in 2011. Our CEO is entitled to $50,000 annually and the remaining named executive officers are each entitled to $35,000 annually.

Individual Discretionary Award

Our Compensation Committee has determined from time to time to grant an individual discretionary award outside of our annual incentive programs. The Compensation Committee believes certain executive officers should be further recognized for extraordinary service to the company and as a result makes limited discretionary awards to these individuals. Mr. Aghili received a cash award in recognition of taking on additional responsibilities during 2011. The actual award paid is set forth in the Bonus column of the Summary Compensation Table .

International Assignment Benefits

We maintain an International Assignment Policy for certain employees who accept an international assignment. The benefits under this program generally include some or all of the following benefits as needed: cost of living allowance, location premium, relocation allowance, housing allowance, transportation allowance, tax preparation, assignment completion payment, repatriation allowance and annual home leave. As a result of Mr. Aghili s role as President, Off-Highway and Asia Pacific, he receives benefits under this program.

For more information on the benefits provided to Mr. Aghili, see the Summary Compensation Table and related footnotes below.

Relocation Assistance

On a limited basis, we offer relocation benefits to our employees and new hires. The benefits under this program generally include some or all of the following benefits as needed: pre-commitment visits, miscellaneous expense allowances, tax assistance, home sale assistance, loss on sale assistance, home purchase closing costs, household goods shipping, and temporary living expenses. Dana provides relocation benefits to encourage employees to relocate and to sell their homes in order to help ease and accelerate the transition time for the employee and the family and to help employees remain focused on our business rather than on personal relocation issues. Mr. Wallace utilized the relocation program during 2011.

For more information on the benefits provided to Mr. Wallace, see the Summary Compensation Table and related footnotes below.

Automotive Transportation

We provide our Executive Vice President and Chief Financial Officer, Mr. Yost, with periodic access to automotive transportation service between his home located in the Detroit metropolitan area and our corporate headquarters in Maumee. We provide this benefit to Mr. Yost in lieu of relocation to the Toledo area. This

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benefit allows Mr. Yost to more efficiently and effectively conduct company business and do it in a safer manner while commuting approximately three hours a day.

For more information on this benefit provided to Mr. Yost, see the Summary Compensation Table and related footnotes below.

Commercial Air Travel

Prior to his June 2011 retirement, we provided limited commercial air travel for Mr. Devine to and from his home in California. This arrangement was made to encourage Mr. Devine to continue service with Dana while his residence and family remained in California and in lieu of relocation and home purchase assistance. This benefit was treated as taxable income to Mr. Devine and was not grossed up by Dana. We no longer provide any air travel accommodations for personal purposes for any employee.

The aggregate cost to Dana of this benefit for Mr. Devine is described further under the Summary Compensation Table and related footnotes below.

Additional Benefits

We maintain a safe harbor 401(k) plan for our employees, including the named executive officers. We match 100% of the employee s contributions up to 3% of compensation and 50% of the employee s contributions from 3% to 5% of compensation; providing a maximum employer match of 4% of compensation to an employee. Matching contributions are credited to participating employees whose compensation exceeds IRS limits in the 401(k) plan. Beginning in 2012, we will make an additional contribution of 1% of an employee s compensation into the 401(k) plan.

We also provide Supplemental Executive Retirement Plans (SERPs) to certain executives, including our named executive officers. The SERP benefit is provided to our executives as part of a competitive retirement program in line with our peers. For more information regarding SERPs, see the narrative following the Nonqualified Deferred Compensation table below.

Clawback Provisions

In order to mitigate risk to Dana of paying either annual or long term incentives based on faulty financial results, we have a policy (Clawback Policy) regarding adjustment of performance-based compensation in the event of a restatement of our financial results that provides for the Compensation Committee to review all bonuses and other compensation paid or awarded to our executive officers based on the achievement of corporate performance goals during the period covered by a restatement. If the amount of such compensation paid or payable to any executive officer based on the originally reported financial results differs from the amount that would have been paid or payable based on the restated financial results, the Compensation Committee makes a recommendation to the independent members of the Board as to whether to seek recovery from the officer of any compensation exceeding that to which he or she would have been entitled based on the restated results or to pay to the officer additional amounts to which he or she would have been entitled based on the restated results, as the case may be. In the case of Mr. Wood, his executive employment agreement sets forth clawback provisions in addition to the Clawback Policy described above. These additional clawback provisions are described below under Executive Agreements .

Impact of Accounting and Tax Treatments

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code limits our ability to deduct annual compensation in excess of $1 million paid to certain of our named executive officers. This limitation generally does not apply to compensation that is considered performance-based . It is our Compensation Committee s position that in administering the performance-based portion of Dana s executive compensation program, it will attempt to satisfy the requirements for deductibility under Section 162(m). However, our Compensation Committee believes that it needs to retain the

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flexibility to exercise its judgment in evaluating an executive s performance and that the total compensation program for executives should be managed and administered in accordance with Dana s objectives and in the overall best interests of Dana s shareholders. Should the requirements for deductibility under Section 162(m) conflict with our executive compensation philosophy and objectives or with the best interests of shareholders, as our Compensation Committee determines, compensation in excess of the Section 162(m) limitations may be authorized in a particular year. For 2011, a portion of the compensation shown in the Summary Compensation Table for Mr. Aghili in excess of $1,000,000 was not deductible for federal income tax purposes.

Accounting for Stock-Based Compensation

We account for stock-based payments under our equity-based plans in accordance with the requirements of FASB ASC Topic 718 (formerly SFAS No. 123(R)). Further information about this accounting treatment can be found in Note 9 to the Consolidated Financial Statements in Dana s Annual Report on Form 10-K for the year ended December 31, 2011.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis (CD&A) with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the CD&A be included in this Proxy Statement and incorporated by reference into our Annual Report on Form 10-K.

Compensation Committee

Keith E. Wandell, Chairman

Joseph C. Muscari

Steven B. Schwarzwaelder

February 21, 2012

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EXECUTIVE COMPENSATION

The following table summarizes the compensation of our President and CEO, Executive Vice President and CFO, and our three other most highly compensated executive officers serving at the end of the fiscal year ended December 31, 2011 as well as our former Executive Chairman who served as interim CEO for a portion of 2011 for which disclosure is required for the 2011 fiscal year (collectively, the named executive officers) for services rendered during the years stated in all capacities to Dana and our subsidiaries.

SUMMARY COMPENSATION TABLE

Name and Principal Position[1]	Year[2]	Salary ($)	Bonus ($)[3]	Stock Awards ($)[4]	Option Awards ($)[5]	Non-Equity Incentive Plan Compensation[6] ($)	Change in Nonqualified Deferred Compensation Earnings[9] ($)	All Other Compensation ($)[7][8]	Total ($)
Roger J. Wood *President and Chief Executive Officer*	2011	671,032	1,250,000	6,243,667	1,266,667	1,147,125	17,041	69,700	10,665,232
James A. Yost *Executive Vice President and Chief Financial Officer*	2011	643,500	0	530,400	530,400	823,117	344,857	53,763	2,926,037
	2010	618,000	62,000	510,000	510,000	870,064	178,586	66,249	2,814,899
	2009	576,923	125,000	0	97,500	0	114,199	69,080	982,702
Mark E. Wallace *Executive Vice President and President of On-Highway Technologies*	2011	517,213	0	822,809	310,500	642,007	32,059	133,162	2,457,750
	2010	461,813	59,000	300,000	300,000	585,862	12,673	47,461	1,766,809
	2009	390,384	100,000	0	40,500	0	0	404,518	935,402
Aziz S. Aghili *President of Off-Highway Technologies and Asia-Pacific*	2011	435,117	50,000	172,917	172,917	398,350	20,806	790,957	2,041,064
Marc S. Levin *Senior Vice President, General Counsel and Secretary*	2011	419,250	0	260,000	260,000	453,906	41,070	46,387	1,480,613

SUMMARY COMPENSATION TABLE FOR FORMER EXECUTIVE OFFICER

Name and Principal Position[1]	Year[2]	Salary ($)	Bonus ($)	Stock Awards ($)[4]	Option Awards ($)[5]	Non-Equity Incentive Plan Compensation[6] ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)[7][8]	Total ($)
John M. Devine[10] *Retired Executive*	2011	520,000	0	2,000,000	0	546,000	0	80,635	3,146,635
Chairman	2010	1,006,061	27,000	0	493,513	2,205,000	0	154,380	3,885,954
	2009	1,298,077	500,000	0	0	0	0	790,412	2,588,489

Footnotes:

(1) The latest position held by the named executive officer as of December 31, 2012. Mr. Devine who is in our Summary Compensation Table for Former Executive Officer retired on June 30, 2011. Mr. Yost stepped down from his role as our Chief Financial Officer on March 1, 2012 and will leave Dana on May 12, 2012.

(2) We have disclosed full year compensation only for those years during which the executive was a named executive officer.

(3) This column includes sign-on bonuses provided to Mr. Wood as part of his executive employment agreement upon his hire with Dana as discussed in the Executive Agreements section below. In addition, the column includes the Individual Discretionary Award provided to Mr. Aghili as discussed in the Compensation Discussion and Analysis above.

(4) With respect to 2011 grants, this column shows the grant date value of restricted stock unit awards. With respect to 2010 grants, this column shows performance-based equity awards and reflects the award value at the date of the grant based on the most probable outcome of the performance conditions to which the award is subject in accordance with FASB ASC Topic 718. For additional information on the assumptions used in determining fair value for share-based compensation, refer to notes 1 and 9 of the Notes to the Consolidated Financial Statements in Dana s Annual Report on Form 10-K for the year ended

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December 31, 2011. See the Grants of Plan-Based Awards table below for information on awards made in 2011. See the Outstanding Equity Awards at Fiscal Year-End table for information on the market value of shares not vested as of December 31, 2011.

(5) This column shows performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code and reflects the full grant date fair values in accordance with FASB ASC Topic 718. For additional information on the assumptions used in determining the value for share-based compensation, refer to notes 1 and 9 of the Notes to the Consolidated Financial Statements in Dana s Annual Report on Form 10-K for the year ended December 31, 2011. See the Grants of Plan-Based Awards table below for information on awards made in 2011. See the Outstanding Equity Awards at Fiscal Year-End table for information on the number of exercisable and unexercisable options held, option exercise price, and option expiration dates as of December 31, 2011.

(6) This column shows the cash incentive awards earned for performance under our 2011 Annual Incentive Program (AIP) and our Long Term Incentive Performance Cash program for 2011.

Annual Incentive Program Payments		Long-Term Incentive Performance Cash Payments	
Roger J. Wood	$ 1,147,125	James A. Yost	$ 311,242
James A. Yost	$ 511,875	Mark E. Wallace	$ 207,307
Mark E. Wallace	$ 434,700	Aziz S. Aghili	$ 67,600
Aziz S. Aghili	$ 330,750	Marc S. Levin	$ 161,113
Marc S. Levin	$ 292,793		
John M. Devine	$ 546,000		

(7) The total values shown for the individuals during 2011 includes perquisites and benefits set forth below and in footnote 8. See the Compensation Discussion and Analysis section above regarding our executive perquisites allowance:

Roger J. Wood $35,317 for perquisite allowance; $9,800 for contributions to Dana Retirement Savings Plan (401K); $1,137 for life benefits (including AD&D and group variable universal life insurance); $13,880 for professional fees and costs incurred in connection with the documentation of the employment agreement.

James A. Yost $35,000 for perquisite allowance; $4,770 for automotive transportation service; $9,800 for contributions to Dana Retirement Savings Plan (401K); $4,193 for life benefits (including AD&D and group variable universal life insurance).

Mark E. Wallace $35,000 for perquisite allowance; $9,800 for contributions to Dana Retirement Savings Plan (401K); $660 for life benefits (including AD&D and group variable universal life insurance); $50,623 for relocation benefits.

Aziz S. Aghili $29,167 for perquisite allowance; $9,800 for contributions to Dana Retirement Savings Plan (401K); $1,258 for life benefits (including AD&D and group variable universal life insurance); $683,715 for international assignment benefits.

Marc S. Levin $35,000 for perquisite allowance; $9,800 for contributions to Dana Retirement Savings Plan (401K); $1,587 for life benefits (including AD&D and group variable universal life insurance).

John M Devine $37,500 for perquisite allowance; $6,167 for life benefits (including AD&D and group variable universal life insurance); $36,968 for commercial airfare, rental car usage and hotel usage.

(8) During 2011, Dana made the following tax gross up payments:

Roger J. Wood $9,566 tax gross up for professional fees and costs incurred in connection with the documentation of his employment agreement.

Mark E. Wallace $37,079 tax gross up for relocation benefits.

Aziz S. Aghili $67,017 tax gross up for international assignment benefits.

(9) Credit for matching contributions that exceed the IRS limits for our qualified 401(k) plan. Mr. Yost participates in a supplemental executive retirement plan. The amount of matching contributions for this period for Mr. Yost was $45,458 and the change in value of his SERP for this period was $299,399. Mr. Levin participated in a cash balance plan that is currently frozen. The amount of matching contributions for this period for Mr. Levin was $22,876 and the change in value of his cash balance plan was $18,194. See the Nonqualified Deferred Compensation table below for additional information.

(10) Mr. Devine retired from Dana effective June 30, 2011.

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The following table contains information on grants of awards to named executive officers in the fiscal year ended December 31, 2011 under Dana s Plan.

Grants of Plan-Based Awards at Fiscal Year-End

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) (2)						
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)(6)**	**Exercise or Base Price of Option Awards ($/Sh)(7)**	**Grant Date Fair Value of Stock and Option Awards ($)(8)**
Roger J. Wood	4/18/11				76,351(3)			1,266,667
	4/18/11					137,830	16.59	1,266,667
	4/18/11							