

DANA CORPORATION AUDIT COMMITTEE CHARTER

Purpose. The Audit Committee shall appoint Dana's independent auditors (subject to shareholder ratification at the annual meeting) and the firm shall report directly to the Committee. The Committee shall also assist the Board in its oversight of the integrity of Dana's financial statements, Dana's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of Dana's internal audit function and of the independent auditors.

Organization. The Committee shall have at least three members, including the Committee Chairman, who are appointed by the Board. All members shall be non-management directors and shall meet such independence and expertise requirements as are applicable under Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (Exchange Act), the rules and regulations of the Securities and Exchange Commission (SEC), and the requirements of the New York Stock Exchange. At least one member shall be an "audit committee financial expert" as defined by the SEC. The Committee shall meet and take action in accordance with the procedures set out in Dana's By-Laws.

Responsibilities. The Committee shall have the following responsibilities:

Independent Auditors

- To appoint the independent auditors (subject to shareholder ratification at the annual meeting) and to replace the firm at any time, at the Committee's sole discretion;
- To evaluate the qualifications, independence and performance of the independent auditors and the firm's lead partner (including considering whether the firm's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the firm's independence), taking into account the opinions of management and the internal auditors;
- To be directly responsible for the compensation and oversight of the work of the independent auditors for the purpose of preparing or issuing an audit report or related work (including resolution of disagreements between management and the independent auditors regarding financial reporting);
- To pre-approve the audit and permitted non-audit services to be provided by the independent auditors and the fees to be paid for those services and the terms thereof (subject to the *de minimis* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to completion of the audit);
- To receive from the independent auditors annual written reports, consistent with Independence Standards Board Standard No. 1, regarding relationships between the firm and its related entities and Dana and the firm's independence, to discuss such reports with the firm, to present its conclusions with respect to the firm's independence to the Board, and, if deemed appropriate by the Committee, to recommend that the Board take appropriate action to satisfy itself of the firm's independence; and

- To receive from and review with the independent auditors annual written reports describing the firm's internal quality control procedures, any material issues raised by the firm's most recent internal quality control review or peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting any independent audits performed by the firm and any steps taken to deal with any such issues, and all relationships between the firm and Dana.

Financial Statements and Internal Controls

- To review with the independent auditors and the senior accounting and internal auditing executives the planning and staffing of the annual audit;
- To review with the independent auditors and the senior accounting and internal auditing executives the critical accounting policies and practices to be used in the annual and quarterly financial statements, any alternative treatments of financial information within generally accepted accounting principles (GAAP) that have been discussed with management (including the ramifications of the use of such alternative treatments and the treatment preferred by the independent auditors), and other material written communications between management and the independent auditors;
- To review with the independent auditors, the senior internal auditing executive, and management the annual and quarterly financial statements (including the disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations") prior to filing. Each review will include any major issues regarding accounting and auditing principles and practices, any significant changes in the selection or application of accounting principles, any analyses prepared by management or the independent auditors regarding any significant financial reporting issues and judgments made in connection with preparation of the financial statements, the effect of regulatory and accounting initiatives and any off-balance sheet structures on the financial statements, the adequacy of disclosure controls and internal controls that could significantly affect the financial statements (including any significant deficiencies or material weaknesses in the design and operation of the internal controls, any fraud involving management or other employees who have a significant role in the internal controls, and any special audit steps adopted in light of such deficiencies, weaknesses or fraud), and any recommendations by the independent auditors relating to the financial statements and management's responses to such recommendations;
- To review with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, relating to the conduct of the annual audit, including any problems or difficulties encountered in the course of the annual audit and management's responses, any restrictions on the scope of activities or access to required information and any changes required in the planned scope of the audit;
- To review with management and the independent auditors any significant disagreements with respect to the annual and quarterly financial statements and to intervene, as it determines to be appropriate, to resolve such disagreements;

- To discuss earnings releases and announcements, as well as financial information and earnings guidance provided to analysts and rating agencies, including the use of non-GAAP financials measures;
- To review Dana's major financial risk exposures, including significant issues relating to contingent liabilities, taxes, and insurance programs, and the steps management has taken to monitor and control such exposures, including Dana's risk assessment and risk management policies;
- To review the responsibilities, budget and staffing of the internal audit function, including the appointment and replacement of the senior internal auditing executive and any recommended changes in the planned scope of the internal audit;
- To review with the independent auditors, the senior internal auditing executive, and management any significant findings apart from the annual audit; and
- To obtain from the independent auditors assurances that Section 10A of the Securities Exchange Act relating to possible illegal acts affecting the financial statements has not been invoked.

General

- To meet at least quarterly with management, the senior internal auditing executive, and the independent auditors in separate executive sessions;
- To prepare the Audit Committee report required by the rules of the SEC to be included in Dana's annual proxy statement and to recommend that the annual audited financial statements be included in Dana's annual report on Form 10-K;
- To establish procedures for the receipt, retention and treatment of complaints received by Dana regarding accounting, internal accounting controls or auditing matters, including the confidential and anonymous submission by employees of concerns about questionable accounting or auditing matters;
- To establish policies for hiring employees and former employees of the independent auditors;
- To review and reassess the performance of this Committee and the adequacy of this Charter annually and to recommend any proposed changes to the Board; and
- To report its activities to the Board regularly.

Compliance. The Committee shall assist the Board in monitoring Dana's compliance with applicable laws and regulations and with Dana's *Standards of Business Conduct*. The Committee shall review with management and the General Counsel legal matters that may have a material impact on Dana's financial statements or compliance policies and material reports or inquiries received from regulators or governmental agencies and, as appropriate, shall make reports and recommendations to the Board.

Outside Advisors. The Committee may, at Dana's expense and without Board approval, retain outside legal, accounting and other advisors to assist it in performing its functions. The Committee has sole authority to approve the advisors' fees and other terms of engagement and to terminate the advisors. The Committee may request any officer or employee of Dana, the independent auditors or Dana's outside counsel to attend any Committee meeting or to meet with any of the Committee's members or advisors.

Limitations on Committee's Role. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, determine that Dana's financial statements are complete and accurate and in accordance with GAAP, conduct investigations, or resolve any disagreements between management and the independent auditors.

Funding. Dana shall provide appropriate funding, as determined by the Committee, for the payment of compensation to the independent auditors for the audit services and permitted non-audit services and to any outside advisors retained by the Committee.

Revised July 7, 2004