

## **DANA CORPORATION COMPENSATION COMMITTEE CHARTER**

**Purpose.** The Compensation Committee shall discharge the Board's responsibilities relating to compensation of Dana's Chief Executive Officer (CEO) and other senior executives. The Committee has overall responsibility for approving and evaluating all of Dana's compensation plans, policies and programs as they affect the CEO and the senior executives, and is responsible for producing an annual report on executive compensation for inclusion in Dana's proxy statement.

**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 requirements as may be applicable under 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. All members shall 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 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:

### **Executive Compensation**

- To review Dana's executive compensation philosophy and strategy at least annually;
- To establish corporate and individual goals and objectives at least annually relating to the compensation of the CEO and other senior executives under Dana's incentive compensation and equity-based plans;
- To evaluate the performance of the CEO and other senior executives in light of the established goals and objectives at least annually and to determine their compensation or compensation levels, including base salaries, incentive compensation and equity-based compensation;
  - To consider, among other things, in determining long-term incentive compensation for the CEO and other senior executives, Dana's performance and relative shareholder return, the awards the CEO and other senior executives received in past years and the value of similar incentive awards to executives at comparable companies; and
- To approve or, as required, to recommend to the Board employment or consulting agreements, severance arrangements, change in control arrangements, stock ownership guidelines, perquisites and special, supplemental or non-qualified benefits for the CEO and other senior executives.

### **Incentive Compensation and Equity-Based Plans**

- To approve or, as required, to recommend to the Board the establishment of new incentive compensation plans for the CEO and other senior executives, as well as changes to and the termination of existing plans;
- To approve or, as required, to recommend to the Board the establishment of new equity-based plans for the CEO, the other senior executives and other Dana employees, as well as changes to and the termination of existing plans; and
- To administer or, as applicable, to oversee the administration of, the foregoing incentive compensation and equity-based plans in accordance with their terms and to perform such functions with respect to the plans as the Committee is authorized or permitted to perform thereunder.

### **General**

- To produce the report on executive compensation required by the rules of the SEC to be included in Dana's annual proxy statement;
- To review 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 regularly to the Board.

**Outside Advisors.** The Committee has sole authority to retain outside compensation, legal, accounting and other advisors to assist it in performing its functions, at Dana's expense and without Board approval; to approve the advisors' fees and other terms of engagement; and to terminate the retention of such advisors.

**Funding.** Dana shall provide appropriate funding, as determined by the Committee, for the payment of compensation to any outside advisors retained by the Committee.

Revised February 15, 2005