
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 14, 2005

Dana Corporation

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction
of incorporation)

1-1063

(Commission File Number)

34-4361040

(IRS Employer
Identification Number)

4500 Dorr Street, Toledo, Ohio

(Address of principal executive offices)

43615

(Zip Code)

Registrant's telephone number, including area code: (419) 535-4500

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

TABLE OF CONTENTS

[Item 1.01. Entry into a Material Definitive Agreement](#)

[Item 9.01. Financial Statements and Exhibits](#)

[Signatures](#)

[Exhibit Index](#)

[EX-99.1 Award Certificate-Stock Options](#)

[EX-99.2 Award Certificate-Restricted Stock](#)

[EX-99.3 Award Certificate-Bernard Cole](#)

[EX-99.4 Award Certificate-Performance Shares](#)

[Table of Contents](#)

Item 1. 01. Entry into a Material Definitive Agreement.

On February 14, 2005, the Compensation Committee of the Board of Directors of Dana Corporation (Dana) approved the following actions with regard to the compensation of the executive officers of the company.

1. *Long-Term Incentive Awards.* The Compensation Committee approved the long-term incentive awards to the executive officers that are shown in the table below, consisting of (i) stock options and performance shares awarded pursuant to Dana's Amended and Restated Stock Incentive Plan (the Stock Incentive Plan) and (ii) restricted stock awarded pursuant to Dana's 1999 Restricted Stock Plan, both of which plans have been previously approved by Dana's shareholders:

Name and Title of Executive Officer	Shares of Stock Underlying Options	Performance Shares	Shares of Restricted Stock
Michael J. Burns <i>Chairman of the Board, Chief Executive Officer, President and Chief Operating Officer</i>	321,543	75,282	50,188
Robert C. Richter <i>Chief Financial Officer</i>	99,923	23,434	15,558
Bernard N. Cole <i>President – Heavy Vehicle Technologies and Systems Group</i>	99,923	23,434	15,558
James M. Laisure <i>President – Automotive Systems Group</i>	99,923	23,434	15,558
Charles F. Heine <i>President – Technology Development and Diversified Products</i>	60,662	14,203	9,468

The stock option and restricted stock awards, respectively, will vest in accordance with the terms and conditions set forth in the forms of the award certificates for stock options and restricted stock filed herewith as Exhibits 99.1 and 99.2, respectively, which are incorporated herein by reference, except that the restricted stock awarded to Mr. Cole is governed by the form of award certificate filed herewith as Exhibit 99.3 and incorporated herein by reference. The exercise price of each stock option is \$15.94, the fair market value of a share of Dana's common stock on the date of grant, determined in accordance with the Stock Incentive Plan.

The performance shares will vest and be earned by the executive officers at the end of the three-year performance period from 2005 through 2007 (generally, if the individual remains employed on December 31, 2007) if the performance goals established by the Compensation Committee are achieved. Those performance goals consist of a cumulative absolute earnings per share (EPS) goal and a relative return on invested capital (ROIC) goal compared to Dana's peer group companies. The above table shows the maximum number of performance shares that may be earned by the executive officers based on the achievement of these performance goals. Under the terms of the awards, the executive officers may earn all, none or a percentage of the number of performance shares subject to their respective awards, depending upon Dana's actual performance. If actual performance is less than threshold levels of performance, expressed as a percentage of targeted EPS and ROIC, no performance shares will be earned in

Table of Contents

respect of the award. The EPS and ROIC goals were established by the Compensation Committee in accordance with the requirements for qualified performance-based compensation under Section 162(m) of the Internal Revenue Code. Other terms and conditions of the performance share awards are set forth in the form of award certificate for performance shares filed herewith as Exhibit 99.4 and incorporated herein by reference. All performance shares will be payable in cash except those for Mr. Burns, which will be payable in shares of Dana common stock.

2. *Annual Base Salaries of Executive Officers.* The Committee approved the following annual base salaries payable to Dana's executive officers effective March 1, 2005: Mr. Burns, \$1,035,000; Mr. Richter, \$550,000; Mr. Cole, \$515,000; Mr. Laisure, \$465,000; and Mr. Heine, \$415,000.

3. *Establishment of Performance Goals for 2005.* The Compensation Committee established the performance measures that will determine the annual bonuses that may be earned by the executive officers under Dana's Additional Compensation Plan with respect to fiscal year 2005. The measures are based on Dana's achievement of specified levels of net income and return on invested capital, determined in accordance with accounting principles generally accepted in the United States (GAAP). The net income and ROIC goals were established by the Compensation Committee in accordance with the requirements for qualified performance-based compensation under Section 162(m) of the Internal Revenue Code.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

- 99.1 Award certificate for stock options granted under the Dana Corporation Amended and Restated Stock Incentive Plan
- 99.2 Award certificate for restricted stock granted under the Dana Corporation 1999 Restricted Stock Plan
- 99.3 Award certificate for restricted stock granted to Bernard N. Cole under the Dana Corporation 1999 Restricted Stock Plan
- 99.4 Award certificate for performance stock awards under the Dana Corporation Amended and Restated Stock Incentive Plan

Signatures

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.

Date: February 18, 2005

Dana Corporation
(Registrant)

By: /s/ Michael L. DeBacker
Name: Michael L. DeBacker
Title: Vice President, General Counsel and Secretary

Exhibit Index

- 99.1 Award certificate for stock options granted under the Dana Corporation Amended and Restated Stock Incentive Plan
- 99.2 Award certificate for restricted stock granted under the Dana Corporation 1999 Restricted Stock Plan
- 99.3 Award certificate for restricted stock granted to Bernard N. Cole under the Dana Corporation 1999 Restricted Stock Plan
- 99.4 Award certificate for performance stock awards under the Dana Corporation Amended and Restated Stock Incentive Plan

Amended and Restated Stock Incentive Plan

This is to certify that

[Name]

(the "Optionee") is hereby granted options to purchase ___ shares at a fixed option price of \$___ per share of Common Stock of Dana Corporation. This grant is set forth in accordance with the terms and conditions of the Dana Corporation Amended and Restated Stock Incentive Plan (as amended from time to time, the "Plan").

Grant Date:

Option Price:

\$___

Expiration Date:

[10 Years from Grant Date]

Vesting Schedule

[One Year from Grant Date]	25% vested	May exercise ___ options
[Two Years from Grant Date]	50% vested	May exercise ___ additional options
[Three Years from Grant Date]	75% vested	May exercise ___ additional options
[Four Years from Grant Date]	100% vested	May exercise ___ additional options

DANA CORPORATION

By: [Signature]

Chairman of the Board

This award certificate constitutes Optionee's award agreement as required by the Plan. It is not a stock certificate.

This grant is subject to and incorporates by reference all of the terms and conditions of the Plan. Please refer to the Plan for an explanation of the terms and conditions of this grant and a full description of Optionee's rights and obligations. If a conflict occurs between any terms in this award certificate and those in the Plan, the terms of the Plan shall govern.



1999 Restricted Stock Plan

as Amended

This is to certify that

[Name]

(the "Grantee") is hereby granted [___] shares of restricted shares of Common Stock, \$1 par value of Dana Corporation. This grant is set forth in accordance with the terms and conditions of the Dana Corporation 1999 Restricted Stock Plan as Amended (the "Plan").

Grant Date:

Vesting Date: Restrictions on shares shall lapse on the fifth anniversary of the Grant Date, so long as the Grantee remains employed by Dana Corporation on such date, and shall also lapse upon the occurrence of certain events described herein.

Market Price Per Share on Grant Date: \$ _____

Additional Terms: See the following page of this certificate

DANA CORPORATION

By:

Chairman of the Board

This award certificate constitutes Grantee's award agreement as required by the Plan. It is not a stock certificate.

This grant is subject to and incorporates by reference all of the terms and conditions of the Plan. Please refer to the Plan for an explanation of the terms and conditions of this grant and a full description of Grantee's rights and obligations. If a conflict occurs between any terms in this award certificate and those in the Plan, the terms of the Plan shall govern.

Additional Terms:

1. Shares of Restricted Stock granted hereby shall not be transferable prior to the date upon which restrictions on the shares lapse, except by will or the laws of descent and distribution.
2. The grant is made in consideration of services to be performed by the Grantee for the benefit of the Corporation or a Subsidiary (as defined in the Plan). No cash or other form of down payment is required to be transferred by the Grantee to the Corporation as consideration for the grant.
3. The Corporation shall establish a Restricted Stock Account on its books, in the name of the Grantee, and shall credit to such account the number of shares granted to Grantee pursuant to this certificate. Any cash dividends declared on such shares of Restricted Stock shall be provided to the Grantee in the form of additional shares of Restricted Stock, which shall also be credited to the Grantee's Restricted Stock Account, as explained in Section 6(c) of the Plan.
4. In the event that the employment of the Grantee with the Corporation or a Subsidiary is terminated for any reason prior to the lapse of restrictions on the shares of Restricted Stock, the shares for which the restrictions have not lapsed shall be forfeited to the Corporation immediately upon such termination, and the Grantee shall cease to have any rights as a shareholder with respect to, or any interest in, the forfeited shares effective as of the date of termination and, without limitation, shall cease to be entitled to receive any future dividends or other distributions upon such shares with record dates occurring after the effective date of such termination; provided, however, that the restrictions on the shares of Restricted Stock subject to this grant (including additional shares of Restricted Stock paid with respect to cash dividends declared on the shares of Restricted Stock) shall lapse upon the occurrence of the following events to the extent specified below:
 - (i) Termination of the Grantee's employment on account of death: Provided that the Grantee has been employed with the Corporation or Subsidiary for not less than one year following the Grant Date, the Grantee's beneficiary or estate shall become vested as of the date of death with respect to a pro rata portion of the shares of Restricted Stock then credited to his account. For this purpose, the pro rata portion shall be based on a fraction, the numerator of which is the number of full months which have elapsed from the Grant Date until the date of death, and the denominator of which is 60.
 - (ii) Termination of the Grantee's employment on account of disability or retirement: Provided that the Grantee has been employed with the Corporation or Subsidiary for not less than one year following the Grant Date, the Grantee shall become vested as of the date of termination of employment due to disability as defined in the Dana Corporation Long-Term Disability Plan, or retirement (as defined below), with respect to a pro rata portion of the shares of Restricted Stock then credited to his account. For this purpose, the pro rata portion shall be based on a fraction, the numerator of which is the number of full months which have elapsed from the Grant Date until the date of termination, and the denominator of which is 60. For purposes of this award agreement, the term "retirement" shall mean retirement of the Grantee pursuant to a normal or early retirement under any retirement plan of the Corporation or Subsidiary, but shall not include a retirement in connection with a company-initiated termination of employment, or following a Grantee's departure under conditions adverse to the Corporation or Subsidiary, in either case as determined solely by the Committee. The Committee shall have the discretion to treat a Grantee's termination of employment as a retirement under the Plan even though he might not have met the other requirements specified above.
 - (iii) Termination of the Grantee's employment at the initiative of the Corporation or Subsidiary (and not at the Grantee's initiative) without Cause (as defined below): Provided that the Grantee has been employed with the Corporation or Subsidiary for not less than one year following the Grant Date, and provided further that the Grantee has executed and not revoked a release in favor of the Corporation and/or Subsidiary in a form reasonably satisfactory to the Corporation, the Grantee shall become vested as of the date of termination with respect to a pro rata portion of the shares of Restricted Stock credited to his account. For this purpose, the pro rata portion shall be based on a fraction, the numerator of which is the number of full months which have elapsed from the Grant Date until the date of termination, and the denominator of which is 60.
5. The Grantee shall pay to the Corporation, at the times that he realizes taxable income in respect of the grant, an amount equal to the taxes the Corporation determines it is required to withhold. In lieu of such payment, in whole or in part, the Corporation may, at the Grantee's election, withhold from any shares of Stock it would otherwise deliver to the Grantee all or part of the number of such shares the Fair Market Value of which is equal to the amount of taxes required to be withheld.
6. For purposes of this agreement, "Cause" shall mean:
 - (i) termination of employment as the result of the Grantee's conviction of, or plea of guilty or nolo contendere to, the charge of having committed a felony (whether or not such conviction is later reversed for any reason); or
 - (ii) failure by the Grantee to devote his full time and undivided attention during normal business hours to the business and affairs of the Corporation or Subsidiary except for reasonable vacations and except for illness or incapacity; but nothing herein shall preclude the Grantee from devoting reasonable periods required for (A) serving as director or member of a committee of any organization involving no conflict of interest with the interests of the Corporation or Subsidiary; (B) delivering lectures, fulfilling speaking engagements, teaching at educational institutions; (C) engaging in charitable and community activities; and (D) managing his personal investments, so long as such activities do not materially interfere with the regular performance of his duties and responsibilities to the Corporation or Subsidiary; or
 - (iii) disclosure by the Grantee at any time, to any person not employed by the Corporation or one of its Subsidiaries, or not engaged to render services to the Corporation or one of its Subsidiaries, except with the prior written consent of an officer authorized to act in the matter by the Board, of any confidential information obtained by him while in the employ of the Corporation or Subsidiary, of any inventions, processes, formulae, plan, devices, compilation of information, methods of distribution, customers, suppliers, client relationships, marketing strategies or trade secrets; provided, however, that this provision shall not preclude the Grantee from use or disclosure of information known generally to the public or of information not considered confidential by persons engaged in the business conducted by the Corporation or Subsidiary or from disclosure required by law, regulation or Court order; or
 - (iv) the willful engaging by the Grantee in misconduct that is injurious to the Corporation or Subsidiary, monetarily or otherwise; or
 - (v) negligence or incompetence by the Grantee in the performance of his assigned duties.
7. The validity and construction of this restricted stock agreement shall be governed by the laws of the State of Ohio.



1999 Restricted Stock Plan

as Amended

This is to certify that

Bernard N. Cole

(the "Grantee") is hereby granted 15,558 shares of restricted shares of Common Stock, \$1 par value of Dana Corporation.

This grant is set forth in accordance with the terms and conditions of the Dana Corporation 1999 Restricted Stock Plan as Amended (the "Plan").

Grant Date:

February 14, 2005

Vesting Date: Restrictions on shares shall lapse on February 28, 2007, so long as the Grantee remains employed by Dana Corporation on such date.

Market Price Per Share on Grant Date: \$15.94

Additional Terms: See the following page of this certificate

DANA CORPORATION

By:

Chairman of the Board

This award certificate constitutes Grantee's award agreement as required by the Plan. It is not a stock certificate.

This grant is subject to and incorporates by reference all of the terms and conditions of the Plan. Please refer to the Plan for an explanation of the terms and conditions of this grant and a full description of Grantee's rights and obligations. If a conflict occurs between any terms in this award certificate and those in the Plan, the terms of the Plan shall govern.

Additional Terms:

1. Shares of Restricted Stock granted hereby shall not be transferable prior to the date upon which restrictions on the shares lapse, except by will or the laws of descent and distribution.
2. The grant is made in consideration of services to be performed by the Grantee for the benefit of the Corporation or a Subsidiary (as defined in the Plan). No cash or other form of down payment is required to be transferred by the Grantee to the Corporation as consideration for the grant.
3. The Corporation shall establish a Restricted Stock Account on its books, in the name of the Grantee, and shall credit to such account the number of shares granted to Grantee pursuant to this certificate. Any cash dividends declared on such shares of Restricted Stock shall be provided to the Grantee in the form of additional shares of Restricted Stock, which shall also be credited to the Grantee's Restricted Stock Account, as explained in Section 6(c) of the Plan.
4. In the event that the employment of the Grantee with the Corporation or a Subsidiary is terminated for any reason prior to the lapse of restrictions on the shares of Restricted Stock, the shares for which the restrictions have not lapsed shall be forfeited to the Corporation immediately upon such termination, and the Grantee shall cease to have any rights as a shareholder with respect to, or any interest in, the forfeited shares effective as of the date of termination and, without limitation, shall cease to be entitled to receive any future dividends or other distributions upon such shares with record dates occurring after the effective date of such termination.
5. The Grantee shall pay to the Corporation, at the times that he realizes taxable income in respect of the grant, an amount equal to the taxes the Corporation determines it is required to withhold. In lieu of such payment, in whole or in part, the Corporation may, at the Grantee's election, withhold from any shares of Stock it would otherwise deliver to the Grantee all or part of the number of such shares the Fair Market Value of which is equal to the amount of taxes required to be withheld.
6. The validity and construction of this restricted stock agreement shall be governed by the laws of the State of Ohio



Amended and Restated Stock Incentive Plan

This is to certify that

[Name]

(the "Grantee") is hereby granted _____ shares of Performance Stock (the "Performance Shares").

This grant is set forth in accordance with the terms and conditions of the Dana Corporation Amended and Restated Stock Incentive Plan (as amended from time to time, the "Plan").

Grant Date:

Vesting Date: The Performance Shares shall vest and become earned only at the end of the [three-year performance period designated by the Committee] (the "Performance Period") in accordance with the vesting terms set forth herein, except as otherwise provided in the Additional Terms annexed hereto.

Additional Terms: See the following page of this certificate

DANA CORPORATION

By: [Signature]

Chairman of the Board

This award certificate constitutes Grantee's award agreement as required by the Plan. It is not a stock certificate.

This grant is subject to and incorporates by reference all of the terms and conditions of the Plan. Please refer to the Plan for an explanation of the terms and conditions of this grant and a full description of Grantee's rights and obligations. If a conflict occurs between any terms in this award certificate and those in the Plan, the terms of the Plan shall govern.

Additional Terms:

1. The Grantee may not sell, assign, transfer, donate, pledge or otherwise dispose of the Performance Shares.
2. The Corporation shall establish a Performance Share account on its books, in the name of the Grantee, and shall credit to such account the number of Performance Shares granted to Grantee pursuant to this award agreement. In the event that any Performance Shares are earned pursuant to the provisions set forth in Exhibit A, the Grantee will be entitled to receive, on May 1st of the year following the end of the Performance Period (except as provided in Paragraph 4 below), a cash distribution equal to the Fair Market Value (as defined in the Plan) of the number of shares of Stock earned in accordance with the terms set forth in Exhibit A. Unless otherwise determined by the Committee, in accordance with the Plan. The specified date to be used for purposes of the Fair Market Value determination will be the date payout is approved by the Committee.
3. In the event that the employment of the Grantee with the Corporation or a Subsidiary (as defined in the Plan) is terminated for any reason prior to the end of the Performance Period, the Performance Shares credited to the Grantee's account shall be forfeited to the Corporation immediately upon such termination, and the Grantee shall cease to have any rights with respect to, or any interest in, the forfeited Performance Shares effective as of the date of termination, except as follows:
 - (a) Termination of the Grantee's employment on account of death: Provided that the Grantee has been employed with the Corporation or a Subsidiary for not less that one year following the Grant Date, the Grantee's beneficiary or estate shall become entitled to receive, as soon as practicable following the date of death, a distribution with respect to a pro rata portion of the Performance Shares credited to Grantee's account measured at the target level of performance. For this purpose, the pro rata portion shall be based on a fraction, the numerator of which is the number of full months in the Performance Period which have elapsed from the beginning of the Performance Period until the date of death, and the denominator of which is 36.
 - (b) Termination of the Grantee's employment on account of disability or retirement: Provided that as of the date of the Grantee's total and permanent disability or the Grantee's Retirement (as defined below), as the case may be, the Grantee has been employed with the Corporation or a Subsidiary or not less that one year following the Grant Date, the Grantee shall become entitled to receive, on May 1st of the year following the end of the Performance Period, a distribution with respect to a pro rata portion of the Performance Shares credited to his account based on actual performance measured at the end of the Performance Period. For this purpose, the pro rata portion shall be based upon a fraction, the numerator of which is the number of full months in the Performance Period which have elapsed from the beginning of the Performance Period until the date of termination, and the denominator of which is 36. For purposes of this award agreement, the term "Retirement" shall mean the retirement of the Grantee pursuant to a normal or early retirement under any retirement plan of the Corporation or a Subsidiary, but shall not include a retirement in connection with a company-initiated termination of employment or, following a Grantee's departure under conditions adverse to the Corporation or Subsidiary, in either case as determined solely by the Committee. The Committee shall have the discretion to treat a Grantee's termination of employment as a retirement under the Plan even though he might not have met the other requirements specified above.
 - (c) Termination of the Grantee's employment on the initiative of the Corporation (and not at the Grantee's initiative) without Cause (as defined below): Provided that the Grantee has been employed with the Corporation or a Subsidiary for not less that one year following the Grant Date, and provided further that the Grantee has executed and not revoked a release in favor of the Corporation in a form reasonably acceptable to the Corporation and/or Subsidiary, the Grantee shall become entitled to receive, on May 1st of the year following the end of the Performance Period, a distribution with respect to a pro rata portion of the Performance Shares credited to his account based on actual performance measured at the end of the Performance Period in accordance with Paragraph 3. For this purpose, the pro rata portion shall be based upon a fraction, the numerator of which is the number of full months in the Performance Period which have elapsed from the beginning of the Performance Period until the date of termination, and the denominator of which is 36.
4. The Grantee shall pay to the Corporation, at the time that he realizes taxable income in respect of the grant, an amount equal to the taxes the Corporation determines it is required to withhold. In lieu of such payment, in whole or in part, the Corporation may, at the Grantee's election, withhold all applicable taxes required by law to be withheld upon the payment in respect of any or all of the Performance Shares.
5. For purposes of this agreement, "Cause" shall mean:
 - (i) termination of employment as the result of the Grantee's conviction of, or plea of guilty or nolo contendere to, the charge of having committed a felony (whether or not such conviction is later reversed for any reason); or
 - (ii) Failure by the Grantee to devote his full time and undivided attention during normal business hours to the business and affairs of the Corporation or Subsidiary except for reasonable vacations and except for illness or incapacity; but nothing herein shall preclude the Grantee from devoting reasonable periods required for (A) serving as director or member of a committee of any organization involving no conflict of interest with the interests of the Corporation or Subsidiary; (B) delivering lectures, fulfilling speaking engagements, teaching at educational institutions; (C) engaging in charitable and community activities; and (D) managing his personal investments, so long as such activities do not materially interfere with the regular performance of his duties and responsibilities to the Corporation or Subsidiary; or
 - (iii) disclosure by the Grantee at any time, to any person not employed by the Corporation or one of its Subsidiaries (as defined in the Plan), or not engaged to render services to the Corporation or one of its Subsidiaries (as defined in the Plan), except with the prior written consent of an officer authorized to act in the matter by the Board (as defined in the Plan), of any confidential information obtained by him while in the employ of the Corporation or Subsidiary, of any inventions, processes, formulae, plan, devices, compilation of information, methods of distribution, customers, suppliers, client relationships, marketing strategies or trade secrets; provided, however, that this provision shall not preclude the Grantee from use or disclosure of information known generally to the public or of information not considered confidential by persons engaged in the business conducted by the Corporation or from disclosure required by law, regulation or Court order; or
 - (iv) the willful engaging by the Grantee in misconduct that is injurious to the Corporation or Subsidiary, monetarily or otherwise; or
 - (v) negligence or incompetence on the part of the Grantee in the performance of his assigned duties.
6. The validity and construction of this award agreement shall be governed by the laws of the State of Ohio.

