

TABLE OF CONTENTS

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

Form 10-Q

PART I. FINANCIAL INFORMATION

ITEM 1. DANA CORPORATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

EXHIBIT INDEX

For the Quarterly Period Ended September 30, 1999 Commission File Number 1-1063

Dana Corporation

(Exact name of Registrant as Specified in its Charter)

[X]

Quarterly Report Pursuant to Section 13 or 15(d)
Of the Securities Exchange Act of 1934

Virginia

(State or other jurisdiction
of incorporation or organization)

34-4361040

(IRS Employer
Identification Number)

(419) 535-4500

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No []

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

4500 Dorr Street, Toledo, Ohio

(Address of Principal Executive Offices)

43615

(Zip Code)

1

[Table of Contents](#)

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

INDEX

Class

Common stock of \$1 par value

Outstanding at October 29, 1999

164,509,692

2

[Table of Contents](#)

PART I. FINANCIAL INFORMATION

	Page Number
Cover	1
Index	2
Part I. Financial Information	
Item 1. Financial Statements	
Condensed Balance Sheet	
December 31, 1998 and	
September 30, 1999	3
Statement of Income	4

Three Months and Nine Months Ended September 30, 1998 and 1999	
Condensed Statement of Cash Flows Nine Months Ended September 30, 1998 and 1999	5
Notes to Condensed Financial Statements	6-10
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	11-22
Item 3. Quantitative and Qualitative Disclosures About Market Risk	22
Part II. Other Information	
Item 1. Legal Proceedings	23
Item 6. Exhibits and Reports on Form 8-K	23
Signature	24
Exhibit Index	25

CONDENSED BALANCE SHEET (Unaudited)

(in Millions)

ITEM 1.

DANA CORPORATION

The accompanying notes are an integral part of the financial statements.

3

[Table of Contents](#)

ITEM 1. (Continued)

DANA CORPORATION

STATEMENT OF INCOME (Unaudited)

(in Millions Except Per Share Amounts)

<u>Assets</u>	December 31, 1998	September 30, 1999
Current Assets		
Cash and Marketable Securities	\$ 230.2	\$ 185.3
Accounts Receivable		
Trade	1,616.9	2,035.0
Other	246.7	379.9
Inventories		
Raw Materials	470.6	531.2
Work in Process and Finished Goods	1,208.1	1,226.9
Other Current Assets	564.5	732.7
Total Current Assets	4,337.0	5,091.0
Property, Plant and Equipment	5,765.3	6,013.0
Less: Accumulated Depreciation	2,461.5	2,624.7
Investments in Leases	851.9	952.4
Investments and Other Assets	1,644.8	1,681.4
Total Assets	\$10,137.5	\$11,113.1
<u>Liabilities and Shareholders' Equity</u>		
Current Liabilities		
Notes Payable, Including Current		
Portion of Long-Term Debt	\$ 1,698.1	\$ 1,541.5
Accounts Payable	995.6	1,093.3
Accrued Payroll and Employee Benefits	355.5	405.5
Other Accrued Liabilities	782.8	714.4
Taxes on Income	154.6	266.0
Total Current Liabilities	3,986.6	4,020.7
Long-Term Debt	1,717.9	2,574.2
Deferred Employee Benefits and Other Noncurrent Liabilities	1,337.5	1,286.1
Minority Interest	156.3	138.0
Shareholders' Equity	2,939.2	3,094.1
Total Liabilities and Shareholders' Equity	\$10,137.5	\$11,113.1

The accompanying notes are an integral part of the financial statements.

4

[Table of Contents](#)

ITEM 1. (Continued)

DANA CORPORATION

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

(in Millions)

Three Months Ended
September 30

Nine Months Ended
September 30

	1998	1999	1998	1999
Net Sales	\$2,962.4	\$3,126.9	\$9,431.8	\$ 9,915.1
Revenue from Lease Financing and Other Income	63.6	47.1	175.1	119.4
	3,026.0	3,174.0	9,606.9	10,034.5
Costs and Expenses				
Cost of Sales	2,479.2	2,564.2	7,859.8	8,176.1
Selling, General and Administrative Expenses	271.5	288.8	864.5	874.5
Restructuring and Integration Charges	-	16.5	-	30.4
Merger Expenses	45.5	-	46.5	-
Interest Expense	72.1	69.1	211.2	206.4
	2,868.3	2,938.6	8,982.0	9,287.4
Income Before Income Taxes	157.7	235.4	624.9	747.1
Estimated Taxes on Income	(68.0)	(82.0)	(247.1)	(267.0)
Minority Interest	(2.6)	(3.2)	(10.6)	(9.7)
Equity in Earnings of Affiliates	11.2	11.3	31.9	42.8
Net Income	\$ 98.3	\$ 161.5	\$ 399.1	\$ 513.2
Net Income Per Common Share - Basic	\$.59	\$.98	\$ 2.42	\$ 3.10
Diluted	\$.59	\$.97	\$ 2.39	\$ 3.07
Dividends Declared and Paid per Common Share	\$.29	\$.31	\$.85	\$.93
Average Number of Shares Outstanding - For Basic	164.9	165.8	164.9	165.8
For Diluted	166.9	167.2	166.9	167.2

The accompanying notes are an integral part of the financial statements.

5

[Table of Contents](#)

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

	Nine Months Ended September 30	
	1998	1999
Net Income	\$ 399.1	\$ 513.2
Depreciation and Amortization	366.3	392.0
Working Capital Change and Other	(199.2)	(603.5)
Net Cash Flows from Operating Activities	566.2	301.7
Purchases of Property, Plant and Equipment	(454.2)	(561.8)
Purchases of Assets to be Leased	(472.0)	(317.7)
Payments Received on Leases and Loans	382.2	227.3
Acquisitions	(389.2)	(11.7)
Divestitures	267.5	-
Other	(182.8)	(138.3)
Net Cash Flows-Investing Activities	(848.5)	(802.2)
Net Change in Short-Term Debt	145.6	(195.3)
Proceeds from Long-Term Debt	428.1	1,151.1
Payments on Long-Term Debt	(433.6)	(301.9)
Dividends Paid	(150.2)	(154.2)
Other	30.4	(44.1)
Net Cash Flows-Financing Activities	20.3	455.6
Net Change in Cash and Cash Equivalents	(262.0)	(44.9)
Cash and Cash Equivalents-beginning of period	422.7	230.2
Cash and Cash Equivalents-end of period	\$ 160.7	\$ 185.3

- In our opinion, all normal recurring adjustments necessary to a fair presentation of results for the unaudited interim periods have been included. Where appropriate, we have reclassified certain amounts in 1998 to conform with the 1999 presentation.
- In January 1998, we acquired both the heavy axle and brake business of Eaton Corporation and General Automotive Specialty Company, Inc., a manufacturer of motor vehicle switches and locks. In April 1998, we acquired 98% of the share capital of Nakata S.A. Industria e Comercio, a manufacturer of suspension components, such as tie rods and ball joints. In December 1998, we acquired the Glacier Vandervell Bearings Group and AE Clevite North American aftermarket engine hard parts business. These acquisitions have been accounted for as purchases and their results of operations have been included since the dates of acquisition. Goodwill relating to the acquisitions is included in Investments and Other Assets.
- In February 1998, we completed the sale of our hydraulic brake hose facilities in Columbia City, Ind., and Garching, Germany and in April 1998, we sold our Midland-Grau heavy duty brake operations. In June 1998, we completed the sale of our hydraulic cylinder business and in December, we completed the sale of the Technology Leasing Group portfolio of Dana Credit Corporation (DCC).
- Following is a reconciliation of average shares outstanding for purposes of calculating basic and diluted net income per share.

6

[Table of Contents](#)

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

	Three and Nine Months Ended September 30	
	1998	1999
Weighted average common shares outstanding	164.9	165.8
Plus: Incremental shares from assumed conversion of - Deferred compensation units Stock options	.5 1.5	.5 .9
Total potentially dilutive securities	2.0	1.4
Adjusted average common shares outstanding	166.9	167.2

5. On an annual basis, disclosure of comprehensive income is incorporated into the Statement of Shareholders' Equity. This statement is not presented on a quarterly basis. Comprehensive income includes net income and components of other comprehensive income, such as foreign currency translation adjustments, unrealized investment gains or losses and minimum pension liability adjustments. The \$184 deferred translation loss in the first nine months of 1999 is primarily due to the devaluation of the Brazilian real and the strengthening of the U.S. dollar against several European currencies. Our total comprehensive income is as follows:

7

[Table of Contents](#)

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	1998	1999	1998	1999
Net income	\$98.3	\$161.5	\$399.1	\$ 513.2
Other comprehensive income (loss)				
Deferred translation gain (loss)	.7	14.2	(40.9)	(184.3)
Other	-	-	-	.1
Total comprehensive income	\$99.0	\$175.7	\$358.2	\$ 329.0

6. We are organized into seven Strategic Business Units (SBUs) encompassing our key markets: Automotive Systems Group (ASG), Automotive Aftermarket Group (AAG), Engine Systems Group (ESG), Off-Highway Systems Group (OHSG), Industrial Group (IG), Heavy Truck Group (HTG) and Dana Commercial Credit (DCC). This structure allows our people in each of these areas to focus their resources to the benefit of Dana and our global customers. Management evaluates the operating segments and regions as if DCC were accounted for on the equity method of accounting rather than on the fully consolidated basis used for external reporting. With the exception of DCC, operating profit after tax (PAT) represents earnings before interest and taxes, tax effected at 41% (Dana's long-term effective rate), plus equity in earnings of affiliates. The Other category includes discontinued businesses, trailing liabilities for closed plants, SBU and regional administrative expenses and adjustments to reflect the effective tax rate. In arriving at net profit from operating PAT, expenses relating to a specific SBU or region are allocated directly. Other allocations are based on sales. Where changes in reporting responsibilities have occurred, the SBU structures and results have been restated to reflect the current organization. Information used to evaluate the SBUs and regions is as follows:

8

[Table of Contents](#)

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

	Three Months Ended September 30					
	Sales		Operating PAT		Net Profit	
	1998	1999	1998	1999	1998	1999
ASG	\$ 972.6	\$1,034.5	\$ 71.0	\$ 76.2	\$ 54.1	\$ 61.3
AAG	717.2	738.6	35.6	48.0	23.4	37.9
ESG	443.6	525.9	21.1	25.3	14.1	19.5
OHSG	205.5	185.6	10.0	8.5	6.5	6.1
IG	166.8	168.6	8.5	7.4	5.9	5.7
HTG	419.8	461.1	24.7	31.5	16.5	24.8
DCC			10.0	10.0	10.0	10.0
Other	36.9	12.6	(45.2)	(34.9)	5.2	6.7
Total Operations	2,962.4	3,126.9	135.7	172.0	135.7	172.0
Restructuring and nonrecurring items			(37.4)	(10.5)	(37.4)	(10.5)
Consolidated	\$2,962.4	\$3,126.9	\$ 98.3	\$161.5	\$ 98.3	\$161.5
North America	\$2,218.7	\$2,452.9	\$139.2	\$173.7	\$105.9	\$147.6
South America	233.1	140.5	13.2	4.9	9.0	3.0
Europe	437.0	465.3	16.1	10.9	8.6	4.5
Asia Pacific	44.6	63.2	.7	.5	(1.1)	(1.9)
DCC			10.0	10.0	10.0	10.0
Other	29.0	5.0	(43.5)	(28.0)	3.3	8.8
Total Operations	2,962.4	3,126.9	135.7	172.0	135.7	172.0
Restructuring and nonrecurring items			(37.4)	(10.5)	(37.4)	(10.5)
Consolidated	\$2,962.4	\$3,126.9	\$ 98.3	\$161.5	\$ 98.3	\$161.5

	Nine Months Ended September 30					
	Sales		Operating PAT		Net Profit	
	1998	1999	1998	1999	1998	1999
ASG	\$3,115.9	\$3,339.9	\$ 239.1	\$ 262.1	\$188.4	\$201.0
AAG	2,167.7	2,275.4	99.5	140.1	62.4	99.0
ESG	1,405.8	1,704.5	77.5	106.4	56.3	80.1
OHSG	679.1	607.5	39.3	28.3	28.4	18.2
IG	532.6	523.5	31.7	23.8	23.7	16.0

HTG	1,317.7	1,423.7	76.4	93.5	51.9	66.9
DCC			28.0	28.1	28.0	28.1
Other	213.0	40.6	(150.0)	(147.8)	2.4	25.2
Total Operations	9,431.8	9,915.1	441.5	534.5	441.5	534.5
Restructuring and nonrecurring items			(42.4)	(21.3)	(42.4)	(21.3)
Consolidated	\$9,431.8	\$9,915.1	\$ 399.1	\$ 513.2	\$399.1	\$513.2
North America	\$7,206.3	\$7,739.1	\$ 468.6	\$ 580.7	\$365.8	\$462.2
South America	621.9	417.6	31.4	14.3	20.6	6.8
Europe	1,380.9	1,553.5	52.0	48.6	29.4	21.6
Asia Pacific	137.8	184.0	2.0	2.0	(3.8)	(4.9)
DCC			28.0	28.1	28.0	28.1
Other	84.9	20.9	(140.5)	(139.2)	1.5	20.7
Total Operations	9,431.8	9,915.1	441.5	534.5	441.5	534.5
Restructuring and nonrecurring items			(42.4)	(21.3)	(42.4)	(21.3)
Consolidated	\$9,431.8	\$9,915.1	\$ 399.1	\$ 513.2	\$399.1	\$513.2

9

[Table of Contents](#)

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

7. In the nine-month period ended September 30, 1999, we charged \$30 to restructuring and integration expense. At September 30, 1999, \$77 of restructuring charges remained in accrued liabilities. This balance was comprised of \$72 for the reduction of approximately 1,380 employees to be completed in 1999 and \$5 for lease terminations and other exit costs. The estimated cash expenditures will be approximately \$51 in 1999, \$21 in 2000 and \$5 thereafter.

10

[Table of Contents](#)

8. In the first quarter of 1999, we sold \$1,000 of new unsecured senior notes consisting of \$250 of 6.25% notes due March 1, 2004, \$350 of 6.5% notes due March 1, 2009 and \$400 of 7.0% notes due March 1, 2029. Proceeds from the issues were used to refinance the bridge financing arranged for the Glacier Vandervell bearings and AE Clevite aftermarket engine hard parts acquisitions, as well as to pay down other short-term debt.
9. In March 1999, we terminated our agreement with a financial institution to sell, without recourse, undivided fractional interests in designated pools of trade accounts receivable, up to a maximum of \$200. Accounts receivable amounting to \$200 had been sold under this agreement at December 31, 1998.

We achieved record sales, net income and earnings per share in the third quarter and nine-month periods of 1999. These record results are the product of the continued implementation of our Five-Point Plan. The plan, a tactical link to our overall strategic plan, provides a blueprint for our continued growth and increased profitability. The elements of the plan are to grow while focusing on returns and maintaining financial discipline; seek strategic, bolt-on acquisitions; repurchase stock as we generate cash; and complete integration efforts and realize synergy savings.

This year, we have announced plans to sell non-strategic or under-performing operations with sales totaling more than \$790, part of an overall plan to divest operations with annual sales of approximately \$850 million. These sales come from IG (\$360), HTG (\$180), AAG (\$40), OHSG (\$200) and ESG (\$10). In September we completed the sale of Dana Commercial Credit's Technology Management Group and signed an agreement to sell the Sierra aftermarket marine and power equipment operations. In October, we closed on the sale of our Coldform Special Products facility and in November, we signed an agreement to sell our global Warner Electric Industrial Products Group and most of our Warner Electric Industrial Motors and Controls Group. The sales of Sierra and the Warner groups are subject to the approval of regulatory agencies and are expected to occur in the fourth quarter of 1999.

We have continued to buy back our common shares under an 18-month plan, authorized by the Board in April, to repurchase up to \$350 of stock in open market or privately negotiated transactions. Through the end of the third quarter, we have repurchased more than one million shares. The purchases are being funded through available cash flow, which could be supplemented by proceeds from the announced asset sales and others currently under evaluation.

Our plan for \$120 after-tax in operational and sourcing synergies related to the Echlin merger and the acquisition of Glacier Vandervell is on schedule year to date and on target for the full year. We have already closed six manufacturing facilities and 13 distribution operations and are planning to close another eight manufacturing facilities and 16 distribution operations.

Market Trends

Our results in this quarter and the year-to-date period are due largely to the continued demand in North America for SUVs and light, medium and heavy trucks. We do not anticipate the strength in all these markets to continue into next year. We anticipate heavy truck builds next year, while remaining at historically high levels, will decline slightly throughout the year. In the off-highway segment, we believe that the market will continue to be soft throughout the remainder of this year with a meaningful recovery not occurring until the latter part of next year.

Through nine months of 1999, sales and profits for our South American operations were below last year's sales and our 1999 forecast due to economic and political uncertainties in the region. We do not anticipate much short-term improvement in this region. Our operations in Europe increased sales over 1998 but profits declined. Both sales and profits were below our forecasts for this year. OHSG and IG have suffered from the slow-down in this region throughout the year, and ASG and AAG began to experience softening in the third quarter. Our trends indicate this softening will continue. Sales in Asia Pacific showed improvement over 1998, but profits fell short of our expectations due to start-up costs associated with the GM Holden corner module

Due to current trends internationally and the possibility that vehicle production in North America may be weakening, we are evaluating a number of alternatives aimed at rationalizing our global operations. The actions that we take will depend on market conditions and could potentially result in a fourth-quarter pre-tax charge in the range of \$100 to \$200.

[Table of Contents](#)
Liquidity and Capital Resources

(in Millions)

ITEM 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Increases in net income and depreciation and amortization had a positive impact on cash provided by operating activities in the first nine months of 1999. However, termination of a \$200 non-recourse accounts receivable sale program, along with increased working capital requirements, resulted in an inflow of cash related to operating activities of \$264 less than in 1998.

Net cash of \$802 used in investing activities was \$46 less than the first nine months of 1998. In 1999, we acquired the remaining 30% interest in Industrias Serva S.A. in Spain, a manufacturer and distributor of vehicular gaskets, and purchased Innovative Manufacturing, Inc., a manufacturer of outdoor power equipment components. In 1998, we used cash of \$389 for the acquisitions of Eaton Corporation's heavy axle and brake business; General Automotive Specialty, Inc.; the remaining 40% interest in Simesc, our Brazilian structural components manufacturing company; and 98% of the share capital of Brazilian suspension components producer Nakata. During the 1998 period, we also divested the Midland-Grau heavy duty brake operations, the Weatherhead brake hose operations and our hydraulic cylinder business.

Cash Flows From Operating Activities For Nine Months Ended September 30	
1997	\$636
1998	566
1999	302

Purchases of property, plant and equipment were \$108 higher than in the first nine months of 1998. We currently anticipate capital spending for the full year of 1999 to be \$59 above the 1998 level.

Net purchases of leased assets (purchases less principal payments on leases and loans) were \$90 in 1999 and 1998. Purchases and principal payments were both significantly less than in 1998 primarily due to the sale of DCC's Technology Leasing Group portfolio during the fourth quarter of 1998.

Financing activities provided net cash of \$456. In the first quarter of 1999, we sold \$1,000 of new unsecured senior notes consisting of \$250 of 6.25% notes due March 1, 2004, \$350 of 6.5% notes due March 1, 2009 and \$400 of 7.0% notes due March 1, 2029. Proceeds from the issues were used to refinance the bridge financing arranged for the Glacier Vandervell bearings and AE Clevite aftermarket engine hard parts acquisitions, as well as to pay down other short-term debt and current maturities of long-term debt.

Committed and uncommitted bank lines enable us to issue commercial paper and make direct bank borrowings. Excluding DCC, we had committed and uncommitted borrowing lines of credit totaling approximately \$1,287 at the end of the third quarter of 1999, while DCC's credit lines totaled \$1,101. We expect that our cash flows from operations and from potential asset sales, together with our worldwide credit facilities, will provide adequate liquidity to meet our currently projected debt service obligations, capital expenditures, working capital and potential acquisition requirements, and share repurchases.

[Table of Contents](#)

ITEM 2. (Continued)

Liquidity and Capital Resources

(in Millions)

We have reviewed the liabilities that may result from the legal proceedings to which we were a party as of September 30, 1999 (including those involving product liability claims and alleged violations of environmental laws) and we do not believe that these liabilities or the related cash flows are reasonably likely to have a material adverse effect on our liquidity, financial condition or results of operations. We estimated contingent environmental and product liabilities based on the most probable method of remediation or outcome, current laws and regulations and existing technology. Estimates were made on an undiscounted basis and exclude the effects of inflation. When there was a range of equally probable remediation methods or outcomes, we accrued at the lower end of the range. At September 30, 1999:

Purchases of Property, Plant & Equipment		
	Year Ended December 31	Nine Months Ended September 30
1997	\$579	\$ 383
1998	661	454
1999	720*	562
		* Projected

We increased our product liability accrual and the related amounts for probable recoveries due to new asbestos bodily injury liability claims that have been made against us since the United States Supreme Court rejected a class action settlement to which we were a party and ended an injunction on the filing of new claims. These new claims will be administered by the Center for Claims Resolution, an outside service which has been handling similar claims for us for some time, in accordance with group settlement agreements in which we participate.

Restructuring and Integration Expenses

We anticipated charging \$51 to restructuring and integration expense in 1999 for facility closures and rationalization programs as well as for training, relocation and other costs relating to the consolidation of the former Echlin operations into our businesses. In the first nine months of 1999, we charged \$30 to restructuring and integration expense.

The following summarizes the restructuring activity recorded in the first nine months of 1999 and the change in the accrual:

- \$106 was accrued for contingent product liability costs and \$48 for contingent environmental liability costs, compared to \$38 and \$57 at December 31, 1998.
- \$65 was recorded (as assets) for probable recoveries from insurance or third parties for product liability claims and \$1 for environmental liability claims, compared to \$17 and \$1 at December 31, 1998.
- The difference between the minimum and maximum estimates for contingent liabilities, while not considered material, was \$16 for the product liability claims and \$2 for the environmental liability claims, compared to \$15 and \$2 at December 31, 1998.

At September 30, 1999, \$77 of restructuring charges remained in accrued liabilities. This balance was comprised of \$72 for the reduction of approximately 1,380 employees to be completed in 1999 and \$5 for lease terminations and other exit costs. The estimated cash expenditures will be approximately \$51 in 1999, \$21 in 2000 and \$5 thereafter. Our liquidity and cash flows will not be materially impacted by these actions.

[Table of Contents](#)

ITEM 2. (Continued)

Liquidity and Capital Resources

(in Millions)

Impact of the Year 2000

Activities under our Year 2000 readiness program, which is described more fully in prior reports, are nearly complete:

	Accrued at December 31, 1998	Charges	Activity Payments	Accrued at September 30, 1999
Employee termination benefits	\$116	\$ 1	\$(45)	\$ 72
Other	11	29	(35)	5
Total	\$127	\$30	\$(80)	\$ 77

To date, we have spent approximately \$73 on Year 2000 activities, with \$51 charged to expense and \$22 capitalized. Based on current information and plans, we expect to incur additional costs of \$17, with \$11 to be charged to expense and \$6 to be capitalized. These projected future costs are primarily for transition monitoring and follow-up activities.

The most reasonably likely worst case scenario that we anticipate with respect to Year 2000 continues to be the failure of some of our suppliers, including utilities and governmental agencies, to be ready. This could cause a

temporary interruption of materials or services that we need to make our products, which could result in delayed shipments to our customers and lost sales and profits to us. As noted, we believe that our contingency and transition plans will mitigate the effect of any such failures that may occur.

[Table of Contents](#)

ITEM 2. (Continued)

Liquidity and Capital Resources

(in Millions)

We believe that we have an effective Year 2000 program and do not anticipate a significant disruption of our business due to Year 2000 problems. However, the outcome of our efforts is subject to a number of risks and uncertainties, some of which (such as the Year 2000 readiness of third parties) are beyond our control. If we experience Year 2000 problems with our systems, or with the products or systems of other parties with whom we do business, and these problems are not resolved in a timely manner, there could be a material adverse effect on our business, financial condition or results of operations.

Impact of Euro Conversion

We have a euro conversion program for our European facilities, under the leadership of our Euro Steering Committee, which has established guidelines and timetables for compliance. The Committee is monitoring progress at all of our locations. While various operations are at different stages of readiness, all of our European facilities are offering customers the option of replacing the euro-zone currencies with the euro in their transactions. Most Dana internal transactions within the euro-zone are now exclusively in euros. Indications are that the total cost to convert to the euro will not be material.

Results of Operations (Third Quarter 1999 vs Third Quarter 1998)

(in Millions)

Worldwide sales of \$3,127 in the third quarter surpassed the record third quarter of 1998 by \$165 or 6%. Sales of companies acquired, net of divestitures, amounted to \$108 of the increase. Excluding such activities, sales increased \$57 or 2% during the quarter with price changes having a minimal effect.

- We have completed our global product review and advised our customers of corrective actions for those few Dana products that were not ready.
- We have completed the assessment of our information technology, operating and factory floor systems. Our remediation activities (including upgrades, repairs, replacements, implementation of new enterprise resource planning (ERP) systems where appropriate, and testing for Year 2000 readiness) are complete at 99% of our facilities. The few facilities that are not finished plan to complete their systems upgrades and testing during the fourth quarter. In addition, our facilities have contingency plans in place to address internal systems problems that may occur despite our efforts, and, in some cases, as noted below, will have additional inventory should it be necessary.
- We have completed our assessment of our critical suppliers and have contingency plans in place for those suppliers whose readiness is uncertain. For production and non-production suppliers about whom we have concerns, we are building short-term inventory banks or have found alternate or additional sources. For service suppliers, including utilities and government agencies, we are taking such precautionary steps as are feasible, including developing work-around procedures, creating duplicate back-up files and procuring alternate communications equipment.
- We have completed our assessment of our major customers and believe that they will be ready for the Year 2000.
- We have developed plans to monitor the Year 2000 transition globally and to identify and respond promptly to any business disruptions that may occur on or after January 1, 2000. We will be testing and finalizing these plans during the fourth quarter.

[Table of Contents](#)

ITEM 2. (Continued)

Results of Operations (Third Quarter 1999 vs Third Quarter 1998)

(in Millions)

Sales by segment for the quarter are shown in the following table. The "Other" category includes closed or sold facilities or locations where the operating responsibility has not been assigned to a specific SBU.

- Our U.S. sales increased \$231 or 11% over 1998 (\$177 or 9% excluding the effect of acquisitions and divestitures).

Sales from our non-U.S. operations decreased \$66 or 7% compared to 1998. Excluding the effect of acquisitions and divestitures, non-U.S. sales were down \$120 or 13% from 1998. Changes in foreign currency exchange rates since the third quarter of 1998 served to reduce third-quarter 1999 sales by approximately \$83 or 10% of total non-U.S. sales.

	1998	1999	% Change	% Change Excluding Acquisitions & Divestitures
Automotive Systems Group (ASG)	\$973	\$1,035	6	6
Automotive Aftermarket Group (AAG)	717	739	3	(2)
Engine Systems Group (ESG)	444	526	19	2
Off-Highway Systems Group (OHSG)	205	186	(10)	(10)
Industrial Group (IG)	167	169	1	1
Heavy Truck Group (HTG)	420	461	10	10
Other	36	11	(69)	(12)

16

[Table of Contents](#)

ITEM 2. (Continued)

Results of Operations (Third Quarter 1999 vs Third Quarter 1998)

(in Millions)

- ASG sells axles, driveshafts, structural components, modules and chassis systems. Its increase in sales over the 1998 third quarter was due to the continuing strong demand in North America for light trucks and sport utility vehicles (SUVs). We also had increased sales of frames and axles due to the successful launch of the Ford Excursion and we experienced full-quarter volumes with certain driveshaft products for DaimlerChrysler that were in transition mode last year. Total ASG North American sales, which are approximately 80% of this segment's sales, increased 17% over 1998 excluding acquisition/divestiture impact. Positive results also were reported from Asia Pacific as sales increased 85% over the same period last year due to the GM Holden corner module project. Worldwide light axle sales increased 12% and driveshaft sales increased 4% over 1998 driven by the demand for pickups and SUVs in North America which was partially offset by a decrease in South American sales due to that region's economic difficulties.
- AAG sells parts to cover an array of aftermarket needs for brake and chassis products, filtration products and engine systems. North American aftermarket sales, which are 85% of this segment's sales, were up 4% over 1998. Excluding acquisitions, net of divestitures, sales were down slightly from last year. Excluding acquisitions/divestitures, European sales were down 9% from 1998 while South America and Asia Pacific sales declined 11% and 4%, respectively.
- ESG sells engine parts, fluid systems and sealing products. North American sales were up 15% (6% excluding acquisitions/divestitures) and European sales increased 41% primarily due to acquisitions. Weakness in the economies of Brazil and Argentina contributed to a 31% decline in sales in South America. Sales of fluid systems products increased 5% where strong light truck and SUV sales in North America increased demand for vacuum and air conditioning components. Sales of engine products were down 6% excluding acquisitions/divestitures, while sealing products experienced a modest increase compared to the same period last year.

Sales by region for the quarter are shown in the following table:

- OHSG sells off-highway axles, powershift transmissions, transaxles, torque converters and electronic controls. The decline in its third-quarter sales was due to weakness in the worldwide agricultural markets and the South American construction market. An increasing softness in the North American and European construction markets was also evident in the period.
- IG sells components and systems for industrial machinery, motor vehicles, business machines and other equipment. The increase in its third-quarter sales was due to slightly better North American sales partially offset by the soft European market, specifically in the agricultural market.
- HTG sells heavy axles and brakes, drivetrain components, power take-offs, trailer products and heavy systems modular assemblies. The increase in its sales for the period was primarily due to strong medium and heavy truck and trailer production in North America. Weak sales in Europe (down 7%) and South America (down 58%) partially offset the increased North American sales.
- Other sales were down compared to 1998 primarily due to decreased sales by our non-core operations in South America.

	1998	1999	% Change	% Change Excluding Acquisitions & Divestitures
North America	\$2,219	\$2,453	11	8
South America	233	141	(40)	(40)
Europe	437	465	6	(6)
Asia Pacific	45	63	42	42
Other	28	5	(82)	(17)

17

[Table of Contents](#)

ITEM 2. (Continued)

Results of Operations (Third Quarter 1999 vs Third Quarter 1998)

(in Millions)

Revenue from lease financing and other income decreased \$17 in the third quarter of 1999. Excluding the impact of the sale of DCC's Technology Leasing Group portfolio near the end of 1998, these revenues actually increased \$8. Increased income from ongoing leasing activities coupled with positive foreign

currency adjustments in 1999 contributed to the increase.

Gross margin for the third quarter was 18.0%, compared to 16.3% in 1998. ASG margins were flat compared to the third quarter of 1998. AAG, HTG and OHSG reported improvements in gross margin due to the extensive restructuring/synergy programs now underway. The strength in North American medium and heavy truck builds contributed to HTG's margin improvement as well. The acquisition of Glacier Vandervell in 1998 helped to improve ESG's gross margin in the third quarter of 1999. IG reported depressed margins corresponding with soft sales when compared to last year.

Excluding the net impact of acquisitions and divestitures, the ratio of SG&A expense to sales improved from 9.7% in 1998 to 9.4% in 1999. Savings from our restructuring/synergy programs and ongoing cost control initiatives have been partially offset by higher expenses as a percentage of sales in Europe and South America as well as an increase at DCC.

Operating margin for the third quarter of 1999 was 8.8% compared to 7.1% in 1998 for the reasons previously discussed.

Interest expense was \$3 lower than last year due to the impact of the sale of DCC's Technology Leasing Group portfolio, which was partially offset by higher average debt levels in 1999 at Dana, excluding DCC.

The effective tax rate in the third quarter of 1999 was 35% compared to 43% in 1998. The effective rate was lower primarily due to the favorable settlement of state tax issues in 1999 and our inability to deduct all the Echlin merger expenses in 1998.

Equity in earnings of affiliates was equivalent to last year. Decreased earnings at our affiliates in Europe and South America were offset by increased earnings at DCC's leasing affiliates.

We reported record third-quarter earnings in 1999 of \$162 compared to \$98 in 1998. The comparisons include non-recurring, after-tax charges of \$11 in 1999 and \$37 in 1998.

Results of Operations (Nine Months 1999 vs Nine Months 1998)

(in Millions)

Worldwide sales of \$9,915 in the first nine months were \$483 or 5% higher than the same period last year. Sales of companies acquired, net of divestitures, amounted to \$225 of the increase. On a comparable basis, sales increased \$258 or 3% with price changes having a minimal effect.

18

[Table of Contents](#)

ITEM 2. (Continued)

Results of Operations (Nine Months 1999 vs Nine Months 1998)

(in Millions)

- The increase in North American sales resulted from continued demand for light trucks and SUVs as well as strength in the medium and heavy truck markets. This was partially offset by weakness in agricultural and industrial sales.
- The decline in sales in South America was due to continued economic weakness in the region. Changes in exchange rates compared to the third quarter of last year caused a \$64 negative impact on sales.
- The increase in sales in Europe was due to newly acquired businesses in ESG and AAG offset by softness in all the other segments. There was an \$18 negative impact on sales due to changes in exchange rates.
- The sales increase in the Asia Pacific region was primarily due to the new modular product sales in Australia and axle/driveshaft business with Ford in Thailand. There was a \$2 positive impact on sales in the region due to changes in exchange rates.

Sales by segment for the first nine months are shown in the following table. The "Other" category includes closed and sold facilities or locations where the operating responsibility has not been assigned to a specific SBU.

- Our U.S. sales increased \$453 or 7% over 1998 (\$389 or 6% excluding the effect of acquisitions and divestitures).
- Sales from our non-U.S. operations increased \$30 or 1% over 1998. Excluding the effect of acquisitions and divestitures, non-U.S. sales were down \$131 or 5% from 1998. Changes in foreign currency exchange rates decreased 1999 sales by approximately \$221 or 8% of total non-U.S. sales.

	1998	1999	% Change	% Change Excluding Acquisitions & Divestitures
Automotive Systems Group (ASG)	\$3,116	\$3,340	7	7
Automotive Aftermarket Group (AAG)	2,168	2,275	5	--
Engine Systems Group (ESG)	1,406	1,704	21	5
Off-Highway Systems Group (OHSG)	679	607	(11)	(6)
Industrial Group (IG)	533	524	(2)	(2)
Heavy Truck Group (HTG)	1,318	1,424	8	8
Other	212	41	(81)	(3)

19

ITEM 2. (Continued)

Results of Operations (Nine Months 1999 vs Nine Months 1998)

(in Millions)

- ASG sales increased over the 1998 nine-month period due to the continuing strong demand in North America for light trucks and SUVs. Total ASG North American sales, which are approximately 80% of this segment's sales, increased 12% over 1998 excluding the acquisition/divestiture impact. Driveshaft business with Daimler/Chrysler that was in transition mode last year and launch of the new Ford Excursion which uses our frames and axles have contributed to the increase. Worldwide light axle sales increased 14% with North America up 17% over 1998 driven by the demand for pickups and SUVs. Positive results also were reported from Europe and Asia Pacific where sales increased 4% and 65%, respectively. Economic difficulties in South America caused a 54% decline in light axle sales. The continued strength in driveshaft shipments in North America was not enough to offset the very weak driveshaft sales in South America.
- AAG reported sales 5% higher than in 1998. North American aftermarket sales were up 5% over 1998. Excluding acquisitions/divestitures, sales were 1% above last year. Excluding acquisitions/divestitures, European sales were up 1% from 1998 while South America and Asia Pacific sales declined 12% and 11%, respectively.
- ESG's sales were 5% higher than the comparable period in 1998, excluding acquisitions/divestitures, due to a 7% increase in North American sales. Weakness in the economy in Brazil and Argentina contributed to a 29% decline in sales in South America. Sales of fluid systems products increased 9%, excluding acquisitions/divestitures, due to strong passenger car and SUV sales in North

America. While sales of engine products were down slightly, sealing products sales experienced a modest increase compared to last year.

Sales by region for the first nine months are shown in the following table:

- OHSG sales were below last year due to weakness in the worldwide agricultural markets and the South American construction market with recent softness experienced in the North American and European construction markets.
- IG's sales decline was due to soft North American and European markets. Weak sales to the agricultural markets were partially offset by increased sales from the vehicular electronic business.
- HTG sales for the nine-month period increased over 1998 due to strong heavy truck build levels in North America, which account for approximately 94% of this segment's sales. Weak sales in Europe (down 16%) and South America (down 53%) partially offset the increased North American sales.
- Other sales were down compared to 1998 primarily due to the sale of our brake hose business in the first quarter of 1998 and the Midland-Grau divestiture in the second quarter of 1998 as well as decreased sales in 1999 by our non-core operations in South America.

	1998	1999	% Change	% Change Excluding Acquisitions & Divestitures
North America	\$7,206	\$7,739	7	7
South America	622	418	(33)	(37)
Europe	1,361	1,553	12	3
Asia Pacific	138	184	33	34
Other	85	21	(75)	6

20

ITEM 2. (Continued)

Results of Operations (Nine Months 1999 vs Nine Months 1998)

(in Millions)

- North American sales were up \$533 with acquisitions, net of divestitures, accounting for \$64 of the increase. Continued demand for light trucks and SUVs, as well as strength in the medium and heavy truck markets, helped fuel the increase. This was partially offset by weakness in agricultural and industrial sales. Changes in foreign currency exchange rates caused a \$28 negative impact on sales.
- The decline in sales in South America was due to continued economic weakness in the region. There was a \$177 negative impact on sales in South America due to changes in exchange rates.
- Sales in Europe were up as increases in ASG complemented sales from newly acquired businesses in ESG and AAG. There was a \$19 negative impact on sales in Europe due to changes in exchange rates.

Revenue from lease financing and other income decreased \$56 in 1999. Excluding the impact of the sale of DCC's Technology Leasing Group portfolio near the end of 1998, these revenues increased \$15. The increase was due to higher income from ongoing leasing activities and other income items. These items included positive foreign currency adjustments in 1999 and a gain recorded on the early termination of a lease at DCC. Also in 1999, interest income was \$11 lower than in 1998 and takeover defense costs of \$12 were incurred by the former Echlin in 1998.

Gross margin for the first nine months was 17.5%, compared to 16.7% in 1998. ASG margins were higher due to increased margins on higher North American truck shipments and production of new business that was in the launch stage in 1998. AAG and HTG reported improvements in gross margin due to the extensive restructuring/synergy programs now underway and strength in North

American medium and heavy truck builds. The acquisition of Glacier Vandervell in December 1998 helped to improve ESG's gross margin in 1999. IG and OHSG reported depressed margins corresponding with soft sales when compared to last year.

Savings from our restructuring/synergy programs at AAG and ongoing cost control initiatives throughout the company are continuing to show positive results. Despite the net impact of acquisitions and divestitures increasing SG&A expenses by \$13, SG&A was up only \$10 over the 1998 nine-month period. Expenses at DCC increased as they incurred development costs related to a new enterprise lease management system which tracks assets on lease. Excluding the net impact of acquisitions and divestitures, the ratio of SG&A expense to sales improved from 9.3% in 1998 to 8.9% in 1999.

Operating margin for the nine-month period was 8.7% compared to 7.5% in 1998. ASG, AAG, ESG and HTG all reported improved margins compared to 1998 for the reasons previously discussed.

Interest expense was \$5 lower than last year due to the impact of the sale of DCC's Technology Leasing Group portfolio, which was partially offset by higher average debt levels in 1999 at Dana, excluding DCC.

The effective tax rate in the first nine months of 1999 was 37% compared to 41% in 1998. The effective rate was lower primarily due to state tax credits related to business development, favorable settlement of state tax issues and tax credits generated by DCC in 1999, and our inability to deduct all the Echlin merger expenses in 1998.

Equity in earnings of affiliates was higher in 1999 by \$11, primarily due to increased earnings at our affiliates in Mexico and DCC's leasing affiliates.

Minority interest in net income of consolidated subsidiaries decreased \$1, primarily due to the lower earnings of Albarus S.A. and its majority-owned subsidiaries.

[Table of Contents](#)

ITEM 2. (Continued)

Results of Operations (Nine Months 1999 vs Nine Months 1998)

(in Millions)

We reported record nine-month profit in 1999 of \$513 compared to \$399 in 1998. The comparisons include non-recurring, after-tax charges of \$21 in 1999 and \$43 in 1998.

Forward-Looking Information

Forward-looking statements in this report are indicated by words such as "anticipates," "expects," "believes," "intends," "plans," and similar expressions. These statements represent our expectations based on current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Actual results could differ materially from those which are anticipated or projected due to a number of factors. These factors include changes in business relationships with our major customers, work stoppages at major customers, competitive pressures on sales and pricing, increases in production or material costs that cannot be recouped in product pricing, our ability and/or that of third parties with whom we do business to resolve Year 2000 problems in a timely manner, flattening of market demand for SUVs and light, medium and heavy trucks, softening demand for off-highway agricultural and structural products, and economic weakness in Europe, South America and Asia Pacific.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our exposures to market risk since December 31, 1998.

[Table of Contents](#)

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various pending judicial and administrative proceedings arising in the ordinary course of business. After reviewing the proceedings that are currently pending (including the probable outcomes, reasonably anticipated costs and expenses, availability and limits of our insurance

coverage, and our established reserves for uninsured liabilities), we do not believe that any liabilities that may result from these proceedings are reasonably likely to have a material effect on our liquidity, financial condition or results of operations.

We are not currently a party to any of the environmental proceedings involving governmental agencies which the Securities and Exchange Commission requires companies to report.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- The sales increase in the Asia Pacific region was primarily due to the new modular product sales in Australia and slightly higher Industrial Group sales. There was a \$3 positive impact in Asia Pacific due to changes in exchange rates.

23

[Table of Contents](#)

SIGNATURE

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

DANA CORPORATION

- a) The exhibits listed in the Exhibit Index are filed as a part of this report.
- b) Reports on Form 8-K
No reports on Form 8-K were filed during the quarter ended September 30, 1999.

24

[Table of Contents](#)

EXHIBIT INDEX

Date: November 12, 1999

/s/ Robert C. Richter

Robert C. Richter
Chief Financial Officer

Note: Exhibit No. 10-J(7) is an exhibit required to be identified pursuant to Item 14(a)(3) of Form 10-K.

25

EMPLOYMENT AGREEMENT

BETWEEN

DANA CORPORATION

AND

LARRY W. MCCURDY

DATED AUGUST 31, 1999

TABLE OF CONTENTS

SECTION	PAGE
Introduction.....	1
1. Employment and Term.....	1
2. Position and Duties of the Executive.....	2
(a) Position.....	2
(b) Duties.....	2
(c) Location of Office.....	3
3. Compensation.....	3
(a) Salary.....	3
(b) Additional Compensation.....	3
(c) Incentive, Stock, Savings and Retirement Plans.....	4
(d) Welfare Benefit Plans.....	4
(e) Expenses.....	4
(f) Fringe Benefits.....	5
(g) Office and Support Staff.....	5
(h) Vacation and Other Absences.....	5
(i) Supplemental Payment.....	5
(j) Retainer.....	5
4. Termination of Employment.....	5
(a) Death or Disability.....	5
(b) Cause.....	6
(c) Good Reason.....	7
(d) Notice of Termination.....	8
(e) Date of Termination.....	8
(f) Employment Period.....	8
5. Obligations of the Corporation Upon Termination.....	9
(a) Termination for Good Reason or Other Than for Cause.....	9
(b) Termination for Cause; Other Than for Good Reason.....	10
(c) Termination Upon Death or Disability.....	10
(d) Expiration of Scheduled Employment Period.....	11
(e) Resolution of Disputes.....	11
6. Non-exclusivity of Rights.....	11
7. Full Settlement.....	11
8. Change of Control Payments.....	12
9. Confidential Information.....	14

SECTION	PAGE
10. Competition; Solicitation; Disparagement.....	15
11. Successors.....	16
12. Certain Definitions.....	17
(a) Beneficiary.....	17
(b) Change of Control.....	17
(c) Change of Control Date.....	18
13. Amendment or Modification; Waiver.....	18
14. Miscellaneous.....	18

DEFINED TERMS		
DEFINED TERMS A	SECTION	PAGE
-----	-----	-----
Accounting Firm	8 (c)	12
Accrued Obligations	5 (a) (i)	9
ACP	3 (b)	3
Acquisition	Introduction	1
Affiliate	2 (a)	2
Agreement	Introduction	1
Annual Base Salary	3 (a)	3
Annual Bonus	3 (b)	3
Beneficial Owner	12 (b)	18
Beneficiary	12 (a)	17
Board	3 (a)	3
Cause	4 (b)	6
Change of Control	12 (b)	16
Change of Control Date	12 (c)	19
Code	8 (b)	12
Committee	3 (a)	3
Competitor	10 (a)	15
Competition	10 (b)	15
control, controls, controlled	2 (a)	2
Corporation	Introduction	1
	9 (a)	14
	11 (b)	16
	14 (e)	19
Dana Options	3 (c)	4
Date of Termination	4 (e)	8
Deferred Compensation	10 (d)	17
Disability	4 (a) (ii)	6
Disability Effective Date	4 (a) (ii)	6
Disparagement	10 (b)	16
Echlin	Introduction	1
Echlin Options	3 (c)	4
Echlin Option Plan	3 (c)	4
Echlin Severance Plan	Introduction	1
Employment Period	1 (a)	1
Exchange Act	12 (b)	18

A Each listed term is intended to include both the singular and plural form of the term.

DEFINED TERMS	SECTION	PAGE
Excise Tax	8 (b)	12
Executive	Introduction	1
Good Reason	4 (c)	7
Gross-Up Payment	8 (b)	12
1997 PUP Award	3 (c)	4
Notice of Termination	4 (d)	8
Option Plan	3 (c)	4
Other Benefits	5 (a) (iv)	10
Payment	8 (b)	12
Person	12 (b)	17
Prior Agreement	Introduction	1
PUP	3 (c)	4
Restricted Stock Agreement	3 (c)	4
Restricted Stock Plan	3 (c)	4
Short-Term Award	3 (b)	3
Subsidiary	2 (a)	2
Supplemental Payment	3 (i)	5
Transition Period	1 (a)	1
Underpayment	8 (c)	13
Welfare Benefits	3 (d)	4

EMPLOYMENT AGREEMENT (the "Agreement") made and entered into as of this 31st day of August, 1999, by and between DANA CORPORATION, a Virginia corporation whose principal place of business is located at 4500 Dorr Street, Toledo, Ohio (the "Corporation"), and Larry W. McCurdy (the "Executive");

WHEREAS, Echlin Inc., a Connecticut corporation ("Echlin"), became a wholly-owned subsidiary of the Corporation pursuant to the Agreement and Plan of Merger by and among the Corporation, Echo Acquisition Corp. and Echlin, dated May 3, 1998 (the "Acquisition"); and

WHEREAS, prior to the Acquisition, Executive was a principal executive officer of Echlin; and

WHEREAS, the Corporation wishes to assure itself of the continuing services of the Executive and to assure the Executive of continued employment during the period of employment hereunder; and

WHEREAS, the Executive is willing to commit himself to remain in the employ of the Corporation during such period on terms and conditions substantially similar to those on which other senior executive officers of the Corporation are employed, and to forego opportunities elsewhere during such period; and

WHEREAS, the Executive was a participant in the Echlin Change in Control Severance Policy (the "Echlin Severance Plan"); and

WHEREAS, the Executive and Echlin entered into a Severance and Indemnification Agreement dated as of April 23, 1998, as amended from time to time thereafter (the "Prior Agreement") which amended and replaced the Executive's rights under the Echlin Severance Plan; and

WHEREAS, the parties wish to supersede and replace the Prior Agreement in its entirety;

NOW, THEREFORE, IN CONSIDERATION of the mutual promises, covenants and agreements set forth below, it is hereby agreed as follows:

1. Employment and Term.

(a) The Corporation agrees to employ the Executive, and the Executive agrees to be employed by the Corporation, in accordance with the terms and provisions of this Agreement, for the period set forth below (the "Employment Period"). In addition, the Executive agrees to provide consulting services for the Corporation, for the period set forth below (the "Transition Period").

(b) The Employment Period under this Agreement shall commence as of July 9, 1998, and shall continue, subject only to the provisions of Section 4 below relating to termination of employment, until the close of business on July 16, 2000. The Transition Period shall commence as of July 17, 2000, and shall continue until the close of business on August 31,

2000. At the end of the Transition Period, the Executive and the Corporation may consider extending the Transition Period under such conditions as are mutually agreeable; PROVIDED, HOWEVER, that the Corporation shall not be required to extend the Transition Period.

(c) The Executive will not be required to provide consulting services during the Transition Period at any particular time or location, and he may provide those services by telephone or facsimile, or by any other means reasonably agreeable to both parties. During the Transition Period, the Corporation shall not control the instrumentalities, details, or means by which the Executive achieves the results for which he is retained under this Agreement. It is expected that during the Transition Period the Executive will provide only advisory and consulting services, and, consequently, he will not be subject to the supervision or control of the Corporation. The Executive shall choose the time and manner for performing the consulting services according to his own routines and schedules, except as provided in Section 2(b). During the Transition Period, the Executive shall set his own hours of work, and there shall be no obligation by the Executive to submit reports relating to the method in which consulting services are rendered under this Agreement. It is understood and agreed that during the Transition Period the Executive is not, and shall not be deemed to be, an agent, employee, or servant of the Corporation (or its Subsidiaries or Affiliates) and will be engaged only in an independent contractor and consultant capacity, and will have no power or authority to act, bind, or make commitments on behalf of the Corporation (or its Subsidiaries or Affiliates) without the prior written authority of the Corporation. As an independent contractor, no tax or other deductions shall be made by the Corporation from the Executive's consulting fees, and the Executive assumes all employment tax obligations in connection with same.

2. Position and Duties of the Executive.

(a) POSITION. The office(s), title(s), reporting responsibility, duties and responsibilities of the Executive during the Employment Period and Transition Period shall be summarized in Exhibit A to this Agreement.

During the Employment Period the Executive shall, without compensation other than that herein provided, also serve, if and when elected, as director of any Subsidiary, division or Affiliate of the Corporation.

For all purposes of this Agreement, (i) a "Subsidiary" shall mean a corporation or other entity, of which 50% or more of the voting securities or other equity interests is owned directly, or indirectly through one or more intermediaries, by the Corporation, and (ii) an "Affiliate" shall mean a corporation or other entity which is not a Subsidiary and which directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the Corporation. For the purpose of this definition, the terms "control," "controls" and "controlled" mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a corporation or other entity, whether through the ownership of voting securities, by contract, or otherwise.

(b) DUTIES. Throughout the Employment Period the Executive shall devote his full time and undivided attention during normal business hours to the business and affairs of

the Corporation except for reasonable vacations and except for illness or incapacity, but nothing in this Agreement shall preclude the Executive from devoting reasonable periods required for:

- (i) serving as a director or member of a committee or any organization involving no conflict of interest with the interests of the Corporation;
- (ii) delivering lectures, fulfilling speaking engagements, teaching at educational institutions;
- (iii) engaging in charitable and community activities; and
- (iv) managing his personal investments;

provided that such activities do not interfere with the regular performance of his duties and responsibilities under this Agreement. During the Transition Period, the Executive shall devote such time to the performance of his duties as may be mutually agreed with the President of the Corporation.

(c) LOCATION OF OFFICE. During the Employment Period, the office of the Executive shall be located in, or within 35 miles of, Branford, Connecticut, and the Executive shall not be required to locate his office elsewhere without his prior written consent. During the Transition Period, the Executive may perform his services at such location, or at another mutually agreeable location.

3. Compensation.

During the Employment Period, the Executive shall receive the following compensation for his services:

(a) SALARY. The Executive shall be paid an annual base salary during the Employment Period payable not less often than monthly, at the rate of not less than \$57,833 per month with such increases as shall be awarded from time to time at the discretion of the Compensation Committee (the "Committee") of the Board of Directors of the Corporation (the "Board") (the "Annual Base Salary").

(b) ADDITIONAL COMPENSATION. Commencing January 1, 1999 and for the remainder of the Employment Period, the Executive shall be eligible to receive annual short-term incentive awards or bonuses (such award or bonus described in this Section 3(b) is hereinafter referred to as "Short-Term Award" or "Annual Bonus") from the Dana Corporation Additional Compensation Plan, and from any successor or replacement plan (the Dana Corporation Additional Compensation Plan and such successor or replacement plans being referred to herein collectively as the "ACP"), in accordance with the terms thereof. Each Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the receipt of such Annual Bonus is deferred in accordance with the terms of the ACP, or a separate deferred compensation agreement. For the period from January 1, 2000 through July 16, 2000, the Executive shall be eligible to earn a pro rata bonus pursuant to the terms of the ACP based upon the performance results for the Corporation's fiscal year beginning January 1, 2000, which amount shall be payable following

the end of such fiscal year under this Agreement if such pro rata bonus is not payable under the ACP.

(c) INCENTIVE, STOCK, SAVINGS AND RETIREMENT PLANS. Commencing October 1, 1998, during the Employment Period, the Executive shall be a participant in the Dana Corporation 1997 Stock Option Plan (the "Option Plan") and shall receive annual grants of stock options in amounts commensurate with Executive's position and, commencing on the date hereof, the Executive shall be eligible to participate during the Employment Period in any and all other incentive, stock, savings and retirement plans, practices or policies generally provided to similarly-situated executives of the Corporation; PROVIDED, THAT, the Executive shall not be eligible to receive benefits from a plan, policy or arrangement of the Corporation to the extent the Executive receives or is receiving a similar benefit pursuant to a plan, policy or arrangement of Echlin. The Executive agrees that he will not commence receiving any benefits from any retirement or savings plan of the Corporation or Echlin until August 31, 2000. On or about the date of the execution of this Agreement, the Executive shall receive a grant of 11,000 shares of restricted stock of the Corporation pursuant to the 1999 Restricted Stock Plan (the "Restricted Stock Plan"), which shares shall vest in accordance with the terms of the Restricted Stock Agreement entered into between the Corporation and the Executive, dated August 11, 1999 (the "Restricted Stock Agreement"). With respect to all options granted to the Executive under the Option Plan (the "Dana Options") or granted to the Executive under the Echlin Inc., 1992 Stock Option Plan, as amended and restated as of April 23, 1998 (the "Echlin Options" and the "Echlin Option Plan"), the Corporation shall vest all Dana Options and Echlin Options and permit the Executive to be treated as having terminated employment as a result of retirement pursuant to Section 10(b) of the Option Plan or Section 8(g) of the Echlin Option Plan, as applicable, upon the end of the scheduled Employment Period; PROVIDED, that, the Executive has remained employed by the Corporation through such date. The Executive's award granted under the Echlin Inc. Performance Unit Plan, amended and restated as of April 23, 1998 (the "PUP"), on September 1, 1997 (the "1997 PUP Award"), shall vest in accordance with the terms of the PUP; PROVIDED, HOWEVER, that (1) in the event of a termination of the Executive's employment before July 16, 2000 by the Corporation without Cause or by the Executive for Good Reason, the 1997 PUP Award shall be vested on a pro rata basis through July 16, 2000 and (2) in the event of a termination of the Executive's employment before July 16, 2000 by the Company for Cause or by the Executive without Good Reason, the 1997 PUP Award shall be forfeited.

(d) WELFARE BENEFIT PLANS. During the Employment Period, the Executive will be eligible to participate in the welfare benefit plans, policies and arrangements generally provided to similarly-situated executives of the Corporation (the "Welfare Benefits"); PROVIDED, THAT, the Executive shall not be eligible to receive benefits from a plan, policy or arrangement of the Corporation to the extent the Executive receives or is receiving a similar benefit pursuant to a plan, policy or arrangement of Echlin, and the Executive hereby agrees that the Supplemental Payment (as defined in Section 3(i) below) shall act as an offset to any amounts otherwise due to the Executive under any severance plan or policy of the Corporation or Echlin.

(e) EXPENSES. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the policies, practices and procedures of the Corporation from time to time in effect, on a basis comparable to that of similarly-situated executives of the Corporation. During

the Transition Period, the Corporation shall continue to provide the Executive with the same level of expense reimbursement; PROVIDED, that that such expense reimbursement shall be adjusted in the event the Corporation's expense reimbursement policies, practices and procedures are adjusted from time to time.

(f) FRINGE BENEFITS. During the Employment Period, the Executive shall be entitled to fringe benefits, in accordance with the plans, practices, programs and policies of the Corporation from time to time in effect, on a basis comparable to similarly-situated executives of the Corporation.

(g) OFFICE AND SUPPORT STAFF. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to personal secretarial and other assistance, comparable to those received by other similarly-situated executives of the Corporation. Such level of office(s) and furnishings and other appointments shall be continued during the Transition Period.

(h) VACATION AND OTHER ABSENCES. During the Employment Period, the Executive shall be entitled to paid vacation and such other paid absences whether for holidays, illness, personal time or any similar purposes, in accordance with the plans, policies, programs and practices of the Corporation in effect from time to time, comparable to those received by similarly-situated executives of the Corporation.

(i) SUPPLEMENTAL PAYMENT. The Corporation shall pay the Supplemental Payment (as defined below) to the Executive (A) if the Executive's employment terminates before July 16, 2000, not later than 30 days after the Date of Termination or (B) if the Executive continues to perform services as an employee through July 16, 2000, not later than October 1, 2000. The Supplemental Payment means (A) the amount set forth on Exhibit B, plus (B) interest at the two-year Treasury rate as specified in the Federal Reserve Statistical Release H.15 on August 13, 1999 (5.71 percent per annum), as accrued from August 1, 1999 through the date of payment. Notwithstanding the foregoing, the Executive shall not be entitled to the Supplemental Payment in the event of a termination of the Executive's employment by the Corporation prior to July 16, 2000 for Cause (other than for Cause which is solely as a result of (A) the Executive's material breach of Section 2(b) hereof and/or (B) Disparagement, which breach does not otherwise result in any other provision of the Cause definition being triggered).

(j) RETAINER. The Corporation shall pay the Executive a retainer of \$10,000 on July 16, 2000 in consideration for the services to be provided by the Executive to the Corporation during the Transition Period; provided that the Executive remains employed with the Corporation through July 16, 2000.

4. Termination of Employment.

(a) DEATH OR DISABILITY.

(i) The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period.

(ii) If the Corporation determines in good faith that the Disability (as defined below) of the Executive has occurred during the Employment Period, it may give to the Executive written notice in accordance with Section 14(b) below of its intention to terminate the Executive's employment. In such event, the Employment Period shall terminate effective on the 30th day after receipt of such notice to the Executive (the "Disability Effective Date"), PROVIDED, that within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties as an employee. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Corporation on a full-time basis as an employee for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Corporation or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(b) CAUSE. The Corporation may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, the termination of the Executive's employment shall be deemed to have been for "Cause" only

(i) if termination of his employment shall have been the result of his conviction of, or plea of guilty or nolo contendere to, the charge of having committed a felony which conviction has, or is reasonably likely to have, material effect on the Corporation or its business or reputation, as determined by the Board in its sole discretion (whether or not such conviction is later reversed for any reason), or

(ii) if there has been a breach by the Executive during the Employment Period of the provisions of Section 2(b), relating to the time to be devoted to the affairs of the Corporation, of Section 9, relating to confidential information, or of Section 10, relating to Competition, Solicitation or Disparagement, and such breach results in demonstrably material injury to the Corporation, and with respect to any alleged breach of Section 2(b) hereof, the Executive shall have either failed to remedy such alleged breach within thirty days from his receipt of written notice from the Secretary of the Corporation after notice to the Executive and an opportunity to be heard demanding that he remedy such alleged breach, or shall have failed to take all reasonable steps to that end during such thirty-day period and thereafter.

Anything in this Section 4(b) or elsewhere in this Agreement to the contrary notwithstanding, the employment of the Executive shall in no event be considered to have been terminated by the Corporation for Cause if termination of his employment took place

- (1) as the result of bad judgment or negligence on the part of the Executive, or
- (2) because of an act or omission believed by the Executive in good faith to have been in or not opposed to the interests of the Corporation, or
- (3) for any act or omission in respect of which a determination could properly be made that the Executive met the applicable standard of conduct prescribed for indemnification or reimbursement or payment of expenses under (A) the Bylaws

of the Corporation, or (B) the laws of the State of Virginia, or (C) the directors' and officers' liability insurance of the Corporation, in each case either as in effect at the time of this Agreement or in effect at the time of such act or omission, or

(4) as the result of an act or omission which occurred more than twelve calendar months prior to the Executive's having been given notice of the termination of his employment for such act or omission unless the commission of such act or such omission could not at the time of such commission or omission have been known to a member of the Board, in which case more than twelve calendar months from the date that the commission of such act or such omission was or could reasonably have been so known, or

(5) as the result of a continuing course of action which commenced and was or could reasonably have been known to a member of the Board of the Corporation more than twelve calendar months prior to notice having been given to the Executive of the termination of his employment.

(c) GOOD REASON. The Executive may terminate his employment during the Employment Period for Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events:

(i) During the Employment Period, failure to elect or reelect the Executive to, or removal of the Executive from, the office(s) described in Section 2(a) above and intended to be summarized in Exhibit A to this Agreement.

(ii) A significant change in the nature or scope of the authorities, powers, functions or duties attached to the position described in Section 2 above and intended to be summarized in Exhibit A to this Agreement, or a reduction in compensation during the Employment Period, which is not remedied within 30 days after receipt by the Corporation of written notice from the Executive.

(iii) A breach by the Corporation of any provision of this Agreement not embraced within the foregoing clauses (i) or (ii) of this Section 4(c) which is not remedied within 30 days after receipt by the Corporation of written notice from the Executive.

(iv) The liquidation, dissolution, consolidation or merger of the Corporation or transfer of all or a significant portion of its assets unless a successor or successors (by merger, consolidation or otherwise) to which all or a significant portion of its assets have been transferred shall have assumed all duties and obligations of the Corporation under this Agreement but without releasing the corporation that is the original party to this Agreement;

PROVIDED, that in any event set forth in this Section 4(c), the Executive shall have elected to terminate his employment under this Agreement, upon not less than ten and not more than ninety days' advance written notice to the Corporation, attention of the Secretary, given, except in the case of a continuing breach, within three calendar months after (A) failure to be so elected or reelected, or removal, (B) expiration of the thirty-day cure period with respect to such event, or

(C) the closing date of such liquidation, dissolution, consolidation, merger or transfer of assets, as the case may be.

An election by the Executive to terminate his employment under the provisions of this Section 4(c) shall not be deemed a voluntary termination of employment by the Executive for the purpose of this Agreement or any plan or practice of the Corporation.

(d) NOTICE OF TERMINATION. Any termination by the Corporation for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14(b) below. For purposes of this Agreement, a "Notice of Termination" means a written notice which

(i) indicates the specific termination provision in this Agreement relied upon,

(ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and

(iii) if the Date of Termination (as defined in Section 4(e) below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen days after the giving of such notice).

(e) DATE OF TERMINATION. "Date of Termination" means

(i) if the Executive's employment is terminated by the Corporation for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be,

(ii) if the Executive's employment is terminated by the Corporation other than for Cause or Disability, the Date of Termination shall be the date on which the Corporation notifies the Executive of such termination;

(iii) if the Executive's employment is terminated by the Executive without Good Reason, the Date of Termination shall be the date of the Executive's resignation, unless a later date is mutually agreed upon by the Executive and the Corporation; and

(iv) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

(f) EMPLOYMENT PERIOD. The Employment Period shall end on the Date of Termination.

5. Obligations of the Corporation Upon Termination.

(a) TERMINATION FOR GOOD REASON OR OTHER THAN FOR CAUSE. If, during the Employment Period, the Corporation shall terminate the Executive's employment other than for Cause or the Executive shall terminate his employment for Good Reason, the Corporation shall have no further obligations to the Executive except as set forth below:

(i) the Corporation shall pay the Executive in a lump sum in cash within 30 days after the Date of Termination the sum of: (A) the Executive's Annual Base Salary through the Date of Termination to the extent not therefore paid, (B) any accrued vacation pay, to the extent not therefore paid (the sum of (A) and (B) shall be hereinafter referred to as the "Accrued Obligations"), (C) the Base Salary from the Date of Termination through July 16, 2000, and (D) to the extent not therefore paid, the Supplemental Payment;

(ii) during the period beginning on the Date of Termination and ending on the scheduled end of the Employment Period, or such longer period as any plan, program, practice or policy may provide, the Corporation shall continue medical, dental and life insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 3(d) above if the Executive's employment had not been terminated; PROVIDED, that the Executive shall remain responsible for providing any required "employee" contributions, and the Corporation may provide medical benefits by making certain "COBRA" continuation health coverage contributions on behalf of the Executive, PROVIDED, FURTHER, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer-provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility;

(iii) (A) all Dana Options granted to the Executive pursuant to Section 3(c) hereof shall be fully vested on the Date of Termination, (B) the Corporation shall permit the Executive to be treated as having terminated employment as a result of retirement pursuant to Section 10(b) of the Option Plan with respect to the Dana Options, and pursuant to Section 8(g) of the Echlin Option Plan with respect to the Echlin Options; and (C) the restricted stock granted to the Executive pursuant to Section 3(c) hereof shall be vested on the Date of Termination to the extent provided in the Restricted Stock Agreement.

(iv) to the extent not therefore paid or provided, the Corporation shall timely pay or provide to the Executive and/or the Executive's family any other amounts or benefits required to be paid or provided or which the Executive and/or the Executive's family is eligible to receive pursuant to this Agreement and under any plan, program, policy or practice or contract or agreement of the Corporation in which the Executive participated (such other amounts and benefits shall be referred to below as the "Other Benefits");

(v) the 1997 PUP Award shall vest in accordance with Section 3(c) hereof; and

(vi) the Corporation shall pay the Executive following the end of each bonus year ending after the Date of Termination and on or before December 31, 2000, the Annual Bonus for each such plan year (or portion thereof) pursuant to the terms of the ACP, based on the assumption that the Executive was a participant in such program through July 16, 2000.

(b) TERMINATION FOR CAUSE; OTHER THAN FOR GOOD REASON. (i) If the Executive's employment shall be terminated by the Corporation for Cause or by the Executive without Good Reason during the Employment Period, the Corporation shall have no further obligations to the Executive other than to provide the Accrued Obligations, the Other Benefits and, to the extent provided in Section 3(i), the Supplemental Payment to the extent not therefore paid.

(c) TERMINATION UPON DEATH OR DISABILITY. If the Executive's employment terminates by reason of death or Disability, the Corporation shall have no further obligations to the Executive or to his legal representative or Beneficiary except to provide the payments and benefits set forth below.

(i) In the event of the death of the Executive during the Employment Period, the Beneficiary of the Executive shall be entitled to the Accrued Obligations and the compensation provided for in Section 3(a) above for the month in which death shall have taken place, at the rate being paid at the time of death, and the Employment Period shall be deemed to have ended as of the close of business on the last day of the month in which death shall have occurred but without prejudice to any payments due in respect of the Executive's death. The Corporation shall also provide the Other Benefits and pay the Beneficiary a pro rata bonus through the Date of Termination for the plan year in which the Executive's death occurs, pursuant to the terms of the ACP, following the end of the applicable bonus year. In addition, the Corporation shall pay the Beneficiary the Supplemental Payment to the extent not therefore paid, within thirty days following the Executive's death. The 1997 PUP Award shall vest in accordance with Section 3(c) hereof.

(ii) In the event of the Disability of the Executive during the Employment Period, the Executive shall be entitled to the Accrued Obligations and the compensation provided for in Section 3(a) above, at the rate being paid on the Disability Effective Date, for the period of such Disability but not in excess of six months. The amount of any payments due under this Section 5(c)(ii) shall be reduced by any payments to which the Executive may be entitled for the same period because of disability under any disability or pension plan of the Corporation or of any Subsidiary or Affiliate thereof. The Corporation shall also provide the Other Benefits. In addition, the Corporation shall pay the Executive the Supplemental Payment, within thirty days following the Executive's Disability Effective Date to the extent not therefore paid. The 1997 PUP Award shall vest in accordance with Section 3(c). The Corporation shall also pay the Executive a pro rata bonus through the Date of Termination for the plan year in which the

Executive's Disability occurs, pursuant to the terms of the ACP, following the end of the applicable bonus year.

(d) EXPIRATION OF SCHEDULED EMPLOYMENT PERIOD. Upon the expiration of the scheduled Employment Period, the Corporation shall have no obligations to the Executive except as provided in this Agreement and in the Side Letter between the Corporation and the Executive, dated August 31, 1999, relating to health care benefits.

(e) RESOLUTION OF DISPUTES. In the event that the Executive's employment shall be terminated by the Corporation during the Employment Period and such termination is alleged to be for Cause, or the Executive's right to terminate his employment under Section 4(c) above shall be questioned by the Corporation, or the Corporation shall withhold payments or provision of benefits for any other reason, the Executive shall have the right, in addition to all other rights and remedies provided by law, to seek arbitration within the Chicago, Illinois area under the rules of the American Arbitration Association by serving a notice to arbitrate upon the Corporation within ninety days after having received notice of termination of his employment or notice in any form that the termination of his employment under Section 4(b) above is subject to question or that the Corporation is withholding or proposes to withhold payments or provision of benefits.

6. Non-exclusivity of Rights.

 Except as provided in Sections 5(a) (ii), 5(b), 5(c) and 14(f), nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Corporation or any of its Affiliated Companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement entered into after the date hereof with the Corporation or any of its Affiliated Companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of, or any contract or agreement entered into after the date hereof with, the Corporation or any of its Affiliated Companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

7. Full Settlement.

 The Corporation's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Corporation may have against the Executive or others, except as provided in Section 10(d) hereof. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and, except as provided in Sections 5(a) (ii) and 10(d) hereof, such amounts shall not be reduced whether or not the Executive obtains other employment.

8. Change of Control Payments.

(a) If, during the Employment Period, (i) a Change of Control occurs and (ii) the Executive is employed by the Corporation, a Subsidiary or an Affiliate on the Change of Control Date, and the Executive has not delivered to the Corporation a written waiver of right under this Section 8(a) within fifteen (15) days of the occurrence of the Change of Control or within fifteen (15) days of the Corporation's written notice to the Executive of the Change of Control, the Supplemental Payment shall be paid to the Executive in a lump sum within thirty days following the Change of Control Date. The Corporation shall give the Executive prompt written notice of a Change of Control.

(b) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution involving the Acquisition to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 8) (a "Payment") would be subject to the excise tax imposed by Section 4999 (or any successor provision) of the Internal Revenue Code of 1986, as amended, (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") from the Corporation in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(c) Subject to the provisions of subsection 8(c)(iii) hereof, all determinations required to be made under this subsection 8(c), including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by PricewaterhouseCoopers LLP or its successor firm (the "Accounting Firm") which shall provide detailed supporting calculations both to the Corporation and the Executive within 15 business days of termination of employment under this Agreement, if applicable, or such earlier time as is requested by the Executive or the Corporation. When calculating the amount of the Gross-Up Payment, the Executive shall be deemed to pay:

(i) Federal income taxes at the highest applicable marginal rate of Federal income taxation for the calendar year in which the Gross-Up Payment is to be made, and

(ii) any applicable state and local income taxes at the highest applicable marginal rate of taxation for the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes if paid in such year.

If the Accounting Firm has performed services for the person, entity or group who cause the Change In Control, or affiliate thereof, the Executive may select an alternative accounting firm from any nationally recognized firm of certified public accountants. If the Accounting Firm

determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with an opinion that he has substantial authority not to report any Excise Tax on his federal income tax return. Any determination by the Accounting Firm shall be binding upon the Corporation and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Corporation should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Corporation exhausts its remedies pursuant to subsection 8(c)(iii) hereof, and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive.

(iii) The Executive shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty day period following the date on which it gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Corporation notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

- (1) give the Corporation any information reasonably requested by the Corporation relating to such claim,
- (2) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,
- (3) cooperate with the Corporation in good faith in order effectively to contest such claim, and
- (4) permit the Corporation to participate in any proceedings relating to such claim;

provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of subsection 8(c)(iii), the Corporation shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any

permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; provided, however, that if the Corporation directs the Executive to pay such claim and sue for a refund, the Corporation shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If after the receipt by the Executive of an amount advanced by the Corporation pursuant to subsection 8(c)(iii), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of subsection 8(c)(iii)) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon by the taxing authority after deducting any taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Corporation pursuant to subsection 8(c)(iii), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid under subsection 8(c)(iii). The forgiveness of such advance shall be considered part of the Gross-Up Payment and subject to gross-up for any taxes (including interest or penalties) associated therewith.

9. Confidential Information. -----

(a) The Executive agrees not to disclose, either while in the Corporation's employ or at any time thereafter, to any person not employed by the Corporation, or not engaged to render services to the Corporation, except with the prior written consent of an officer authorized to act in the matter by the Board, any confidential information obtained by him while in the employ of, or providing consulting services to, the Corporation, including, without limitation, information relating to any of the Corporation's inventions, processes, formulae, plans, devices, compilations of information, methods of distribution, customers, client relationships, marketing strategies or trade secrets; PROVIDED, HOWEVER, that this provision shall not preclude the Executive from use or disclosure of information known generally to the public, other than through violation of this Section 9, or from disclosure required by law or court order. The agreement herein made in this Section 9(a) shall be in addition to, and not in limitation or derogation of, any obligations otherwise imposed by law upon the Executive in respect of confidential information and trade secrets of the Corporation, and its Subsidiaries and Affiliates.

For purposes of this Section 9(a), the term "Corporation" shall include its Subsidiaries and Affiliates.

(b) The Executive also agrees that upon leaving the Corporation's employ, or ceasing to provide consulting services under this Agreement, he will not take with him, without the prior written consent of an officer authorized to act in the matter by the Board, and he will surrender to the Corporation, any record, list, drawing, blueprint, specification or other document or property of the Corporation, its Subsidiaries and Affiliates, together with any copy and reproduction thereof, mechanical or otherwise, which is of a confidential nature relating to the Corporation, its Subsidiaries and Affiliates, or, without limitation, relating to its or their methods of distribution, client relationships, marketing strategies or any description of any formulae or secret processes, or which was obtained by him or entrusted to him during the course of his employment or consultancy with the Corporation.

10. Competition; Solicitation; Disparagement.

(a) The Executive agrees that, until August 31, 2002, he will not engage in Competition or Solicitation.

(i) The word "Competition" for the purposes of this Agreement shall mean becoming directly or indirectly involved, as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, agent, advisor, lender or in any other capacity, with Federal-Mogul Corporation or Standard Motor Products or any successors thereto (each, a "Competitor"); PROVIDED, that if Executive becomes so involved with an entity which subsequently becomes affiliated with Federal-Mogul Corporation or Standard Motor Products, as the case may be, such involvement shall not be Competition under this Agreement; PROVIDED, further, that the receipt of retirement benefits, with respect to past service for Cooper Industries, shall not be Competition under this Agreement. Notwithstanding anything to the contrary in this clause (i) "Competition" shall not include an investment of less than one percent (1%) of the outstanding securities of a Competitor if such equity is listed on a national securities exchange or is regularly traded in an over-the-counter market.

(ii) The word "Solicitation" for the purposes of this Agreement shall mean soliciting any person who is a customer of the businesses conducted by the Corporation, or any business in which the Executive has been engaged on behalf of the Corporation and its Subsidiaries or Affiliates at any time during the term of this Agreement on behalf of a business described in clause (i) of this Section 10(b), or inducing or attempting to persuade any employee of the Corporation or any of its Subsidiaries or Affiliates to terminate his employment relationship in order to enter into employment with a business described in clause (i) of Section 10(b).

(b) The Executive agrees that until August 31, 2002, he will not engage in Disparagement.

(i) The word "Disparagement" for the purposes of this Agreement shall mean making or publishing any statement which is, or may reasonably be

considered to be, disparaging of the Corporation or any of its Subsidiaries or Affiliates, or directors, officers, employees or the operations or products of the Corporation or any of its Subsidiaries or Affiliates, except to the extent the Executive, during the Employment Period, makes the statement to employees or other representatives of the Corporation or any of its Subsidiaries or Affiliates, in furtherance of the Corporation's business and the performance of his services hereunder.

(c) The Executive acknowledges and agrees that the Corporation's remedy at law for any breach of the Executive's obligations under Sections 9 and 10 of this Agreement would be inadequate and agrees and consents that temporary and permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision of such Sections without the necessity of proof of actual damage. With respect to any provision of this Section 10 finally determined by a court of competent jurisdiction to be unenforceable, the Executive and the Corporation hereby agree that such court shall have jurisdiction to reform this Agreement or any provision hereof so that it is enforceable to the maximum extent permitted by law, and the parties agree to abide by such court's determination.

(d) The Executive hereby agrees that in the event the Executive is judicially determined to have violated Section 10(a) of this Agreement, in addition to any other relief the Corporation may obtain either (1) the Supplemental Payment shall be immediately forfeited and not paid to the Executive or (2), in the event the Corporation has paid the Supplemental Payment to the Executive prior to such determination, the Executive (or his estate) shall be required immediately to return to the Corporation an amount equal to the Supplemental Payment. In addition, the Executive specifically agrees that if such forfeited or returned amount is less than the Supplemental Payment, the Deferred Compensation shall be immediately forfeited to the extent necessary to provide that an aggregate amount at least equal to the Supplemental Payment, when combined with the amount of the Supplemental Payment, if any, forfeited under this Agreement or returned by the Executive to the Corporation pursuant to this Section 10(d), shall be forfeited or returned by the Executive. For the purposes of this Section 10(d), "Deferred Compensation" shall mean, any deferred compensation amounts payable to the Executive that are not tax-qualified notwithstanding anything to the contrary in any deferred compensation agreement between the Executive and the Corporation (or Echlin).

11. Successors.

Except as otherwise provided herein,

(a) This Agreement shall be binding upon and shall inure to the benefit of the Executive, his heirs and legal representatives, and the Corporation and its successors as provided in this Section 11.

(b) This Agreement shall be binding upon and inure to the benefit of the Corporation and any successor of the Corporation, including, without limitation, any corporation or corporations acquiring, directly or indirectly, 50% or more of the outstanding securities of the Corporation, or all or substantially all of the assets of the Corporation, whether by merger, consolidation, sale or otherwise (and such successor shall thereafter be deemed embraced within

the term "the Corporation" for the purposes of this Agreement), but shall not otherwise be assignable by the Corporation.

12. Certain Definitions.

The following defined terms used in this Agreement shall have the meanings indicated:

(a) BENEFICIARY. The term "Beneficiary" as used in this Agreement shall, in the event of the death of the Executive, mean an individual or individuals and/or an entity or entities, including, without limitation, the Executive's estate, duly designated on a form filed with the Corporation by the Executive to receive any amount that may be payable after his death or, if no such individual, individuals, entity or entities has or have been so designated, or is at the time in existence or able to receive any such amount, the Executive's estate.

(b) CHANGE OF CONTROL. A "Change of Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Corporation or its Affiliates) representing 20% or more of the combined voting power of the Corporation's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (1) of paragraph (iii) below;

or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director whose appointment or election by the Board or nomination for election by the Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended. For purposes of the preceding sentence, any director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Corporation, shall not be counted as an approved or recommended director; or

(iii) there is consummated a merger or consolidation of the Corporation or any direct or indirect Subsidiary of the Corporation with any other corporation, other than (1) a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of the Corporation or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (2) a merger or consolidation effected to implement a

recapitalization of the Corporation (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Corporation or its Affiliates) representing 20% or more of the combined voting power of the Corporation's then outstanding securities; or

(iv) the stockholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets, other than a sale or disposition by the Corporation of all or substantially all of the Corporation's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Corporation in substantially the same proportions as their ownership of the Corporation immediately prior to such sale.

"Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Corporation or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation.

(c) CHANGE OF CONTROL DATE. The "Change of Control Date" shall mean the first date on which a Change of Control occurs.

13. Amendment or Modification; Waiver.

No provision of this Agreement may be amended, modified or waived unless such amendment, modification or waiver shall be authorized by the Board or any authorized committee of the Board and shall be agreed to in writing, signed by the Executive and by an officer of the Corporation thereunto duly authorized. Except as otherwise specifically provided in this Agreement, no waiver by either party hereto of any breach by the other party hereto of any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of a subsequent breach of such condition or provision or a waiver of a similar or dissimilar provision or condition at the same time or at any prior or subsequent time.

14. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

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

IF TO THE EXECUTIVE:

Mr. Larry W. McCurdy
116 Randi Drive
Madison, CT 06443

IF TO THE CORPORATION:

Dana Corporation
4500 Dorr Street
Toledo, Ohio 43615
Attention: Secretary

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

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

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

(e) When used herein in connection with plans, programs and policies relating to the Executive, employees, compensation, benefits, perquisites, executive benefits, services and similar words and phrases, the word "Corporation" shall be deemed to include all wholly-owned Subsidiaries of the Corporation.

(f) This instrument contains the entire agreement of the parties concerning the subject matter, and all promises, representations, understandings, arrangements and prior agreements concerning the subject matter are merged herein and superseded hereby with respect to the Executive, including, without limitation, the Prior Agreement and the Echlin Severance Plan.

(g) No right, benefit or interest hereunder, shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.

(h) The Executive shall not have any right, title, or interest whatsoever in or to any investments which the Corporation may make to aid it in meeting its obligations under this Agreement.

(i) All payments to be made under this Agreement shall be paid from the general funds of the Corporation and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of amounts payable under this Agreement.

(j) Nothing contained in this Agreement shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and the Executive or any other person.

(k) To the extent that any person acquires a right to receive payments from the Corporation under this Agreement, except to the extent provided by law, such right shall be no greater than the right of an unsecured general creditor of the Corporation.

(l) In the event of the Executive's death or a judicial determination of his incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to his legal representative or, where appropriate, to his Beneficiary.

(m) If any event provided for in this Agreement is scheduled to take place on a legal holiday, such event shall take place on the next succeeding day that is not a legal holiday.

IN WITNESS WHEREOF, the Executive and, pursuant to due authorization from its Board have caused this Agreement to be executed as of the day and year first above written.

DANA CORPORATION

By: /s/ Robert C. Richter

Name: Robert C. Richter
Title: VP and Chief Financial Officer

Attest:

/s/ Sue Ann Griffin

Assistant Secretary

/s/ L. W. McCurdy

Larry W. McCurdy

EXHIBIT A

 AGREEMENT MADE AS OF AUGUST 31, 1999,
 BETWEEN DANA CORPORATION AND LARRY W. McCURDY

As of August 31, 1999, for purposes of Section 2(a), during the Employment Period,

the office(s) and title(s) of the Executive are President of the Automotive Aftermarket Group of the Corporation;

the reporting responsibility of the Executive is to report directly to the Chief Executive Officer of the Corporation; and

the duties and responsibilities of the Executive are: serves as President of the Automotive Aftermarket Group of the Corporation, in which capacity he has direct responsibility for the Corporation's strategic plan for automotive aftermarket products; serves as a member of the World Operating and Strategic Operating Committees which monitor business unit performance, implement product strategies, and take corrective action in the event of non-performance in the areas of meeting financial goals and implementation of market strategies, and insure interaction between divisions and affiliates.

As of July 17, 2000, for purposes of Section 2(a), during the Transition Period, unless otherwise determined in good faith by the Corporation,

the office(s) and title(s) of the Executive are President Emeritus of the Automotive Aftermarket Group of the Corporation or any other title that is mutually agreeable to both parties;

the reporting responsibility of the Executive is to report directly to the Chief Executive Officer of the Corporation; and

the duties and responsibilities of the Executive are: provides consulting services as requested by the Chief Executive Officer of the Corporation with respect to matters involving the Automotive Aftermarket Group of the Corporation; PROVIDED that such duties and responsibilities shall be no more burdensome to the Executive than those duties and responsibilities for which the Executive was obligated during the Employment Period.

EXHIBIT B

Total amount to be paid:	\$6,228,187.00 -----
--------------------------	-------------------------

The total amount shall be paid in a lump sum no later than October 1, 2000.

All amounts to be paid hereunder shall be credited with interest as set forth in
Section 3(i) of this Agreement.

5
1,000

3-MOS
DEC-31-1999
JAN-01-1999
SEP-30-1999
185,300
0
2,035,000
0
1,758,100
5,091,000
6,013,000
2,624,700
11,113,100
4,020,700
2,574,200
0
0
165,100
2,929,000
11,113,100
9,915,100
10,034,500
8,176,100
8,176,100
0
0
206,400
747,100
267,000
0
0
0
513,200
3.10
3.07

begin 666 DOC.PDF
M)5!\$1BTQC(-"B7BX\ 3#0HR('0;V)J#0H/\ 'T+TQE;F=T:"'Q,C4Y#0H^
M/@T*'0@70T*+T9O;G0@/#P-"B] & B `T (#'04@T*+T8S
M(#40,"!2#0H01C0@-B`P(%(-"CX^#0H017AT1U-T871E(#P\#0H01U,Q(#<0
M,"!2#0H^/@T*/CX-"F5N9&]B:@T*,3'0,"!08FH-"CP\#0H03&5N9W1H(#,W
M-S4-"CX^#0IS=")E86T-"D)4#0H01C(0,2!490T*,3(0,"P(#\$R(#U+C8U
M(#DV,2XP-2!4;0T*,"!G#0H01U,Q(=&S#0HP(#1C#0HP(#1W#0HH("E4:0T*
M+T8S(#\$05&8-"CSY+C0@+3(N,S0@5\$0-"BA53DE4140@4U1!5\$53*51J#0HM
M-BXW-B`M,2XR,B!41`T**%-%0U52251)15,004Y\$(5\$80TA!3D=%(\$-/34U)
M4U-)3TXI5&H-"C4N-3(0+3\$N,C(0\$50-"BA787-H:6YG=&]N+"!\$D,N(#P
M-30Y*51J#0HR+C0R("TR+C0@5\$0-"BA&;W)M(#\$P+5\$15&H-"B] & B `Q(#1F
M#0HM,3\$N-C0@+3\$N,38@5\$0-"C\$N,34@5&,-"ELH("I.#0P**"I751*#0HQ
M,"XP-SD0,"P(#\$P+C`W.2`Q,S&-H86YG92!!8W00;V80,3DS-"E4:0T*+T8R(#\$05&8-"C\$R(#`0
M,"Q,B`R-2XV-2`X,X,#0N,3<0&5T-"ELH1F]R('1H92!1=6%R=&5R;'D0&45R
M:6]D(\$5N9&5D("DM.#`N,BA397!T96UB97(0,S`L(\$Y.3DI751*#0I\$5`T`
M,"!#0HP(\$H0,"!J(#`N,C0@=R`Q,"!-(#M="!D#0HQ(&D@#0HQ.#`N.3,0
M.#`V+CDW(&T-"C(W-RXV-2`X,#8N.3<0;`T*4PT*0E0-"C\$R(#`0,"Q,B`R
M-S&C="I1N86UE(&]F(%E9VES=")A;G0@87,0
M4W!E8VEP:65D(&EN(&ETFT
M:6]N7"DI5&H-"C,Q+C0P-S00,2XQ,3DQ(#1\$#0HH7"A)4E,@16UP;&]Y97(I
M5&H-"BTQ+C8Q.3(0+3\$N,3\$Y,2!41`T**\$ED96YT:69I8V%T:6]N(\$YU;6)E
M2!C:&5C:R!M87)K('=H971H97(0=&6AE
M(%E9VES=")A;G0@87"Q7"D0:&S(&9I;&5D(&L;"!R97!0&-H86YG92!!8W00
M;V80,3DS-"!D=7)I;F<0=&AE('!R96-E9&EN9`Q,B!M;VYT:',@7"AO!1'4W1A=640/#P-"B]4SS0
M-R`P(%(-"CX^#0H^/@T*96YD;V)J#0HQ,R`P(&]B:@T*/#P-"B],96YG=&00
M,3DT,`T*/CX-"G-T&A18FET(\$EN9&5X*51J#0HT,BXU
M.3DS(#`05\$0-"B0R-2E4:0T*+T8R(#\$05&8-"C\$R(#`0,"Q,B`S,#,N,#D0
M-3`1'4W1A
M=&40/#P-"B]4SS0-R`P(%(-"CX^#0H^/@T*96YD;V)J#0HQ-B`P(&]B:@T*
M/#P-"B],96YG=&00-#DQ,0T*/CX-"G-T2P04&QA;G0@86YD(\$5Q=6EP;65N="DM,38V.30N-R0U+#2E4
M:@T*150-"C8W+C8U(#8P-RXU,R!M#0HR,34N,#\$0-C`W+C4S(&P-"E,-)D)4
M#0HQ,"XP-SD0,"P(#\$P+C`W.2`V-RXV-2`U.30N,C405&T-"BA#7)R96YT
M(\$I86)I;&ET:65S*51J#0HP+C0P-#0@+3\$N,C\$T-"!41`T**\$YO=&65S(#1A
M>6%B;&4L(\$EN8VQU9&EN9R!#7)R96YT*51J#0HP+C0R.#0@+3\$N,C\$T-"!4
M1`T*6RA0;W)T:6]N(&]F(\$QO;F65E(\$E;F5F:71S*51J#0HP+C0P-#0@+3\$N,C\$T
M-"!41`T*6RAA;F0@3W1H97(03F]N8W5R2!);G1E2DM.3DS,RXY*0Q
M,"PQ,S6EN9R!N;W1E!E;G-E2!)
M;G1EF%T:6]N*2TQ.#6UE
M;G1S(%E8V5I=F5D(&]N(\$QE87-E6UE;G1S(&]N
M(\$QO;F6EN9R!N;W1E!0@70T*
M+T90;G0@/#P-"B] & B `T (#'04@T*+T8S(#40,"!2#0H01C0@-B`P(%(-"CX^
M#0H017AT1U-T871E(#P\#0H01U,Q(#<0,"!2#0H^/@T*/CX-"F5N9&]B:@T*
M,C40,"!08FH-"CP\#0H03&5N9W1H(#0V.3,-"CX^#0IS=")E86T-"D)4#0H0
M(LC(0,2!490T*,3(0,"P(#\$R(#U+C8U(#DV,2XP-2!4;0T*,"!G#0H01U,Q
M(=&S#0HP(#1C#0HP(#1W#0HH("0("0("0("0("0("0*51J#0HP("TR
M+C,0\$50-"BA)5\$5-(#N(%PHOV]N=&EN=65D7"D0*51J#0H01C,0,2!490T*
M,3\$N,2`M,BXS-B!41`T**\$Y/\$553(%1/(\$-3D1\$3E-\$1!&24Y!3D-)04P0
M4U!5\$5-14Y44RE4:0T*,RXW("TR+C0@5\$0-"BA<*EN(\$UI;&QI;VYS(\$5X
M8V5P="!097(04VAA2!T;R!A(69A:7(0<`)E2`Q.3DX*!W
M92!C;VUP;&5T9600=&AE('A;640;V80;W5R(&AY9`)A=6QI8R!B2P026YD+BP086YD(\$=A
M2X05&AIF5D(&EN=F5S=&UE;G0@9V%I;G,0;W(0;6]S2!A9&IU)0@70T*+T9O;G0@/#P-"B] & B `T (#
M40T*+T8S(#40,"!2#0H01C0@-B`P(%(-"CX^#0H017AT1U-T871E(#P\#0H0
MIU,Q(#<0,"!2#0H^/@T*/CX-"F5N9&]B:@T*,SS0,"!08FH-"CP\#0H03&5N
M9W1H(#DY.#D-"CX^#0IS=")E86T-"D)4#0H01C(0,2!490T*,3(0,"P(#\$R
M(#U+C8U(#DV,2XP-2!4;0T*,"!G#0H01U,Q(=&S#0HP(#1C#0HP(#1W#0HH
M("0("0("0("0("0("0*51J#0HP("TR+C,0\$50-"BA)5\$5-(#N(%PH
MOV]N=&EN=65D7"D0*51J#0H01C,0,2!490T*,3\$N,2`M,BXS-B!41`T**\$Y/
M5\$53(%1/(\$-3D1\$3E-\$1!&24Y!3D-)04P04U1!5\$5-14Y44RE4:0T*,RXW
M("TR+C0@5\$0-"BA<*EN(\$UI;&QI;VYS(\$5X8V5P="!097(04VAA
M;VQI9&5T9600@F%S:7,0=7-E9"!F;W(07AT97)N86P@*51J#0I4*0T**")E
M<0]R=&EN9RX05VET:"!T:64097AC97!T:6]N(&]F(\$1#0RPE;W!E2!I;F-L=61E'0@70T*+T9O;G0@/#P-"B] & B `T (#
M,B`T(#'04@T*+T8S(#40,"!2#0H01C0@-B`P(%(-"CX^#0H017AT1U-T871E
M(#P\#0H01U,Q(#<0,"!2#0H^/@T*/CX-"F5N9&]B:@T*,S00,"!08FH-"CP\
M#0H03&5N9W1H(#DV,C-"CX^#0IS=")E86T-"D)4#0H01C(0,2!490T*,3(0
M,"P(#\$R(#U+C8U(#DV,2XP-2!4;0T*,"!G#0H01U,Q(=&S#0HP(#1C#0HP
M(#1W#0HH("0("0("0("0("0("0*51J#0HP("TR+C,0\$50-"BA)5\$5-
M(#N(%PHOV]N=&EN=65D7"D0*51J#0H01C,0,2!490T*,3\$N,2`M,BXS-B!41
M1`T**\$Y/\$553(%1/(\$-3D1\$3E-\$1!&24Y!3D-)04P04U1!5\$5-14Y44RE4
M:0T*,RXW("TR+C0@5\$0-"BA<*EN(\$UI;&QI;VYS(\$5X8V5P="!097(04VAA
M2`Q+#,X,"!E;7!L;WEE97,0=&@8F408V]M<0QE=&5D(&EN(#\$Y.3D086YD
M("0U(&902`D-3\$0:6X0,3DY.2P0)#Q(&EN(#P
M,#`086YD("0U('1H97)E869T97(N*51J#0HQ,B`P(#`0,3(0,S`S+C`Y(#0S
M-2XV.2!4;0T**#D0*51J#0I\$5`T*96YD'0@70T*+T9O;G0@/#P-"B] & B `T (#
M,B`T(#'04@T*+T8S(#40,"!2#0H^/@T*+T5X=&3=&6T92`\ 'T+TQE;F=T:"'Q
M(#`04@T*/CX-"CX^#0IE;F108FH-"C,W(#`0;V)J#0H/\ 'T+TQE;F=T:"'Q
M,CDS#0H^/@T*E-E<'004&5R(%-H87)E(\$M;W5N=-<
M*2E4:0T*+T8R(#\$05&8-"BTQ-"XX("TQ+C\$V(#1\$#0HQ+CSU(#1C#0I;*"@
M*30V,"@0*5U420T*,3`N,#2!D;W=N(&]T:&5R
M('H;W)T+71E2X0*51J#0I4*0T**#1H92!E;&5M96YT
M6YE&EM871E;'D0)#0U,"!M:6QL:6]N+B!4
M:6\$S92`I5&H-"E0J#0HH!E8W1E9"!T;R!08V-UF5D(&Y)Y
M(@2!N96=0=&EA=5D('1R86YS86-T:6]N2!U;F!E'00;65A2!T!S96=M96YT+"!W92!B96QI979E('1H8700=&AE(&UA65AFEN9R!O=7(09V
M;G,N(#1H92!A8W1I;VYS('1H8700*51J#0I4*0T**"-E('1A;V40=VEL;"!D
M97!E;F00;VX0;6%R;V5T(&-O;F!I=&EO;G,086YD(&-O=6QD('!O=&5N=&EA
M;&QY(')E!1'4W1A=640/#P-"B]4SS0-R`P(%(-"CX^#0H^/@T*
M96YD;V)J#0HT-B`P(&]B:@T*/#P-"B],96YG=&00-C8R.`T*/CX-"G-T2!0<65R871I;F<0*51J#0HP
M("TQ+C\$R(#1\$#0HH86-T:79I=&EEFEL:6%N('U-2!B6QI;F1E2!;96\$S
M:6YQ(\$R;W5P('!O&L=61I;F<0!S-#+"!W92!H8600
M8V]M;6ET=&5D(&N9"!U;F-O;6UI='1E9!1B;W)R;W=I;F<0;&EN97,0;V80
M8W)E9&ET('!O=&6L:6YG(&P<)O>&EM871E;'D0)#\$L,C0W(&6T('1H92`I
M5&H-"E0J#0HH96YD(&]F('1H92!T:&ER9"!Q=6%R=&5R(&]F(\$Y.3DL('H
M:6QE(#1#0UPR,C)S(&-R961I="!L:6YE2!C;&I;7,086YD(&L;&5G9600=FEO;&T:6]N2!L:6ME;'D0=&0:&6V92!A
M(&UA=&5R:6\$L('E4:0T*5"H-"BAA9`9E&ES=&EN9R!T96-H;F]L;V=Y+B!%2!C;W-T2!C;&I;7,L(&-O;7!A2!C;&I;7,0=&AA="!H879E(&E)96X0
M;6%D92!A9V%I;G-T('!S('!-I;F-E('1H92!S;FET96004W1A=65S(%U<`)E
M:6400V]U2!C;&]S=7)EFT:6]N('!R;V-R86US(&S('E
M;&P@87,09]F('1R86EN:6YG+"!R96Q08V%T:6]N(&N9"!O=&AEF5S('1H92!R97-T&EM871E;'D0,2PS.#`0
M96UP;&]Y965S('!O(&E(&-O;7!L971E9"!I;B`Q.3DY(&N9")D-2!F;W(0
M;&5A&EM871E;'D0)#4Q(&EN(\$Y.3DL('OR,2!I;B`R,#`P("E4:0T*
M5"H-"BAA;F00)#40=&AE2!A;F008V%
M:"!F;&]W2!I;B!P
M7-T96US('5P
M9W)A9&5S(&N9"!T97-T:6YQ(&1U2!P;&N2!S:&]U
M;00:700*51J#0I4*0T**&E)E(YE8V5S2XI5&H-"BTQ+C0X("TQ+C\$R
M(#1\$#0HH("E4:0T*5"H-"ELH7#(R-2DM,3,P*"!I+3\$Q-3`H5V40:&6V92!C
M;VUP;&5T9600;W5R(&S2!P;&N2!B86YK2!A;F00=&0:61E;G119GD086YD(')E2!B=7-;F5S
M2!08V-UFEN
M9R!T:6\$S92`I5&H-"E0J#0HH<&QA;G,09`5R:6YG('1H92!F;W5R=&00<75A
M&EM871E;'D0)#2!F;W(0=")A;G-I=&EO;B!M;VYI=&]R:6YQ(&N9")I5&H-"E0J#0HH9]F]L
M;&]W+75P(&C=&EV:71197,N("E4:0T*,"M,BXS(#1\$#0HH("0("0@5&AE
M(&UO2!L:6ME;'D0=V]R2!I;G1E2!A;F00=")A;G-I=&EO;B`I5&H-
M"E0J#0HH<&QA;G,0=VEL;"!M:7119V%T92!T:&40969F96-T(&]F(&N>2!S
M=6-H(&9A:6QU'1'4W1A=640/#P-
M"B]4SS0-R`P(%(-"CX^#0H^/@T*96YD;V)J#0HU-2`P(&]B:@T*/#P-"B],
M96YD=&00,C0R,0T*/CX-"G-T&L=7-I=F5L>2!I;B!E=7)O2`D.#0*51J#0I4*0T**&]R(#\$P
M)2!09B!T;W1A;"!N;VXMS2Y3+B!S86QE'1'4W1A=640/#P-"B]4SS0
M-R`P(%(-"CX^#0H^/@T*96YD;V)J#0HU.`P(&]B:@T*/#P-"B],96YG=&00
M-#(V-0T*/CX-"G-T2!S96=M96YT(&902!H87,0;F]T(&E)96X@87-S:6-N9600=&082!S<&5C
M:69I8R!30E4N("E4:0T*,RXU("TQ+C\$R(#1\$#0HP+C`Q(#1C#0I;*"I+3(R
M-#0P*"@*2TQ-C`H("DM,3`P,"@("I+3SV,"@*2TQ-COP*"@("DM,3`P
M,"@*2TQ,`#P*"I+3\$P,C`H("I+3;`#H("DM,C,P,"@*5U420T*+T8S
M(#\$05&8-"CSP+C`W.2`P(#`0,3`N,#&-L=61I;F&QE&6-U7-L97(0=&AA="I5&H-"E0J#0HH=V5R92!I;B!765A2!T:&409&5M86YD(&902!O9F9S9700

M8GD0821D96-R96S921;B13;W5T:" I5&H-"E0J#0HH06UE2!F65A7-T96US(&N9"!S96%L:6YG('!R
M;VIU8W1S+B!;W)T:"!!;65R:6-A;B!S86QE2!D=64@=&\@86-Q=6ES:71I;VYS+B!796%K;P5S7-T
M96US('!R;VIU8W1S(&EN8W)E87-E9"U)2!W;65R92!S-'!O;F<@;6EG:'0@
M=')U8VL@86YD(!-55B!S86QE&L=61I;F<@*51J#0I4*0T**&C<75!0'070T*+T90;G0@/#P-"B] & ,B`T(#`@4@T*+T8S
M(#4@,"!2#0HO1C0@-B`P(%-"CX^#0HO17AT1U-T871E(#P\#0HO1U,Q(#<@,
M,"!2#0H^/@T*/CX-"F5N9&]B:@T*-C@<,"!08FH-"CP\#0HO3&5N9W1H(#0Q
M,3@-CX^#0IS=')E86T-"D)4#0HO1C(@,2!49@T*,3(@,"P(#\$R(#U+C8U
M(#DV,2XP-2!4;0T*,"!G#0HO1U,Q(&S#0HP(%1C#0HP(%1W#0HH("@"`@
M("@"`@("@"`@("@"`@*51J#0HP("TR+C,@5\$0-"BA)5\$5-(#(N(%PHOV]N=&EN
M=65D7"D@*51J#0HO1C,@,2!49@T*,"M,BXS-B!41`T***)E&QE2!I;B!T:64@
M86=R:6-U;'!U2!S>7-T96US
M("E=5\$H-"C\$N.#@+3\$N,3(@5\$0-"BAM;V1U;&R(&S2!D=64@=&\@2!D=64@=&\@9&5C2!T2!A8W%U:7)E
M9"IB=7-I;F5S2!S;V9T;F5S
M&QE+V1R:79E'0@70T*+T90;G0@/#P-"B] & ,B`T(#`@4@T*+T8S(#4@,"!2#0HO1C0@-B`P
M(%-"CX^#0HO17AT1U-T871E(#P\#0HO1U,Q(#<@,"!2#0H^/@T*/CX-"F5N
M9&]B:@T*-C0@,"!08FH-"CP\#0HO3&5N9W1H(#,T,S0-"CX^#0IS=')E86T-
M"D)4#0HO1C(@,2!49@T*,3(@,"P(#\$R(#U+C8U(#DV,2XP-2!4;0T*,"!G
M#0HO1U,Q(&S#0HP(%1C#0HP(%1W#0HH("@"`@("@"`@("@"`@("@"`@*51J
M#0HP("TR+C,@5\$0-"BA)5\$5-(#(N(%PHOV]N=&EN=65D7"D@*51J#0HO1C,@
M,2!49@T*,"M,BXS-B!41`T***)E&L=61I;F<@=&AE("E4:@T*+T8T(#\$@5&8-
M"C@+3\$N,3(@5\$0-"BAI;T!A8W0@;V8@=&AE('!-A;64@;V8@1\$-#7(R,G,@
M5&5C:&YO;&]G>2! ,96\$S:6YG(\$=R;W5P('!O!E;G-I=F4@*51J#0I4*0T***)E2!P65A&L=61I;F<@=&AE(&YE
M="!I;7!A8W0@;V8@86-Q=6ES:71I;VYS(&N9"!D:79E2!P
M'!E;G-E2`I5&H-"C@+3\$N,3(@5\$0-"BAD:7-C=7-S960N("E4:@T*
M,"M,BXS(\$1\$#0HH("@"`@("@"`@26YT97)E2!,96\$S:6YG(\$=R;W5P("E4:@T*
M,"M,2XQ,B!41`T**"!O2!O
M9F9S970@8GD@;&EG:65R(&V97)A9V4@9&5B="!L979E',@:6X@,3DY.2!A
M="!\$86YA+!E>&L=61I;F<@1\$-#B`I5&H-"C@+3(N,R!41`T**"@"`@
M(\$!H92!E9F9E8W1E=F4@=&X('!A=&4@:6X@=&AE('!H:7)D('!%U87)T97@
M;V8@,3DY.2!W87,@,S4E(&-O;7!A2!D=64@=&\@=&AE(&9A=F)R86)L92!S971T;&5M96YT(&]F('!-T
M871E('!A>"!I2!T;R!D
M961U8W0@86QL('!H92!%8VAL:6X@*51J#0I4*0T**&UE'!E;G-E
M2!I;B!E
M87)N:6YG65A'0@70T*+T90;G0@/#P-"B] & ,B`T(#`@
M4@T*+T8S(#4@,"!2#0HO1C0@-B`P(%-"CX^#0HO17AT1U-T871E(#P\#0HO
M1U,Q(#<@,"!2#0H^/@T*/CX-"F5N9&]B:@T*-C@<,"!08FH-"CP\#0HO3&5N
M9W1H(#0S,#-"CX^#0IS=')E86T-"D)4#0HO1C(@,2!49@T*,3(@,"P(#\$R
M(#U+C8U(#DV,2XP-2!4;0T*,"!G#0HO1U,Q(&S#0HP(%1C#0HP(%1W#0HH
M("@"`@("@"`@("@"`@("@"`@*51J#0HP("TR+C,@5\$0-"BA)5\$5-(#(N(%PH
MOV]N=&EN=65D7"D@*51J#0HO1C,@,2!49@T*,"M,BXS-B!41`T***)E&L=61I;F<@=&AE(&5F9F5C
M="!O9B!A8W%U:7-I=&EO;G,@86YD("E=5\$H-"C\$N.#@+3\$N,3(@5\$0-"BAD
M:79E2!E>&H86Y92!R871E2`D,C(Q(&]R(#@E(&]F
M('!O=&L(&YO;BU5+E,N('!-A;&S+BE4:@T*+3\$N.#@+3(N,R!41`T**"@"`@
M("@"`@-&S(&)Y('!-E9VUE;G0@9F]R('!H92!F:7)S="!N:6YE(&UO;G1H
M&-L
M=61I;F7-T96US(\$=R;W5P(%PH05-'7"DI+3\$R
M.#(U+C8H)#,L,3\$V*2TV,SSN-"@D,RPS-#`I+3,Q,SSN-B@W*2TY,#`P+CDH
M-RE=5\$H-"C@+3\$N,C\$T-"!41`T*6RA!:=7!O;6]T:79E(\$F=&5R;6%R:V5T
M(\$=R;W5P(%PH04%'7"DI+3\$Q-C`V+C@H,BPQ-C@I+3\$Q,SSN-"@R+#(W-2DM
M,SSS,2XV*#4I+3@X,S0N,B@M*3`H+2E=5\$H-"E0J#0I;*\$S9V9N92!3>7-T
M96US(\$=R;W5P(%PH15-'7"DI+3\$Q,S@Q+C0H,2PT,#8I+3\$Q,SSN-"@Q+#

213

M>7-T96US(\$=R;W5P(%PH3TA31UPI*2TQ,C&EM871E;'D@.#`E(&]F('!H:7,@
M&QE&QE('!-A;&S+B!4:&4@8V]N=&EN=65D('!-T2!W96%K(&1R:79E
M&-L=61I;F<@86-Q=6ES:71I;VYS+V1I=F5S=&ET=7)E2X15&H-"BTQ+C@X
M("TQ+C\$R(\$1\$#0HH("E4:@T*5"H-"ELH7#(R-2DM,3,P*"I+3\$Q-3`H15-'
M7#(R,G,@'!4W1A=&4@/#P-"B] 4\$S@-R`P(%(-
M"CX^#0H^/@T*96YD;V)J#0HW,"P(&]B:@T*/#P-"B] ,96YG=&@@,S@W,PT*
M/CX-"G-T65A"!E2!I;F-R96%\$960@2!T&EM871E;'D@.30E(&]F('!H:7,@
M2!D=64@=&\@=&AE('!-A;64@;V8@;W5R
M(&)R86ME(&AO2!R96-I;VX@9F]R
M('!H92!F:7)S="!N:6YE(&UO;G1H&-L
M=61I;F2!W96%K
M;F5S&-H86Y92!R871E2!A8W%U:7)E9"IB=7-I;F5S'0@70T*+T90;G0@/#P-"B] & ,B`T(#`@
M4@T*+T8S(#4@,"!2#0HO1C0@-B`P(%-"CX^#0HO17AT1U-T871E(#P\#0HO
M1U,Q(#<@,"!2#0H^/@T*/CX-"F5N9&]B:@T*-S@<,"!08FH-"CP\#0HO3&5N
M9W1H(#,X-C8-"CX^#0IS=')E86T-"D)4#0HO1C(@,2!49@T*,3(@,"P(#\$R
M(#U+C8U(#DV,2XP-2!4;0T*,"!G#0HO1U,Q(&S#0HP(%1C#0HP(%1W#0HH
M("@"`@("@"`@("@"`@("@"`@*51J#0HP("TR+C,@5\$0-"BA)5\$5-(#(N(%PH
MOV]N=&EN=65D7"D@*51J#0HO1C,@,2!49@T*,"M,BXS-B!41`T***)E&-H86Y9
M92!R871E&-L=61I;F<@=&AE(&EM<&C="!O9B!T:64@2!T:64@9F]R;65R(\$5C
M:&QI;B!I;B`Q.3DX+B`I5&H-"C@+3(N,R!41`T**"@"`@("@"`@(\$=R;W-S(&UA
M'!E;G-I=F4@*51J#0I4*0T***)E2!P
M2`D,3`@;W9E2!I;F-U2!H:6=H97(@879E
M2!D=64@=&\@
M"!C2!S0T,@
M:6X@,3DY.2P@86YD(&]U'!E;G-E2!I;B!E87)N:6YG2`D,3\$L('!R:6UA2!D=64@=&\@:6YC
M&EC;R!A;F0@1\$-#7(R,G,@;65A'0@70T*+T90;G0@/#P-"B] & ,B`T
M(#`@4@T*+T8S(#4@,"!2#0HO1C0@-B`P(%-"CX^#0HO17AT1U-T871E(#P\#0HO
M1U,Q(#<@,"!2#0H^/@T*/CX-"F5N9&]B:@T*-S@<,"!08FH-"CP\#0HO3&5N
M3&5N9W1H(#SY-#<-"CX^#0IS=')E86T-"D)4#0HO1C(@,2!49@T*,3(@,"P
M(#\$R(#U+C8U(#DV,2XP-2!4;0T*,"!G#0HO1U,Q(&S#0HP(%1C#0HP(%1W
M#0HH("@"`@("@"`@("@"`@("@"`@*51J#0HP("TR+C,@5\$0-"BA)5\$5-(#(N
M(%PHOV]N=&EN=65D7"D@*51J#0HO1C,@,2!49@T*,"M,BXS-B!41`T***)E
M2!W;W)D!E8W1S+%PR,C0@7#(R,V)E;&EE=F5S+%PR,C0@*51J#0HP("TQ
M+C\$R(\$1\$#0HH7#(R,VEN=&5N9,L7#`I<,(C(S<@QA;G,L7#(R-"!A;F0@
M'!R97-S:6]N2!F2!A;F0@;W(@=&AA="!O9B!T:6ER
M9"!P87)T:65S('!I=&@=&VAO;2!W92!D;R!B=7-I;F5S'!O2!P96YD:6YG(%PH:6YC;'SD:6YG('!H92!P2`I5&H-"E0J#0HH86YT:6-I&C&T960@8V]S=',@
M86YD(&SX<&5N2!O9B!T:64@96YV:7)O
M;FUE;G1A;"!P&-H86Y92!#;VUM:7-S:6]N('!E<75!E&I8FET'0@70T*+T90
M;G0@/#P-"B] & ,B`T(#`@4@T*+T8S(#4@,"!2#0H^/@T*+T5X=\$=3=&%T92`\
M/'T*+T=3,2`W(#`@4@T*/CX-"CX^#0IE;F108FH-"C@S(#`@;V)J#0H\/'T*
M+TQE;F=T:"Q,#`Y#0H^/@T*+H86Y92!8W0@;V8@,3DS-"P@=&AE(%E9VES
M=')A;G0@:&S(&1U;'D@8V%U'0@70T*+T90;G0@/#P-"B] & ,B`T(#`@4@T*+T8S(#4@,"!2#0H^
M/@T*+T5X=\$=3=&%T92`/'T*+T=3,2`W(#`@4@T*/CX-"CX^#0IE;F108FH-
M"C@V(#`@;V)J#0H\/'T*+TQE;F=T:"Q,S,P#0H^/@T*+AI8FET(SYO+B`Q,"U*7@W7"D@:7,@86X@
M97AH:6)I="!R97%U:7)E9"!T;R!B92!I9&5N=&EF:65D('!U'0@70T*+T90;G0@/#P-"B] &
M,B`T(#`@4@T*+T8S(#4@,"!2#0H^/@T*+T5X=\$=3=&%T92`/'T*+T=3,2`W
M(#`@4@T*/CX-"CX^#0IE;F108FH-"C@X(#`@;V)J#0H\/'T*+U1Y<64@+TAA
M;69T;VYE#0HO2&%L9G1O;F54>7!E(#\$-"B] (86QF=&]N94YA;64@*S1E9F%U
M;'0I#0HO1G)E<75E;F-Y(#8P#0HO06YG;&4@-#4-"B]3<@]T1G5N8W1I;VX@
M+U)O=6YD#0H^/@T*96YD;V)J#0HW(#`@;V)J#0H\/'T*+U1Y<64@+T5X=\$=3
M=&%T90T*+U-!(&9A;'!-E#0HO3U'@9F%L7!E("];&VYT#0HO4W5B="EP92`O
M5'EP93S-"B].86UE("] & ,@T*+T)A7!E("] & ;VYT#0HO4W5B="EP92`O
M5'EP93S-"B].86UE("] & ,PT*+T)A7!E("]4
M>7!E,0T*+TYA;64@+T8T#0HO16YC;V1I;F<@.#D@,"!2#0HO0F%\$S9490;G0@
M+U1I;65S+5)O;6%N#0H^/@T*96YD;V)J#0HT-"`P(&]B:@T*/#P-"B]4>7!E
M("] & ;VYT#0HO4W5B="EP92`O5'EP93S-"B].86UE("] & -0T*+T5N8V]D:6YG
M(#@Y(#`@4@T*+T)A7!E("] & ;F-O9&EN9PT*+T1I9F9E"]P97)T:6]U'T*+T%T:6QD92!9&EE`T*+T5D:65R97-I"]/
M=&EL9&403V1I97)E"]I9&EE
M"]U9&EE6C=71E+W1H;W)N+WED:65R97-I
M7!E("]086=E#0HO
M4&%R96YT(#@@,"!2#0HO4F5S;W5R8V5S(#,@"!2#0HO0V]N=&5N=',@,B`P
M(%-"CX^#0IE;F108FH-"CD@,"!08FH-"CP\#0HO5'EP92`O4&%G90T*+U!A
M7!E("]086=E#0HO
M4&%R96YT(#@@,"!2#0HO4F5S;W5R8V5S(#SW(#`@4@T*+T-O;G1E;G1S(#\$V
M(#`@4@T*/CX-"F5N9&]B:@T*,3@@,"!08FH-"CP\#0HO5'EP92`O4&%G90T*
M+U!A7!E("]086=E
M#0HO4&%R96YT(#@@,"!2#0HO4F5S;W5R8V5S(#V(#`@4@T*+T-O;G1E;G1S
M(#U(#`@4@T*/CX-"F5N9&]B:@T*,C@<,"!08FH-"CP\#0HO5'EP92`O4&%G
M90T*+U!A7!E

No.	Description	Method of Filing
10-J(7)	Employment Agreement between Dana and L. W. McCurdy	Filed with this Report
27	Financial Data Schedule	Filed with this Report