DANA HOLDING CORP
Form PRE 14A
February 24, 2009

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

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

þ Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Section 240.14a-11c or Section 240.14a-12

DANA HOLDING CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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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 21, 2009

Proxy Statement and Notice of 2009 Annual Meeting of Shareholders

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Dana Holding Corporation
4500 Dorr Street
Toledo, Ohio 43615

March l , 2009

Dear Fellow Shareholder:

It is our pleasure to invite you to attend the 2009 Annual Meeting of Shareholders of Dana Holding Corporation at 8:30 a.m., Eastern Time, on Tuesday, April 21, 2009 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, summarizes Dana s major developments and includes our consolidated financial statements.

Whether or not you plan to attend the 2009 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,

John M. Devine
Chairman and Chief Executive Officer

PROXY STATEMENT

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Dana Holding Corporation
Notice of Annual Meeting of Shareholders
April 21, 2009

Date:	April 21, 2009
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 2009 Annual Meeting of Shareholders to:

1. Elect six Directors for a one-year term expiring in 2010 or upon the election and qualification of their successors;

2. Approve an amendment to our Restated Certificate of Incorporation to effect a reverse stock split of our common stock at one of three reverse split ratios, 1-for-10, 1-for-15 or 1-for-20, as will be selected by our Board of Directors, or not at all, prior to the time of filing such Certificate of Amendment with the Delaware Secretary of State;

3. Subject to approval of Proposal II, approve an amendment to our Restated Certificate of Incorporation to decrease our total number of authorized shares from 500,000,000 shares to 200,000,000 shares, 150,000,000 shares of which will be common stock, par value $0.01 per share, and 50,000,000 shares of which will be preferred stock, par value $0.01 per share;

4. Ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the fiscal year ending December 31, 2009; 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 2010 or upon the election and qualification of their successors.

The record date for the Annual Meeting is February 23, 2009 (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, 4500 Dorr Street, Toledo, Ohio 43615.

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.

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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, if applicable, 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 1 , 2009

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Dana Holding Corporation

4500 Dorr Street
Toledo, Ohio 43615

2009 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 21, 2009, 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 1 , 2009.

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, if applicable, the accompanying proxy card were first mailed to the shareholders on or about March 1 , 2009.

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) to effect a reverse stock split; iii) to effect a reduction in the number of our authorized shares and shares of common stock 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 23, 2009. 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 23, 2009, 1 shares of our common stock, 2,500,000 shares of Series A Preferred and 5,400,000 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. The outstanding Series A Preferred Stock is convertible into 18,953,753 shares of common stock, and the outstanding Series B Preferred Stock is convertible into 40,940,106 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 7.581 votes on each matter to be voted upon.

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 23, 2009, the record date, 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.

To vote by proxy card, sign, date and return the enclosed proxy card, if applicable. 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 or, if you did not receive a proxy card, your notice 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 noon (Central Time), April 20, 2009.

(OR)

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

Use the Internet to vote your proxy.

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Have your proxy card or, if you did not receive a proxy card, your notice 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 noon (Central Time), April 20, 2009.

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 a reverse stock split; iii) FOR a reduction in the number of authorized shares and shares of common stock 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, 4500 Dorr Street, Toledo, Ohio 43615;

(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 1 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 1 shares, present or represented by proxy, constitutes a quorum. A quorum must exist to conduct business at the Annual Meeting.

What vote is required?

Proposal I Election of Directors: If a quorum exists, the nominees for Director who receive the most votes will be elected. Votes withheld and broker non-votes (described below) and shares voting abstain have no effect on the outcome of the election of directors, because only a plurality of votes actually cast is needed to elect a Director.

Proposal II Effect a Reverse Stock Split: If a quorum exists, the proposal to approve the amendment to our Restated Certificate of Incorporation to effect a reverse stock split requires the affirmative vote of a majority of the outstanding shares (with our common stock and Preferred Stock, on an as-if-converted basis, voting together as a single class). Brokers will have discretionary voting power to vote this proposal so we do not anticipate any broker non-votes (described below). Any shares not voted (whether by abstention or otherwise) will have the same effect as a vote Against the proposal.

Proposal III Effect a Decrease in the Number of Authorized Shares: If a quorum exists, the proposal to approve the amendment to our Restated Certificate of Incorporation to decrease our total number of authorized shares requires the affirmative vote of a majority of the outstanding shares (with our common stock and

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Preferred Stock, on an as-if-converted basis, voting together as a single class). Brokers will have discretionary voting power to vote this proposal so we do not anticipate any broker non-votes (described below). Any shares not voted (whether by abstention or otherwise) will have the same effect as a vote Against the proposal.

Please note that this Proposal No. III is conditioned on the approval of Proposal No. II. Therefore, if Proposal II is not approved by the shareholders, the Board of Directors intends to abandon Proposal III without further action by the shareholders pursuant to Section 242(c) of the Delaware General Corporation Law, regardless of the number of shares actually voted FOR Proposal III. Proposal II is not conditioned on the approval of Proposal III.

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 below). Any shares not voted (whether by abstention or otherwise) will have the same effect as a vote Against the proposal.

If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote under the rules of the stock exchange or other organization of which it is a member. In this situation, a broker non-vote occurs. Shares that constitute broker non-votes will be counted as present at the Annual Meeting for Shareholders for the purpose of determining a quorum. If you do not provide voting instructions to your broker, under New York Stock Exchange Rules, your broker would have discretionary authority to vote your shares with respect to the: (i) election of directors; (ii) effect a reverse stock split; (iii) effect a decrease in the number of authorized shares and common shares of stock and (iv) ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm.

Dana will vote properly completed proxies it receives prior to the Annual Meeting in the way you direct. If you do not specify instructions, the shares represented by those properly completed proxies will be voted (i) to elect the nominees for Directors; (ii) to effect a reverse stock split; (ii) to effect a reduction in the number of authorized shares and (iv) to ratify the appointment of PricewaterhouseCoopers LLP as independent the registered public accounting firm. 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 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 (Centerbridge) are the only holders of our Series A Preferred.

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 $9,000 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.

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How can shareholders nominate individuals for election as directors or propose other business to be considered by the shareholders at the 2010 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 2010 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, 4500 Dorr St., Toledo, Ohio 43615.

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 2010 Annual Meeting of Shareholders. For the 2010 Annual Meeting of Shareholders, notice must be received by Dana s Corporate Secretary no later than the close of business on January 21, 2010 and no earlier than the close of business on December 22, 2009.

If Dana moves the 2010 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 21, 2010), 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 2010 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 21, 2010), 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 serving as a director if elected.

Notice Requirements for Shareholder Proposals

A shareholder s notice to propose other business to be considered by the 2010 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 2010 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 2010 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 2010 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 2010 Annual Meeting of Shareholders. Dana may require any proposed nominee to furnish such other information as it may reasonably require determining the eligibility of the proposed nominee to serve as a director of Dana.

The summary above includes provisions in our Bylaws contained in amendment adopted by our Board of Directors on December 17, 2008, as previously disclosed in our amended Current Report on Form 8-K/A dated February 4, 2009. You may receive a copy of Dana s Bylaws specifying the advance notice and additional requirements for shareholder nomination and shareholder proposal requirements by making a written request to the Corporate Secretary or they are also available on Dana s website at www.dana.com.

Why is Dana asking its Shareholders to approve Proposals II and III?

On December 18, 2008, we were notified in writing by the New York Stock Exchange (the NYSE) that the trading price of our common stock was below the criteria of the NYSE s continued listing standards, as the average per share closing price of our common stock over a consecutive 30-trading day period was less than $1.00. The letter stated that we have a six-month cure period that began on December 17, 2008 to bring the price of our common stock and the 30-trading day average closing price of our common stock above $1.00. The letter further stated that in the event a $1.00 share price and a $1.00 average share price over the preceding 30 trading days are not attained at the expiration of the six-month cure period, the NYSE will commence suspension and delisting procedures. The NYSE has reserved the right to reevaluate its continued listing determinations relating to companies, like Dana, that are notified of noncompliance with respect to the NYSE s qualitative listing standards, including if our shares trade at sustained levels that are considered to be abnormally low. On January 5, 2009, we provided written notice to the NYSE of our intent to bring our share price and average share price back above $1.00 within the six-month cure period.

Our Board of Directors has determined that an amendment to our Restated Certificate of Incorporation to effect a reverse stock split and to decrease our total number of authorized shares is necessary to promote the continued listing of our common stock on the NYSE and is in the best interests of our shareholders. Pursuant to the law of our state of incorporation, Delaware, our Board of Directors must adopt an amendment to our Restated Certificate of Incorporation and submit the amendment to shareholders for approval. Accordingly, our Board of Directors is requesting your proxy to vote FOR Proposal II and Proposal III to amend our Restated Certificate of Incorporation.

What effect will the reverse stock split have on our issued and outstanding shares of common stock?

If the reverse stock split is approved by our shareholders, we will exchange one new share for a number of outstanding shares to be determined when our Board of Directors selects from the proposed reverse split ratios of 1-for-10, 1-for-15 or 1-for-20. Our Board of Directors may also determine in its discretion not to proceed with the reverse stock split. If we proceed with the reverse stock split and it becomes effective, the number of our outstanding shares will be reduced proportionately to the selected reverse split ratio, but the value of each share will be proportionately increased by that same ratio. We will not issue any fractional shares. Shareholders who would otherwise hold fractional shares as a result of the reverse stock split will be entitled to receive cash (without interest or deduction) in lieu of such fractional shares from our transfer agent, upon receipt by our transfer agent of a properly completed and duly executed transmittal letter and, where shares are held in certificated form, the surrender of all old stock certificate(s) (Old Certificate(s)), in an amount equal to the proceeds attributable to the sale of such fractional shares following the aggregation and sale by our transfer agent of all fractional shares otherwise issuable. The reverse stock split will not impact the market value of our company as a whole, although the market value of our common stock may move up or down once the reverse stock split is effective.

How will the reverse stock split impact the 2008 Dana Holding Corporation Omnibus Incentive Plan?

If the Board of Directors chooses to effect the reverse stock split, our Compensation Committee will determine and approve proportionate adjustments to the number of shares outstanding and available for issuance under the 2008 Dana Holding Corporation Omnibus Incentive Plan (the Plan) and to the exercise price, grant price or purchase price relating to any award under the Plan, using the same split ratio, if the reverse stock split is effected, pursuant to existing authority granted to such Committee under the Plan.

How will the reverse stock split impact holders of Preferred Stock?

Our outstanding Preferred Stock votes on an as-if-converted basis. Each share of Preferred Stock is convertible into approximately 7.581 shares of common stock and is entitled to vote on an as-if-converted basis so each share of Preferred Stock is entitled to approximately 7.581 votes. If the reverse stock split is effected, the conversion price at which our Preferred Stock is convertible into common stock will be proportionately adjusted. As a result, the proportionate voting rights and other rights of the holders of our Preferred Stock will not be affected by the reverse stock split.

What are the mechanics of the reverse stock split?

Assuming the reverse stock split is approved by our shareholders, this is how it will work:

If your shares are held in street name that is, through an account at a brokerage firm, bank, dealer, or other similar organization the number of shares you hold will automatically be adjusted to reflect the reverse stock split.

If your shares are registered directly in your name with our transfer agent and your shares are held in book-entry form (i.e. your shares are not represented by a physical stock certificate), the number of shares you hold will automatically be adjusted to reflect the reverse stock split. You will be sent a transmittal letter by our transfer agent. You will need to return to our transfer agent a properly completed and duly executed transmittal letter in order to receive any cash payment in lieu of fractional shares or any other distributions, if any, that may be declared and payable to holders of record. If your shares are registered directly in your name with our transfer agent and your shares are held in certificated form (i.e. your shares are represented by one or more physical stock certificates), you will receive a transmittal letter asking you to surrender your Old Certificate(s) representing pre-split shares in exchange for a new certificate (New Certificate) representing post-split shares. You will need to return to our transfer agent a properly completed and duly executed transmittal letter, together with your Old Certificate(s), in order to receive a New Certificate and any cash payment in lieu of fractional shares or any other distributions, if any, that may be declared and payable to holders of record following the reverse stock split.

Whether your shares are held in street name or directly, we will not issue fractional shares of common stock to you. Shareholders who would otherwise hold fractional shares as a result of the reverse stock split will be entitled to receive cash (without interest or deduction) in lieu of such fractional shares from our transfer agent, upon receipt by our transfer agent of a properly completed and duly executed transmittal letter and, where

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shares are held in certificated form, the surrender of all Old Certificate(s), in an amount equal to the proceeds attributable to the sale of such fractional shares following the aggregation and sale by our transfer agent of all fractional shares otherwise issuable.

Any cash due to you in exchange for fractional shares will be paid to you as follows:

If your shares are held in street name, payment for the fractional shares will be deposited directly into your account with the organization holding your shares.

If your shares are registered directly in your name with our transfer agent, whether you hold your shares in certificated or uncertificated form, payment for the fractional shares will be made by check, sent to you directly from our transfer agent upon receipt of your properly completed and duly executed transmittal letter and, where your shares are held in certificated form, the surrender of your Old Certificate(s).

After the reverse stock split, I will have an odd lot of fewer than 100 shares. Will I be able to sell the odd lot ?

The reverse stock split may result in some shareholders owning odd lots of fewer than 100 shares on a post-split basis. You will be able to sell the odd lots, but odd lot sales may result in higher transaction costs per share than round lot sales, which are sales of even multiples of 100 shares.

Are there any dissenter s rights or appraisal rights with respect to Proposal II and Proposal III?

Pursuant to applicable Delaware law, there are no dissenter s or appraisal rights relating to any of the matters to be acted upon at the Annual Meeting of Shareholders.

How many of Dana s directors are independent?

Dana s Board of Directors has determined that 7 of Dana s 9 current directors, or 77.7%, 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 for 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 the Board of Directors*. The *Standards for Business Conduct for Employees* and *Standards of Business Conduct for the Board of Directors* are available on Dana s website at www.dana.com. Copies of such codes can also be obtained in print by making a written request to the Corporate Secretary.

Is this year s proxy statement available electronically?

Yes. You may view this proxy statement, and the proxy card as well as the 2008 annual report, electronically by going to our website at www.dana.com/2009proxy and clicking on the document you wish to view, either the proxy statement and proxy card or annual report.

A copy of Dana s Annual Report on Form 10-K for the fiscal year ended December 31, 2008, as filed with the Securities and Exchange Commission, may be obtained without charge upon written request to the Corporate Secretary, Dana Holding Corporation, 4500 Dorr Street, Toledo, Ohio 43615.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 21, 2009.

The proxy statement and Dana s annual report to security holders are available on our website at www.dana.com/2009proxy.

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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. 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 l , 2009	Principal Occupation and Business Experience During Past 5 Years	Executive Officer	
Kevin B. Biddle	54	Vice President and Operations Controller (since November 2008), Dana Holding Corporation; Vice President Internal Audit for Global Internal Audit (February 2008 to November 2008), Vice President Global Manufacturing Finance for Global Finance (Restructuring) (October 2005 to January 2008), Vice President Finance Operations for Finance Support of COO (January 2007 to January 2008), Vice President Controller, North America for Regional Finance (October 2004 to September 2005), Finance Director for Product Line and Customer Group Finance (July 2003 to September 2004), Visteon Corporation (automotive systems, modules and components supplier).	2008	Present
Martin D. Bryant	39	President Light Vehicle Driveline (since November 2008), President Driveshaft Products (September 2008 to November 2008), Vice President of Operational Excellence North America (May 2008 to September 2008), Dana Holding Corporation; Vice President and General Manager (January 2008 to April 2008), General Manager (January 2004 to January 2008), Webasto Roof Systems, a subsidiary of Webasto, A.G. (supplier of roof systems and heating/cooling systems to vehicle manufacturers).	2008	Present
George T. Constand	50	Chief Technical Officer (since January 2009), Vice President Global Engineering, Light Axle Products, Automotive Systems Group (April 2005 to December 2008), Dana Holding Corporation; Director, Engineering, Chassis Products (January 2003 to April 2005), Visteon Corporation (automotive systems, modules and components supplier).	2008	Present
Gary L. Convis	66	Vice Chairman (since January 2009), Chief Executive Officer and President (April 2008 to December 2008), Dana Holding Corporation; Chairman (June 2006 to June 2007), President (April 2001 to June	2008	Present

2007), Toyota Motor Manufacturing, Kentucky (vehicle manufacturer); Executive Vice President (June 2003 to June 2007), Toyota Motor Engineering & Manufacturing North America, Inc. (vehicle manufacturer); Managing Officer (June 2003 to June 2007), Toyota Motor Corporation.

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Name	Age as of March l , 2009	Principal Occupation and Business Experience During Past 5 Years	Executive Officer
Jacqueline A. Dedo	47	Senior Vice President Strategy and Business Development (since September 2008), Dana Holding Corporation; Senior Vice President of Innovation and Growth (2007 to 2008), President Automotive Group (2004 to 2007), The Timken Company (manufacturer of bearings, alloy and specialty steel); Corporate Vice President and General Manager Worldwide Market Operations (2000 to 2004), Motorola, Inc. (global communications company).	2008 Present
John M. Devine	64	Chairman, Chief Executive Officer and President (since January 2009), Executive Chairman (January 2008 to December 2008), Acting Chief Executive Officer (February 2008 to April 2008), Dana Holding Corporation; Vice Chairman (January 2001 to June 2006) and Chief Financial Officer (January 2001 to December 2005), General Motors Corporation (automobile manufacturer).	2008 Present
Richard J. Dyer	53	Chief Accounting Officer (since March 2005) and Vice President (since December 2005), Director Corporate Accounting (August 2002 to February 2005), Dana Holding Corporation.	2008 Present
Rodney R. Filcek	56	Vice President Finance (since September 1999), Dana Holding Corporation.	2008 Present
Ralf Goettel	42	President Sealing Products, Dana Europe, and Thermal Products (since November 2007), President Sealing Products and Dana Europe (December 2005 to November 2007), President Sealing Products (March 2003 to Dec 2005), Dana Holding Corporation.	2008 Present
Marc S. Levin	54	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), Various Counsel Positions (October 1983 to February 2005), Dana Holding Corporation.	2008 Present
Robert H. Marcin	63	Executive Vice President and Chief Administrative Officer (since February 2008), Dana Holding Corporation; Vice President, Leadership Assessment (December 2005 to January 2007), Senior Vice President, Corporate Relations (January 2003 to December 2005), Visteon (automotive systems, modules and components supplier).	2008 Present
Eric W. Schwarz	44		2008 Present

Chief Purchasing Officer (since December 2008), Dana Holding Corporation; Vice President Global Supply Management (March 2001 to December 2008), BorgWarner, Inc. (global supplier of engineered automotive systems and components).

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Name	Age as of March l , 2009	Principal Occupation and Business Experience During Past 5 Years	Executive Officer	
Nick L. Stanage	50	President Heavy Vehicle Products (since December 2005), Vice President and General Manager of Commercial Vehicle Group (August 2005 to December 2005), Dana Holding Corporation; Vice President and General Manager of Engine Systems & Accessories Division (January 2005 to August 2005), Vice President, Integrated Supply Chain & Technology (2003 to 2005,) Honeywell International (a diversified technology and manufacturing corporation).	2008	Present
Ralph A. Than	48	Treasurer (since December 2008), Dana Holding Corporation; Vice President Finance and Treasurer (December 2003 to December 2008), Owens Corning (a global producer of residential and commercial building materials and glass fiber reinforcements and other similar materials for composite systems).	2008	Present
Mark E. Wallace	42	President of Global Operations (since January 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 Products North America, subsidiary of Webasto A.G. (supplier of roof systems and heating/cooling systems to vehicle manufacturers).	2008	Present
James A. Yost	59	Executive Vice President and Chief Financial Officer (since May 2008), Dana Holding Corporation; Vice President, Finance and Chief Financial Officer (July 2002 to May 2008), Hayes Lemmerz International, Inc. (automotive supplier).	2008	Present

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COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION DISCUSSION AND ANALYSIS

This section contains management s discussion and analysis of Dana s executive compensation programs, including the objectives of base salary, annual incentives, long term incentives and benefits provided to our executive management in 2008.

Compensation Discussion And Analysis Prior to Emergence from Bankruptcy

Administration

Prior to our emergence from bankruptcy on January 31, 2008, the former Compensation Committee had the overall responsibility for our executive compensation program. The Compensation Committee would (i) review our executive compensation philosophy and strategy; (ii) set the base salary and incentive opportunities for the Chief Executive Officer and a small group of key senior executives designated by the CEO (historically, 10 to 20 individuals) and the salary levels and incentive compensation opportunity levels for certain other executives designated by the CEO (historically, 40 to 60 individuals); (iii) establish incentive compensation performance objectives for the CEO and executives designated by the CEO; and (iv) determine whether performance objectives had been achieved and the incentive compensation earned. The Compensation Committee also (i) recommended to the Board, employment or consulting agreements, severance arrangements, change in control arrangements, perquisites and supplemental or non-qualified benefits for the CEO; and (ii) approved such agreements or benefits for key senior executives designated by the CEO.

During our Chapter 11 bankruptcy, the Compensation Committee had authority to retain outside compensation, legal, accounting and other advisors to assist it in performing its functions, at Dana s expense. Historically, Frederic W. Cook & Co., Inc. (Cook) had served as the Compensation Committee s independent compensation advisor. In making compensation decisions pre-emergence, the prior Compensation Committee considered (i) the advice of Cook; (ii) competitive market data provided by our outside compensation advisor, Mercer Human Resource Consulting, Inc. (Mercer); and (iii) the recommendations of the CEO (except with respect to his own compensation) and the officer responsible for human resources.

Prior to our emergence from bankruptcy on January 31, 2008, the prior Compensation Committee members included A. Charles Baillie, David E. Berges, James P. Kelly, and Richard B. Priory (Chairman). All of the directors prior to emergence from Chapter 11 bankruptcy resigned from the Board on January 31, 2008, the effective date of our emergence from Chapter 11 bankruptcy. The prior Compensation Committee members did not meet during 2008.

Base Salaries

The prior Compensation Committee set the base salaries for the former CEO, Mr. Burns, and key senior executives designated by Mr. Burns annually. The prior Compensation Committee made such salary determinations on an individual basis, and considered the following factors without weighting them: the individual s responsibilities, performance, contributions to Dana s success, current salary, and tenure in the job; internal equity among positions; pay practices for comparable positions within the peer group companies. For the key senior executives (other than Mr. Burns) they considered input from Mr. Burns and the officer responsible for human resources. Under an Order of the Bankruptcy Court dated December 18, 2006, the prior Compensation Committee fixed the annual base salaries of the CEO and the then named executive officers at the salary levels in effect on March 1, 2006.

Executive Incentive Compensation Plan

As part of the amendment to the executive agreements for Messrs. Burns, Stone and Stanage and an executive bonus agreement with Mr. Goettel, all as described below under the caption Employment

Agreements , Dana instituted an Executive Incentive Compensation (EIC) plan during our Chapter 11 bankruptcy. Under the EIC, the participant was eligible to receive payments upon the achievement of certain EBITDAR targets in 2007 and 2008. As described under Employment Agreements, the amendment to the executive agreements providing for EIC awards was authorized by the Bankruptcy Court.

Any 2008 EIC awards would have been payable in common stock. During 2008, Messrs. Stone and Stanage were eligible to receive the following EIC payments: (i) $70,370 if Dana achieved EBITDAR of $375 million and (ii) additional payments equal to 0.14% of any amount of EBITDAR between $375 million and $450 million and 0.07% of any amount of EBITDAR between $450 million and $650 million. These targets were not achieved, and accordingly, no payments were made for 2008 performance under the EIC plan. As previously disclosed, Messrs. Burns and Goettel elected not to participate in the 2008 EIC.

Long Term Incentive Awards

As a result of our emergence from Chapter 11 bankruptcy on January 31, 2008, all unexercised Dana stock options, unvested restricted shares and restricted stock units, and unvested equity incentive plan awards were cancelled with no consideration.

Employment and Severance Agreements

Following our bankruptcy filing, the prior Compensation Committee was charged with determining how best to motivate Mr. Burns, our former CEO, and his team (including Messrs. Stanage, Goettel and Stone) to achieve an expedient and successful reorganization and compensate them appropriately for their efforts during the Chapter 11 bankruptcy process. During our Chapter 11 bankruptcy, in addition to their business responsibilities, this team negotiated with our bondholders, creditors, customers, vendors, labor unions, and retirees which constituencies, at times, had conflicting interests and developed a plan of reorganization.

The prior Compensation Committee prepared a proposal for the terms under which Mr. Burns and the other members of his core management team were to be compensated during the reorganization proceedings. In developing the proposal, the prior Compensation Committee, through its Chairman, Mr. Priory, considered the individuals responsibilities, their prepetition compensation arrangements, and the range of reasonableness for our industry peers and similar Chapter 11 debtors (based on compensation data developed by Mercer) and reviewed its proposal with its independent advisor, Cook.

Following extensive negotiations with the Creditors Committee and other of the debtors constituencies on the original proposal and subsequent revisions, as well as court hearings on the matter, on December 18, 2006, upon a motion made by Jones Day, our debtors counsel, the Bankruptcy Court authorized us to enter into an amendment to Mr. Burns 2004 employment agreement and executive agreements with, among others, Messrs. Stanage, Goettel and Stone, on the terms discussed under the caption Executive Agreements below.

Perquisites and Other Benefits

Prior to changing our policy in early 2008, we offered the following perquisites to approximately 50 active executives (which included Messrs. Burns, Stanage, Goettel and Stone, but excluded Mr. Hiltz):

- a vehicle allowance;
- life insurance with a policy value of three times salary or a monthly allowance to purchase life insurance with a policy value of three times salary;

accidental death and dismemberment insurance;

professional financial, tax and estate planning services; and

reimbursement for taxes payable by the executives on the value of certain perquisites (other than for the vehicle allowance or accidental death and dismemberment insurance);

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In addition, we paid the system monitoring costs for Mr. Burns company-provided home security systems. We also reimbursed Messrs. Burns, Stone and Stanage for the costs of home Internet access.

Retirement Benefits

To determine total compensation for our senior executives, the prior Compensation Committee factored in the retirement benefits provided by Dana. The retirement benefits which were made available to Messrs. Burns, Stanage, Goettel and Stone are discussed under Pension Benefits.

Related to our emergence from bankruptcy, Dana s U.S. based pension program (CashPlus) was frozen for active employees. Dana s U.S. retirement benefit consists of a basic contribution equal to 3% of base salary and annual incentive plan award into our Savings Works 401(k) plan, which was subject to the IRS 402(g) contribution limit of $6,900 for any eligible employee. No additional make-up contributions were made beyond this level to named executive officers. All eligible employees are able to contribute to the Savings Works 401(k) plan on a before and after tax basis. In 2008, none of our named executive officers or other participating employees received a 401(k) company matching contribution.

Compensation Discussion And Analysis Post Bankruptcy

Overview

Emergence from Chapter 11 Bankruptcy

The new Board of Directors of Dana and its Compensation Committee were appointed effective January 31, 2008, following Dana s emergence from Chapter 11 bankruptcy. Upon its appointment, the Board actively began evaluating Dana s senior leadership team. Our Board believes that an experienced executive management team is critical to the long-term success of Dana. In particular, members of our senior executive team were selected for their proven automotive and manufacturing experience and ability to lead Dana through operational and strategic challenges following emergence from Chapter 11 bankruptcy. Some of these challenges include improving strategic customer relationships in a shrinking and distressed automotive sector, rebuilding a unified executive management team, expanding our global footprint into emerging markets, implementing manufacturing and engineering improvements, cost reduction, and centralization of Dana processes to facilitate organization-wide learning and efficiencies.

Our new Board and senior leadership have focused on both retaining certain internal talent as well as hiring reputable external talent to rebuild our management team. Our new senior leadership team members (including our top 20 executives) have held prominent leadership positions at companies such as BorgWarner, Ford Motor Company, General Motors, GKN Sinter Metals, Hayes Lemmerz International, Inc., Honeywell Inc., Motorola, Owens Corning, Robert Bosch Corporation, The Timken Company, Toyota Motor Company, Visteon Corporation, and Wabesto. Our Board feels this wealth of experience, notably, with some of our current customers, is a strength and will give Dana a competitive advantage.

Objectives and Elements of Dana s Compensation Program

The overall objectives of Dana s executive compensation program are to attract, motivate, reward and retain talent. Dana believes in order to achieve such objectives, our compensation and benefits must be competitive with executive compensation arrangements generally provided to other executive officers at similar levels in 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 to focus on business goals over immediate, short term and long term horizons; and

Attract and retain executive talent.

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The principal elements of our executive compensation are:

- Base salary;
- Annual cash incentives based on achieving specified financial results;
- Long term incentives comprised of a mix of stock options, performance shares which derive their value from corporate performance, and in some cases, service-based restricted stock units;
- Perquisites allowance; and
- Retirement benefits.

Certain executives, including some of our named executive officers, are also provided with 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 at least three members. All members must be non-management directors who meet applicable independence requirements under the Exchange Act, the SEC s rules and regulations, the requirements of the New York Stock Exchange and our Standards of Director Independence. They 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. On January 31, 2008, our Board appointed the following members to the new Compensation Committee: Stephen J. Girsky (Chairman), Mark A. Schulz and Jerome B. York. These individuals have been the only members of the Compensation Committee since our emergence from Chapter 11 bankruptcy.

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 CEO, setting base salary and incentive opportunities for our CEO and other senior executives, establishing 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 or consulting agreements, and severance arrangements, and approves such agreements or benefits for key senior executives designated by our CEO with the assistance of our Chief Administrative Officer. Our CEO and CAO are not members of the Compensation Committee, but review and prepare materials for the Committee and attend portions of committee meetings at the request of the Compensation Committee. Executive sessions are held at the end of committee meetings without the participation of any member of executive management, including the named executive officers.

The current Compensation Committee retained Towers Perrin (Towers), a nationally known executive compensation consulting firm, to advise it with respect to executive compensation matters. Dana has also retained Towers for compensation matters related to the Board of Directors.

Our executive management as well as the Compensation Committee reviews competitive market data to assist in decision-making regarding Dana s compensation and benefits programs. For executive level positions, pay ranges are developed using Towers 2008 U.S. CDB General Industry Executive Database which contains compensation data from over 780 U.S. participating companies. We also utilized Hewitt s Global Total Compensation Measurement (TCM), which provides data for more than 350 executive, management, and professional jobs across a broad scope of industries. In 2008, Hewitt s TCM included more than 7,000 participating companies in over 75 markets. The survey data is used to target market median levels of

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compensation in relation to base salary, annual and long term incentives and it is our general practice to use a weighted average between multiple survey sources to define a position s salary range based on the responsibilities of the position. From time to time, Dana may choose to exceed the market median pay range to attract the right talent, but it is our general policy to target the 50^{th} percentile.

During the fourth quarter of 2008, Cook was retained to advise the new Compensation Committee on compensation arrangements for three senior executives (Messrs. Devine, Convis, and Marcin) whose employment agreements with Dana were set to lapse during the first part of 2009. Employment agreements for these three executives were amended and extended by the Compensation Committee effective January 1, 2009. Cook was selected as an independent advisor to the Compensation Committee since our management utilizes Towers for other compensation and benefits related services and Dana maintains no other relationship with Cook.

Base Salaries

Dana pays base salaries to compensate executive officers for current service. 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 or after other significant changes in an executive s responsibilities. Dana s philosophy is to target a range of +/-20% of the 50th percentile for most of our executive officer positions. From time to time, when recruiting key talent from other established companies both within and outside of the automotive industry or promoting from within Dana, base salaries could exceed the range of the 50th percentile, based on the candidate s current salary or other factors such as was the case with respect to Messrs. Devine, Convis and Marcin who were brought out of retirement. Base salary increases for our CEO are made by the Compensation Committee. Our CEO and CAO are responsible for making salary recommendations to the Compensation Committee for executive officers, other than the CEO.

In determining Mr. Devine s initial base salary, the Compensation Committee negotiated with Mr. Devine directly. The Compensation Committee primarily took into account: (i) input from Towers; (ii) a comparison to competitive pay practices for other senior level executive positions; (iii) providing incentive for Mr. Devine to forego retirement; (iv) providing incentive for Mr. Devine to work in Toledo, away from his permanent residence in California and (v) the nature of Mr. Devine s service as Executive Chairman.

Dana negotiated with Mr. Convis to become the CEO and President in April 2008. In determining his base salary, the Compensation Committee primarily took into account (i) input from Towers; (ii) a comparison to competitive pay practices for other senior level executive positions; (iii) providing incentive for Mr. Convis to forego retirement; (iv) providing incentive for Mr. Convis to work in Toledo, away from his permanent residence in California and (iv) the nature of Mr. Convis service as CEO and President.

As stated above, Dana amended and extended the executive employment agreements with Messrs. Devine, Convis, and Marcin during the fourth quarter of 2008 given their agreements were set to expire during the first part of 2009. In determining their compensation, the Compensation Committee retained Cook to assist in setting compensation for these three executives. Cook established a peer group for the purpose of determining the appropriate pay levels for these three senior executives. The peer group analysis was used as a reference point against general market data and included a comprehensive executive pay analysis of American Axle & Manufacturing, Inc.; ArvinMeritor, Inc.; Autoliv, Inc.; BorgWarner Inc; Cummins Inc.; Eaton Corporation; Federal-Mogul Corporation; Lear Corporation; Magna International Inc.; Navistar International Corporation; Tenneco Inc.; TRW Automotive; and Visteon Corporation. These companies were selected by Cook and approved by the Compensation Committee since they are within a relevant size range to Dana and also compete in many of the same markets as Dana.

2008 Annual Incentive Program

We adopted the 2008 Annual Incentive Program (the 2008 AIP) pursuant to the terms and conditions of the Dana Holding Corporation 2008 Omnibus Incentive Plan to award eligible employees, including our

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named executive officers, for short term incentive performance based on the 2008 calendar year. Under the 2008 AIP, all earned awards would have been paid in cash during the first quarter of 2009. The 2008 AIP was designed around achieving certain financial target performance goals, which were Earnings Before Interest, Taxes, Depreciation, Amortization, less Restructuring or EBITDAR (50% weighted) and Free Cash Flow or FCF defined as EBITDAR less capital expenditures, changes in working capital and restructuring expenses (excluding impairment and asset write-downs) (50% weighted). The Compensation Committee believed that utilizing EBITDAR as a component of short term compensation was important because this metric measures our true operating profitability and recognizes restructuring expense. 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 EBITDAR target for 2008 AIP was $645 million and FCF target was $182 million. Despite what our management and Board felt was positive progress related to both of these objectives, given the severity of the global economic downturn and overall condition of the automotive industry during 2008, minimum performance levels were not achieved and the 2008 AIP was not earned.

The annual incentive award payable based on annual base salary for reaching 2008 performance goals under the 2008 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 . Neither Mr. Burns nor Mr. Hiltz participated in our 2008 AIP as further described under the caption Executive Agreements below.

Long Term Incentive Awards and 2008 Long Term Incentive Program

Dana believes that long-term incentive awards serve an important role in attaining the various goals of Dana s compensation philosophy. Based on information provided by our compensation consultants, most publicly traded companies provide some form of long-term incentive to focus leadership on longer term results and decision making.

Mr. Devine received a grant of 800,000 stock options on February 4, 2008 as part of his initial compensation package, and accordingly, did not participate in our 2008 LTIP, as described below, pursuant to his executive employment agreement. The initial grant of stock options to Mr. Devine was determined by a number of factors including: (i) input from Towers regarding competitive pay practices for other senior level executive positions; (ii) providing incentive for Mr. Devine to come out of retirement and (iii) providing incentive for Mr. Devine to leave his permanent residence in California and work in Toledo.

As a non-employee member of our Board, Mr. Convis initially received a one-time founder s grant of 21,739 stock options, an annual grant of 11,363 stock options and an annual grant of 4,970 restricted stock units which comprised the equity portion of the Board s annual compensation package, as described below under Director Compensation . Upon agreeing to become our CEO and President, Mr. Convis was granted an additional 766,900 stock options on April 16, 2008. In arriving at this grant amount, our Board took into consideration the equity previously granted to Mr. Convis as a non-management member of the Board to achieve overall stock option holdings of 800,002, similar to the amount Mr. Devine received as his initial stock option grant. Given that Messrs. Devine and Convis were similarly situated, the Compensation Committee concluded it was appropriate to provide similar long term incentives to Mr. Convis.

In October 2008, the Board amended and extended the executive employment agreements for Messrs. Devine, Convis and Marcin. The amendment included grants of stock options, restricted stock units and performance shares (i) in lieu of any long term awards in 2009; (ii) as an inducement to these executives to continue their employment with Dana and (iii) in recognition of the fact that Mr. Devine would assume the role of Chairman, Chief Executive Officer and President of Dana effective January 1, 2009 and Mr. Convis would become our Vice Chairman. Additional information regarding the amendments to our executive employment agreements with Messrs. Devine, Convis and Marcin is available under the caption Executive Agreements below.

Dana adopted its 2008 Long Term Incentive Program (the 2008 LTIP) pursuant to the terms and conditions of the Dana Holding Corporation 2008 Omnibus Incentive Plan. Approximately 200 senior

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management employees designated by Dana, including our named executive officers, participated in the 2008 LTIP (excluding Messrs. Devine, Convis, Burns and Hiltz). Dana utilized market data, as described above, to create a long term incentive compensation structure within the management team, including our named executive officers. Each named executive officer was assigned a percentage of base salary used to determine the long term incentive target award value to determine the number of shares granted. Our executives, including our named executive officers, were eligible for long term incentive awards consisting of 50% stock options and 50% performance shares. Dana believes that 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 improve long term financial performance, focus on longer horizon decisions and to increase shareholder value. Performance shares serve a dual purpose. While the award encourages the executive to achieve long term performance, the 2008 award will only be awarded if certain financial objectives are met. In addition, both stock options and performance shares serve as important retention tools since an executive must remain employed by Dana over a multi-year period to be eligible for the entire award.

Stock option awards under the 2008 LTIP have a contractual term of 10 years and vest ratably over three years. The number of stock option awards granted for each of our named executive officers in 2008 is set forth in the Grants of Plan-Based Awards table below.

Performance Share awards under the 2008 LTIP are based on certain target performance goals. Dana chose EBITDAR (34% weighted), FCF (33% weighted) and return on invested capital (ROIC) (33% weighted) as its financial measurements for establishing its 2008 LTIP target performance goals related to Performance Shares. Similar to short term compensation, the Compensation Committee believed that utilizing EBITDAR as a component of long term compensation was important because it measures our true profitability and recognizes restructuring expense and FCF because of capital sensitivity in our industry. ROIC is an additional component of long term compensation because it indicates how well a company is using its capital to generate returns. A minimum EBITDAR threshold goal had to be reached before any award could be paid. Awards for executive officers, including the named executive officers, are based on a range beginning at 50% of the target performance award (threshold) to 250% of the target performance award (maximum).

As stated earlier, for 2008 performance share awards, there were three distinct performance periods covering 2008, 2009 and 2010, respectively. The first period (2008) accounts for 25% of the target award. The second period (2009) accounts for another 25% of the target award. The final period (2010) accounts for the remaining 50% of the target award. During bankruptcy, except for the limited EIC plan, we did not grant any long term incentive awards to our employees. In reestablishing the long term incentive program, we concluded it would be appropriate to initially create three distinct periods so employees would be eligible to receive a portion of the award for the 2008 long term incentive within the three-year cycle if performance goals during the period were achieved for retention purposes.

Award payouts, which are based on actual performance, will be made shortly after the conclusion of the respective performance period. In 2008, the EBITDAR target was $645 million, the FCF target was $182 million and ROIC target was 14%. Despite what our management and Board felt was positive progress related to these objectives, minimum performance levels were not achieved, and accordingly, the first 25% of the award was forfeited.

Equity-Based Grant Practices

Under our equity-based granting practices, Dana normally will make 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. Given the unprecedented economic situation generally, and in the automotive industry, in particular, Dana s management team and the Compensation Committee are evaluating alternatives for our equity-based incentive practices in 2009. 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. Dana also may award equity-based grants during the year to newly hired employees as part of their compensation package. In the case of equity-based grants to newly hired employees who may be covered employees within the meaning of Section 162(m) of the Internal Revenue Code (Covered Employees) or officers subject to Section 16 of the Securities Exchange Act of 1934 (Section 16 Officers), including named executive officers, our practice calls for them to be made by the Compensation Committee at any special or regularly scheduled Compensation Committee meeting.

Stock Ownership Guidelines

Because Dana believes it is important to align the interests of its senior officers with those of our shareholders, Dana adopted stock ownership guidelines after it emerged from Chapter 11 bankruptcy that encourage senior officers to own a significant number of shares of Dana s common stock. The stock ownership guidelines are calculated based on the senior officer s annual base salary times a certain multiple. Dana encourages its senior officers to achieve the targeted stock ownership levels within 5 years of being promoted or named to the applicable senior officer position.

Title	Minimum Investment (Multiple of Base Salary)
Chief Executive Officer	5
Members of the Executive Committee	3
Vice Presidents	1

Employment and Severance Agreements

As an inducement to join a company recently emerged from Chapter 11 bankruptcy as well as to create an incentive for key executive candidates to forego other career opportunities or postpone retirement plans, Dana determined it was necessary to offer executive employment agreements to some of our newly named executive officers setting forth specific elements of compensation, termination, living and travel arrangements. Entering into an executive employment agreement provides both Dana and the executive certainty regarding their mutual commitment. As a result, Dana entered into executive employment agreements with Messrs. Devine, Convis, Marcin and Yost, on the terms further discussed under the Executive Agreements section below.

On October 31, 2008, the Board of Directors agreed to amend the existing employment agreements for Messrs. Devine and Convis through year-end 2009 and through May of 2010 for Mr. Marcin. The contracts were amended as a result of the following:

Mr. Convis resigned as our CEO and President and accepted a role as our Vice Chairman to focus on improving Dana s operations;

Mr. Devine accepted the role of Chairman, Chief Executive Officer and President; and

Mr. Marcin agreed to remain with Dana through May of 2010 to continue developing the company s management team and human resource capabilities.

For further information regarding the amended executive employment agreements, see the Executive Agreements section below.

Severance Arrangements

Under limited circumstances, we offer severance benefit arrangements for senior executives in connection with their departure from Dana. These arrangements allow Dana and the former executive to set the final terms of the executive s service to the company providing both Dana and the former executive certainty as their rights and obligations to each other, including restrictive covenants and consulting services. Our former CEO, Mr. Burns, and our former President Light Axle Products Group, Mr. Stone, entered into severance agreements during 2008, on the terms further discussed under the Executive Agreements section below.

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Severance Plan/Change in Control

Dana adopted an Executive Severance Plan (Executive Severance Plan) in 2008. Each of our current named executive officers (except Messrs. Devine, Convis and Marcin with respect to change-in-control related severance) participates under the Executive Severance Plan. The Executive Severance Plan was adopted in order to provide severance pay to eligible executives whose employment is terminated (i) prior to or within a specified period of time following a change in control or (ii) for a reason other than cause, death, total disability or voluntary resignation. Dana believes that such a plan helps to attract and retain executives by reducing the personal uncertainty that arises from the possibility of a future business combination or restructuring. Moreover, the Executive Severance Plan is designed to offset the uncertainty of executives regarding their own futures if a change in control or termination actually occurs. Dana believes that the Executive Severance 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.

In response to the on-going economic crisis and reduced production volume in our industry, Dana offered a Voluntary Separation from Service Program (VSP) during the fourth quarter of 2008. Eligible employees were U.S. based employees who had more than two years of Dana service. The program was intended to allow employees to elect to leave the company with a voluntary severance package and with healthcare benefits provided based upon their number of years of service at Dana. Robert Fesenmyer, our former Vice President Logistics Planning and Production Control, elected to participate in this program and retired from Dana.

For more information on the terms and conditions of the change in control under the Executive Severance Plan, see the section entitled Potential Payments upon Termination or Change in Control.

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 executive perquisites. In connection with adoption of this new plan, our prior executive perquisites program described above was terminated. We determined that it was in Dana s best interest to provide a cash allowance, in lieu of administering perquisite benefits, as part of a competitive pay package, which assists in recruiting and retaining talented executives. A cash allowance also reduces costs to Dana of administering the various components of a perquisites program.

Aircraft Usage

Pursuant to Mr. Devine s executive employment agreement, Dana pays for Mr. Devine s reasonable temporary commuting expenses to his residence in California, including use of a private aircraft. This arrangement was made to encourage Mr. Devine to join Dana and in lieu of relocation and home purchase assistance (typically offered to other eligible newly hired executives who do not reside locally). This benefit is treated as compensation to Mr. Devine, and as a result, Mr. Devine is taxed on the value associated with this benefit. Pursuant to Mr. Devine s executive employment agreement, Dana reimburses Mr. Devine for this tax obligation. In addition, pursuant to Mr. Convis executive employment agreement, Dana pays for Mr. Convis reasonable temporary commuting expenses to his residence in California, including use of a private aircraft. Similar to Mr. Devine, this arrangement was made to encourage Mr. Convis to join Dana and in lieu of relocation and home purchase assistance. This benefit is treated as compensation to Mr. Convis, and as a result, Mr. Convis is taxed on the value associated with this benefit. Pursuant to his executive employment agreement, Dana reimburses Mr. Convis for this tax obligation. Dana does not own an aircraft nor do we participate in any fractional flight ownership arrangements. Dana utilizes a service through which it pre-purchases flight hours for both executives to commute.

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The aggregate cost of this benefit for both Mr. Devine and Mr. Convis is described further under the Summary Compensation Table below.

Use of Corporate Housing

Dana owns three houses located on our corporate campus in Toledo that historically have been used by executive management for temporary housing of executives, guest accommodations, and as meeting venues. Currently, Messrs. Devine and Convis share one house and Mr. Marcin uses another house. In addition, other non-local executives have stayed at these facilities on an infrequent basis when working in Toledo. These houses have been utilized in lieu of relocating or otherwise providing temporary corporate housing to some of our executives who did not live in the Toledo metropolitan area prior to joining Dana. Dana has entered into a sales agreement to sell its corporate headquarters in Toledo, along with all of its corporate owned houses.

Automotive Transportation Service

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

Retirement Benefits

Dana provides retirement benefits to attract and retain employees and to encourage employees to save money for their retirement. Dana s U.S. retirement benefit consists of a basic contribution equal to 3% of base salary and annual incentive plan award into our Savings Works 401(k) plan, which was subject to the IRS 402(g) contribution limit of $6,900 for any eligible employee. No additional make-up contributions were made beyond this level to named executive officers. All eligible employees are able to contribute to the Savings Works 401(k) plan on a before and after tax basis. In 2008, none of our named executive officers or other participating employees received a 401(k) company matching contribution.

On a limited basis, Dana has agreed to provide SERPs to certain executives as part of their initial terms of employment. In most cases, we offered a SERP benefit to replace retirement benefits forfeited when the executive leaves an employer to join Dana. For more information regarding SERPs, see the narrative following the Pension Benefits table below.

Adjustment of Performance-Based Compensation

We have a 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 would make a recommendation to the independent members of the Board about 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.

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Impact of Accounting and Tax Treatments

Deductibility of Executive Compensation

It is a tenet of our executive compensation philosophy that compensation provided to our CEO and other executive management who are covered employees under Section 162(m) of the Internal Revenue Code (Code) should comply with Code requirements that qualify such compensation as tax-deductible for Dana, unless the Compensation Committee determines that it is in Dana s best interests in individual circumstances to provide compensation that is not tax-deductible. From time to time, the Compensation Committee approves compensation that does not meet the Section 162(m) requirements in order to ensure competitive levels of compensation for our senior executives. For 2008, a portion of the compensation shown in the Summary Compensation Table for Messrs. Devine and Convis 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 SFAS No. 123(R). There is more information about this accounting treatment in Note 14 to our Consolidated Financial Statements in Dana s Annual Report on Form 10-K for the year ended December 31, 2008.

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

Stephen J. Girsky, Chairman
Mark A. Schulz
Jerome B. York

March 1 , 2009

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The following table summarizes the compensation of our Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers serving at the end of the fiscal year ended December 31, 2008 as well as certain other former executive officers for which disclosure is required this year (collectively, the named executive officers) for services rendered during the year in all capacities to Dana and our subsidiaries.

SUMMARY COMPENSATION TABLE

Position[(1)]	Year[(3)]	Salary ($)	Bonus ($)	Stock Awards ($)[(4)]	Option Awards ($)[(5)]	Non-Equity Incentive Plan Compensation[(6)] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)[(7)(8)(9)]
evine *Chief Officer &*	2008	916,667	1,500,000(10)	67,857	2,160,828	0	0	1,208,078
onvis *man ief Officer)*	2008	850,000	1,515,356(11)	20,357	1,399,316	0	0	1,311,671
ost *ncial*	2008	365,909	651,440(12)	275,828(14)	585,648	0	66,282(15)	172,880
Marcin *inistrative*	2008	458,333	125,000(13)	6,985	409,739	0	0	82,364
el[(2)]	2008	444,106	0	1,138	80,248	0	110,277(16)	66,478
Europe	2007	445,446		13,647	2,024	1,333,127	25,995	35,289
& Thermal Group	2006	438,724		13,647	6,940	222,723	106,462	35,288
anage	2008	410,167	0	1,891	84,598	0	84,597(17)	96,397
Heavy	2006	326,667		22,695	15,900	168,000	69,066	30,758