Table of Contents

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

FORM 10-Q

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

For the quarterly period ended: June 30, 2007

Commission File Number: 1-1063

Dana Corporation

(Exact name of registrant as specified in its charter)

Virginia	34-4361040
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
4500 Dorr Street, Toledo, Ohio	43615
(Address of principal executive offices)	(Zip Code)

(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 ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer o Accelerated filer ☑ Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

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

Class	Outstanding at July 31, 2007
Common stock, $1 par value	150,202,981

DANA CORPORATION — FORM 10-Q
FOR THE QUARTERLY PERIOD
ENDED JUNE 30, 2007

Table of Contents

FORWARD-LOOKING INFORMATION

Statements in this report that are not entirely historical constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forwarding-looking statements are indicated by words such as “anticipates,” “expects,” “believes,” “intends,” “plans,” “estimates,” “projects” and similar expressions. These statements represent the present expectations of Dana Corporation (Dana, we or us) and its consolidated subsidiaries based on our current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Our plans, actions and actual results could differ materially from our present expectations due to a number of factors, including those discussed below and elsewhere in this report, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (our 2006 Form 10-K) and in our other filings with the Securities and Exchange Commission (SEC):

Bankruptcy-Related Risk Factors

- Our ability to continue as a going concern, operate pursuant to the terms of our debtor-in-possession credit facility, and obtain court approval with respect to motions in our bankruptcy proceedings from time to time;
- Our ability to fund and execute our business plan;
- Our ability to maintain satisfactory terms with our customers, vendors and service providers;
- Our ability to attract, motivate and/or retain key employees;
- Our ability to successfully complete the implementation of the reorganization initiatives discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (MD&A) in Item 2 of Part I of this report; and
- Our ability to (i) file a plan of reorganization with the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) by September 3, 2007, that comports with the requirements of Chapter 11 of Title II of the United States Code (the Bankruptcy Code) and incorporates the union settlement agreements and equity investment commitments discussed in Note 2 to our financial statements in Item 1 of Part I of this report and in MD&A in Item 2 of Part I of this report, or an alternative proposal acceptable to the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the USW) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the UAW), (ii) obtain Bankruptcy Court approval of the disclosure statement filed with our plan of reorganization, (iii) obtain confirmation of our plan of reorganization implementing such union settlement agreements and equity investment commitments (or such alternative proposal) by February 28, 2008, and (iv) emerge from bankruptcy by May 1, 2008.

Risk Factors in the Vehicle Markets We Serve

- High fuel prices and interest rates;
- The cyclical nature of the heavy-duty commercial vehicle market;
- Shifting consumer preferences in the United States (U.S.) from pickup trucks and sport utility vehicles (SUVs) to cross-over vehicles (CUVs) and passenger cars;
- Market share declines, production cutbacks, and potential vertical integration by our larger customers, including Ford Motor Company (Ford), General Motors Corporation (GM) and DaimlerChrysler AG (Chrysler);
- The ability of Ford, GM and Chrysler to renegotiate collective bargaining agreements with their unionized employees and avert potential production interruptions;
- High costs of commodities used in our manufacturing processes, such as steel, other raw materials and energy, particularly costs that cannot be recovered from our customers;
- Competitive pressures on our sales from other vehicle component suppliers; and
- Adverse effects that could result from any divestitures, consolidations or bankruptcies of our customers, vendors and competitors.

Company-Specific Risk Factors

- Changes in business relationships with our major customers and/or in the timing, size and duration of their programs for vehicles with Dana content;
- Price reduction pressures from our customers;
- Our vendors' ability to maintain projected production levels and furnish us with critical components for our products and other necessary goods and services;
- Adverse effects that could result if U.S. federal legislation relating to asbestos personal injury claims were enacted; and
- Adverse effects that could result from increased costs of environmental remediation and compliance.

PART I – FINANCIAL INFORMATION
(In millions, except per share amounts)

ITEM 1. FINANCIAL STATEMENTS

DANA CORPORATION
(DEBTOR IN POSSESSION)

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net sales	$ 2,289	$ 2,300	$ 4,434	$ 4,497
Costs and expenses				
Cost of sales	2,141	2,161	4,184	4,257
Selling, general and administrative expenses	88	115	184	230
Realignment charges, net	134	1	153	2
Impairment of assets		1		15
Other income, net	32	39	78	70
Income (loss) from continuing operations before interest, reorganization items and income taxes	(42)	61	(9)	63
Interest expense (contractual interest of $55 and $53 for the three months ended June 30, 2007 and 2006 and $105 and $100 for the six months ended June 30, 2007 and 2006)	28	26	51	65
Reorganization items, net	38	34	75	89
Income (loss) from continuing operations before income taxes	(108)	1	(135)	(91)
Income tax expense	(3)	(36)	(18)	(58)
Minority interest expense	(4)	(2)	(6)	(3)
Equity in earnings of affiliates	10	6	18	16
Loss from continuing operations	(105)	(31)	(141)	(136)
Income (loss) from discontinued operations	(28)	3	(84)	(18)
Net loss	$ (133)	$ (28)	$ (225)	$ (154)
Basic loss per common share				
Loss from continuing operations	$ (0.70)	$ (0.21)	$ (0.94)	$ (0.91)
Income (loss) from discontinued operations	(0.19)	0.02	(0.56)	(0.12)
Net loss	$ (0.89)	$ (0.19)	$ (1.50)	$ (1.03)
Diluted loss per common share				
Loss from continuing operations	$ (0.70)	$ (0.21)	$ (0.94)	$ (0.91)
Income (loss) from discontinued operations	(0.19)	0.02	(0.56)	(0.12)
Net loss	$ (0.89)	$ (0.19)	$ (1.50)	$ (1.03)
Average shares outstanding — Basic	150	150	150	150
Average shares outstanding — Diluted	150	150	150	150

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

DANA CORPORATION
(DEBTOR IN POSSESSION)

CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited)

	June 30, 2007	December 31, 2006
Assets		
Current assets		
Cash and cash equivalents	$ 1,001	$ 704
Restricted cash	103	15
Accounts receivable		
Trade, less allowance for doubtful accounts of $23 in 2007 and 2006	1,411	1,131
Other	297	235
Inventories		
Raw materials	322	290
Work in process and finished goods	451	435
Assets of discontinued operations	194	392
Other current assets	143	122
Total current assets	3,922	3,324
Investments and other assets	1,042	1,079
Investments in equity affiliates	211	555
Property, plant and equipment, net	1,732	1,776
Total assets	$ 6,907	$ 6,734
Liabilities and shareholders' deficit		
Current liabilities		
Notes payable, including current portion of long-term debt	$ 265	$ 293
Debtor-in-possession financing	900	
Accounts payable	1,146	886
Liabilities of discontinued operations	96	195
Other accrued liabilities	837	712
Total current liabilities	3,244	2,086
Liabilities subject to compromise	3,653	4,175
Deferred employee benefits and other non-current liabilities	473	504
Long-term debt	20	22
Debtor-in-possession financing		700
Commitments and contingencies (Note 14)		
Minority interest in consolidated subsidiaries	92	81
Total liabilities	7,482	7,568
Shareholders' deficit	(575)	(834)
Total liabilities and shareholders' deficit	$ 6,907	$ 6,734

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

DANA CORPORATION
(DEBTOR IN POSSESSION)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

	Six Months Ended June 30,	
	2007	2006
Operating activities		
Net loss	$ (225)	$ (154)
Depreciation and amortization	139	135
Impairment and divestiture-related charges	1	46
Gain on sale of assets	(8)	
Non-cash portion of U.K. pension charge	60	
Reorganization items, net of payments	7	45
Payments to VEBAs for postretirement benefits	(27)	
Changes in working capital	(64)	49
Other	(35)	(39)
Net cash flows provided by (used for) operating activities	(152)	82
Investing activities		
Purchases of property, plant and equipment	(94)	(182)
Proceeds from sale of businesses	305	
Proceeds from sale of DCC assets and partnership interests	109	11
Proceeds from sale of other assets	7	28
Payments received on leases and loans	7	6
Increase in restricted cash	(88)	
Other	18	19
Net cash flows provided by (used for) investing activities	264	(118)
Financing activities		
Net change in short-term debt	(28)	(555)
Proceeds from debtor-in-possession facility	200	700
Issuance of long-term debt		7
Other	(2)	(7)
Net cash flows provided by financing activities	170	145
Net increase in cash and cash equivalents	282	109
Cash and cash equivalents — beginning of period	704	762
Effect of exchange rate changes on cash balances held in foreign currencies	28	(5)
Net change in cash of discontinued operations	(13)	5
Cash and cash equivalents — end of period	$ 1,001	$ 871

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

DANA CORPORATION
(DEBTOR IN POSSESSION)

INDEX TO NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notes to Condensed Consolidated Financial Statements
(In millions, except per share amounts)

Note 1. Basis of Presentation

In management's opinion, the accompanying financial statements include all normal recurring adjustments necessary for a fair presentation of Dana's financial condition, results of operations and cash flows for the interim periods presented. Interim results are not necessarily indicative of full-year results.

The financial statements in this report should be read in conjunction with the audited consolidated financial statements and accompanying notes in our 2006 Form 10-K.

Accounting Requirements

As discussed in Note 2, Dana Corporation and forty of its wholly-owned subsidiaries (collectively, the Debtors) are reorganizing under the Bankruptcy Code. American Institute of Certified Public Accountants Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" (SOP 90-7), which is applicable to companies operating under Chapter 11, generally does not change the manner in which financial statements are prepared. However, SOP 90-7 does require that the financial statements for periods subsequent to the filing of a Chapter 11 petition distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business.

We adopted SOP 90-7 effective March 3, 2006 (the Filing Date) and prepare our financial statements in accordance with its requirements. Revenues, expenses, realized gains and losses and provisions for losses that can be directly associated with the reorganization and restructuring of our business are reported separately as reorganization items in our statement of operations. Our balance sheet distinguishes pre-petition liabilities subject to compromise both from those pre-petition liabilities that are not subject to compromise and from post-petition liabilities. Liabilities that may be affected by the Debtors' plan of reorganization are reported at the amounts expected to be allowed by the Bankruptcy Court, although they may ultimately be settled for different amounts. In addition, cash provided by or used for reorganization items is disclosed separately in our statement of cash flows. See Note 3 for further information about our financial statement presentation under SOP 90-7.

Recent Accounting Pronouncements

In February 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities — including an amendment of FASB Statement No. 115." SFAS No. 159 permits an entity to choose to measure many financial instruments and certain other items at fair value. Most of the provisions in SFAS No. 159 are elective; however, the amendment to SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," applies to all entities with available-for-sale and trading securities. The fair value option established by SFAS No. 159 permits companies to choose to measure eligible items at fair value at specified election dates. Companies must report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. SFAS No. 159

must be adopted effective January 1, 2008, and we are evaluating the effect, if any, that adoption will have on our consolidated financial statements in 2008.

In September 2006, the FASB Emerging Issues Task Force (EITF) promulgated Issue No. 06-4, “Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements” (EITF No. 06-4). In March 2007, the EITF promulgated Issue No. 06-10, “Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements” (EITF No. 06-10). EITF Nos. 06-4 and 06-10 require a company that provides a benefit to an employee under an endorsement or collateral assignment split-dollar life insurance arrangement that extends to postretirement periods to recognize a liability and related compensation costs. We will adopt EITF Nos. 06-4 and 06-10 effective in the first quarter of 2008 and are evaluating the effect, if any, that adoption will have on our consolidated financial statements in 2008.

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurement” (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States (GAAP or U.S. GAAP) and expands disclosures about fair value measurements. We will adopt SFAS No. 157 as of January 1, 2008 and are evaluating the effect, if any, that adoption will have on our consolidated financial statements for 2008 and subsequent periods.

We expect to emerge from bankruptcy following the confirmation of our plan of reorganization and to adopt “fresh-start” reporting as defined in SOP 90-7. SOP 90-7 requires that changes in accounting principles that will be required in the financial statements of the emerging entity within the twelve months following the date of emergence must be adopted at the time ”fresh-start” reporting is adopted.

Note 2. Reorganization Under Chapter 11 of the Bankruptcy Code

The Bankruptcy Cases

The Debtors are operating under Chapter 11 of the Bankruptcy Code. The Debtors’ Chapter 11 cases (collectively, the Bankruptcy Cases) have been consolidated in the Bankruptcy Court under the caption *In re Dana Corporation, et al.*, Case No. 06-10354 (BRL). Neither Dana Credit Corporation (DCC) and its subsidiaries nor any of Dana’s non-U.S. affiliates are Debtors.

During the bankruptcy proceedings, investments in Dana securities are highly speculative. Although shares of our common stock are trading on the OTC Bulletin Board under the symbol “DCNAQ,” the opportunity for any recovery by shareholders under a confirmed plan of reorganization is uncertain and the shares may be cancelled without any compensation pursuant to such plan.

The Bankruptcy Cases are being jointly administered, with the Debtors managing their businesses as debtors in possession subject to the supervision of the Bankruptcy Court. We are continuing normal business operations while we evaluate our business financially and operationally. We are proceeding with previously announced divestiture and realignment plans and taking steps to reduce costs, increase efficiency and enhance productivity so that we can emerge from bankruptcy as a stronger, more viable company.

Official committees of the Debtors’ unsecured creditors (the Creditors Committee) and retirees not represented by unions (the Retiree Committee) have been appointed in the

Bankruptcy Cases. The Debtors bear certain of the committees' costs and expenses, including those of their counsel and other professional advisors. An official committee of Dana's equity security holders was also appointed, but it was later disbanded.

The Debtors have filed schedules of their assets and liabilities existing on the Filing Date, including certain amendments to the initial schedules, with the Bankruptcy Court.

Under the Bankruptcy Code, the Debtors' have the right to assume or reject executory contracts (*i.e.*, contracts that are to be performed by the parties after the Filing Date) and unexpired leases, subject to Bankruptcy Court approval and other limitations. The Bankruptcy Court has approved the Debtors' assumption and rejection of certain executory contracts and unexpired leases, but a significant number of contracts and leases have not yet been assumed or rejected.

The Bankruptcy Court has entered an order establishing procedures for trading in claims and equity securities that is designed to protect the Debtors' potentially valuable tax attributes (such as net operating loss carryforwards). Under the order, holders or acquirers of 4.75% or more of Dana's common stock are subject to certain notice and consent procedures before acquiring or disposing of the shares. Holders of claims against the Debtors that would entitle them to more than 4.75% of the common shares of reorganized Dana under a confirmed plan of reorganization utilizing the tax benefits provided under Section 382(l)(5) of the Internal Revenue Code may be required to sell down the excess claims if necessary to implement such a plan of reorganization. The Plan Support Agreement discussed below contemplates a plan of reorganization utilizing tax benefits under Section 382(l)(6) of the Internal Revenue Code.

The Bankruptcy Court has also authorized the Debtors to enter into the agreements discussed in Note 19.

Pre-petition Claims

Most persons and entities asserting pre-petition claims (with the exception of, among others, asbestos-related personal injury claims and claims resulting from the future rejection of executory contracts and unexpired leases) against the Debtors were required to file proofs of claim in the Bankruptcy Cases by September 21, 2006. Proofs of claim alleging rights to payment for financing, trade debt, employee obligations, environmental matters, commercial damages and other litigation-based liabilities, tax liabilities and other matters in a total amount of approximately $26,600 (as well as certain unliquidated amounts) were filed by that date. In addition, another $51 in liabilities is listed in our schedules of assets and liabilities as undisputed, non-contingent and liquidated. Of the claims filed, the Debtors have so far identified claims totaling approximately $21,800 that they believe should be disallowed, primarily because they appear to be amended, duplicative, withdrawn by the creditor, without basis for claim, or solely equity-based. Of these claims, approximately $20,400 had been disallowed by the Bankruptcy Court, withdrawn by the creditors or eliminated by settlement through July 2007. The Debtors are continuing to evaluate the remaining filed claims and, as appropriate, to file and prosecute additional claim objections with the Bankruptcy Court or to address claims through settlement or alternate dispute resolution procedures. Asbestos-related personal injury claims will be addressed separately in the future in connection with our plan of reorganization.

Filed proofs of claim are being reviewed and evaluated by the Debtors through reconciliation and other procedures. In connection therewith, claim adjustments of $9 were recorded as liabilities subject to compromise – $5 being charged to reorganization items, net, and $4 to cost of sales and selling, general and administrative expense (SG&A). These claims existed prior to the second quarter of 2007 but were recorded in the second quarter. This out-of-period adjustment was not considered material to the second quarter of 2007 or the earlier periods to which they related.

Claims have been filed for matters such as contract disputes, litigation, and environmental remediation and related costs. The amounts recorded as liabilities subject to compromise for

these claims are, in most cases, significantly lower based on the Debtors' assessment of the probable and estimable liabilities.

Since receipt of the filed claims, the Debtors have been actively evaluating the merits of the claims and obtaining additional information to ascertain their validity. Upon completion of this evaluation, the Debtors in many cases have commenced settlement discussions with the claimants to reach a consensual resolution of the allowed claim amount. Based on such settlement activity, $21 was added to liabilities subject to compromise in the second quarter with corresponding charges of $11 to other income (expense), net, $9 to pre-tax loss from discontinued operations and $1 to cost of sales. Although certain of these settlements may be subject to Bankruptcy Court approval, the Debtors determined these settlements to be probable. As the Debtors continue to pursue settlement discussions to resolve these claims, additional agreements to allow claims subject to compromise are likely to be achieved at amounts in excess of that currently recorded for these claims. As of the present date, however, these additional amounts do not meet probable and estimable standards for recognition in the financial statements.

In July 2007, we entered into a Settlement Agreement with Sypris Solutions, Inc. (Sypris) under which Sypris will obtain a general unsecured claim of $90 in the Bankruptcy Cases, subject to Bankruptcy Court approval. The settlement amount primarily covers damages alleged by Sypris in connection with the termination of existing supply agreements. As part of the settlement, Sypris and Dana will execute a new long-term supply agreement at prices more favorable to Dana than those in the existing agreements, and Sypris will release Dana from all filed and asserted claims. Of the total settlement amount, $3 has been attributed to events which occurred prior to June 30, 2007. Net of amounts previously recorded for these events, the impact of this settlement on the second quarter of 2007 was not material. The remaining $87 of the settlement, which is attributable to damages for lost future profits from termination of the existing agreements, will be recognized upon Bankruptcy Court approval (expected in the third quarter of 2007) in liabilities subject to compromise. The Bankruptcy Court approved this settlement on August 7, 2007.

Pre-petition Debt

Our bankruptcy filing triggered the immediate acceleration of certain of the direct financial obligations of the Debtors, including, among others, an aggregate of $1,623 in principal and accrued interest on currently outstanding unsecured notes issued under our 1997, 2001, 2002 and 2004 indentures. Such amounts are characterized as unsecured debt for purposes of the reorganization proceedings and the related obligations are classified as liabilities subject to compromise in our consolidated balance sheet as of June 30, 2007. In accordance with SOP 90-7, following the Filing Date, we discontinued recording interest expense on debt classified as liabilities subject to compromise.

Reorganization Initiatives

It is critical to the Debtors' successful emergence from bankruptcy that they (i) achieve positive margins for their products by obtaining substantial price increases from their customers, (ii) recover or otherwise provide for increased material costs through renegotiation or rejection of various customer programs, (iii) restructure their wage and benefit programs to create an appropriate labor and benefit cost structure, (iv) address the excessive cash requirements of the legacy pension and other postretirement benefit liabilities that they have accumulated over the years, (v) optimize their manufacturing footprint by eliminating excess capacity, closing and consolidating facilities and repositioning operations in lower cost countries and (vi) achieve a

permanent reduction and realignment of their overhead costs. The steps that the Debtors are taking to accomplish these goals are discussed in Item 2 of Part I.

Plan of Reorganization

Until September 3, 2007, the Debtors have the exclusive right to file a plan of reorganization in the Bankruptcy Cases. We anticipate that substantially all of the Debtors' liabilities as of the Filing Date will be addressed and treated in accordance with such plan, which will be voted on by the creditors and equity holders in accordance with the provisions of the Bankruptcy Code. Although the Debtors intend to file such a plan by that date, there can be no assurance that they will be able to do so or that any plan that is filed will be confirmed by the Bankruptcy Court and consummated. The Debtors' plan of reorganization could materially change the amounts and classification of items reported in our historical financial statements.

On August 1, 2007, the Bankruptcy Court entered an order authorizing the Debtors to enter into a series of related agreements consisting of (i) settlement agreements with the UAW and USW providing terms for settling all outstanding issues between the Debtors and these unions related to the Bankruptcy Cases; (ii) a Plan Support Agreement with these unions, Centerbridge Capital Partners, L.P. (Centerbridge) and certain of Dana's unsecured creditors setting out the terms under which these parties will support the Debtors' plan of reorganization; and (iii) an Investment Agreement between Dana, Centerbridge, and a Centerbridge affiliate providing for Centerbridge to purchase $250 in Series A convertible preferred shares of reorganized Dana and qualified creditors of the Debtors (*i.e.*, creditors who meet specified criteria) to have an opportunity to purchase $500 in Series B convertible preferred shares on a pro rata basis, with Centerbridge purchasing up to $250 in Series B preferred shares that are not purchased by the qualified creditors. The proceeds from the sale of the preferred shares will be used in part to fund the Voluntary Employee Benefit Association (VEBA) trusts that will be established under the union settlement agreements. We have agreed to file a plan of reorganization with the Bankruptcy Court incorporating the union settlement agreements and the foregoing equity investment commitments (or an alternative proposal acceptable to the UAW and USW) by September 3, 2007. If we fail to do so, Centerbridge may terminate the Investment Agreement and the unions may, under some circumstances, terminate the union settlement agreements or their collective bargaining agreements. In addition, if our plan of reorganization does not become effective by February 28, 2008, individual supporting creditors may withdraw their support and if it does not become effective by May 1, 2008, the Plan Support Agreement will expire. See Note 19 for additional details.

In addition, the Bankruptcy Court order authorizing our entry into these agreements established a schedule and procedures under which we will consider potential alternatives to the investments contemplated with Centerbridge under the Investment Agreement. The schedule contemplates that any alternate investment proposals will be received and considered by specific dates during August through October 2007.

Continuation as a Going Concern

Our financial statements have been prepared on a going-concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. As a result of our bankruptcy filing, such realization of assets and liquidation of liabilities is subject to uncertainty. While operating as debtors in possession under the protection of Chapter 11, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those recorded in our financial statements, subject to Bankruptcy Court approval or as otherwise permitted in the ordinary course of business. Our

financial statements as of June 30, 2007 do not give effect to all the adjustments to the carrying value of assets and liabilities that may become necessary as a consequence of our reorganization.

Our continuation as a going concern is contingent upon our ability to (i) comply with the terms and conditions of the Senior Secured Superpriority Debtor-In-Possession Credit Agreement to which Dana, as borrower, and our Debtor U.S. subsidiaries, as guarantors, are parties (the DIP Credit Agreement) (see Note 13), (ii) obtain confirmation of a plan of reorganization under the Bankruptcy Code, (iii) generate sufficient cash flow from operations, and (iv) obtain financing sources to meet our future obligations. Although we are taking steps to achieve these objectives, there is no assurance that we will be successful in doing so or that any measures that are achievable will result in sufficient improvement to our financial position. Accordingly, until such time as we emerge from bankruptcy, there is no certainty about our ability to continue as a going concern. If our reorganization is not completed successfully, we could be forced to sell a significant portion of our assets to retire debt outstanding or, under certain circumstances, to cease operations.

DCC Notes

At the time of our bankruptcy filing, DCC had outstanding notes totaling approximately $399. In December 2006, DCC and most of its noteholders executed a Forbearance Agreement under which (i) the forbearing noteholders agreed not to exercise their rights or remedies with respect to the DCC notes for a period of 24 months (or until the effective date of Dana's plan of reorganization), during which time DCC is endeavoring to sell its remaining asset portfolio in an orderly manner and use the proceeds to pay down the notes and (ii) DCC agreed to pay the forbearing noteholders their pro rata share of any cash it maintains in the U.S. greater than $7.5 on a quarterly basis. At June 30, 2007, the amount of principal outstanding under the DCC notes was $228. In July 2007, DCC made a $95 payment to the forbearing noteholders, consisting of $91 of principal and $4 of interest.

Contemporaneously with the execution of the Forbearance Agreement, Dana and DCC executed a Settlement Agreement whereby they agreed to the discontinuance of a tax sharing agreement between them and to a stipulated amount of a general unsecured claim owed by Dana to DCC of $325. Payments to DCC relative to this obligation are expected to be addressed in our plan of reorganization, which may propose that distributions to DCC be limited to the amount required to satisfy DCC's obligations.

Liabilities Subject to Compromise

Liabilities subject to compromise in the consolidated balance sheet include those of our discontinued operations and consisted of the following at June 30, 2007 and December 31, 2006:

	June 30, 2007	December 31, 2006
Accounts payable	$ 291	$ 290
Pension and other postretirement obligations	1,140	1,687
Debt (including accrued interest of $39)	1,623	1,623
Other	599	575
Consolidated liabilities subject to compromise	3,653	4,175
Payables to non-Debtor subsidiaries	401	402
Debtor liabilities subject to compromise	$ 4,054	$ 4,577

Other includes accrued liabilities for environmental, asbestos-related and other product liabilities, income tax, deferred compensation, other postemployment benefits and lease rejection claims. Payables to non-Debtor subsidiaries include the $325 payable to DCC under the Settlement Agreement referred to above. As a result of the claims and settlement activity described elsewhere in Note 2, liabilities subject to compromise increased by $21 during the second quarter of 2007.

As discussed in Note 10, the reduction in pension and postretirement obligations is attributed to the elimination of postretirement healthcare benefits for non-union employees and retirees and the freeze of service and benefit accruals for non-union employees.

Debtors' pre-petition debt of $1,623 is included in liabilities subject to compromise. As of the Filing Date, we discontinued recording interest expense on debt classified as liabilities subject to compromise. On a consolidated basis, contractual interest on all debt, including the portion classified as liabilities subject to compromise, amounted to $55 and $53 for the three months and $105 and $100 for the six months ended June 30, 2007 and 2006.

As required by SOP 90-7, the amount of liabilities subject to compromise represents our estimate of known or potential pre-petition claims to be addressed in connection with the Bankruptcy Cases. Such claims are subject to future adjustments that may result from, among other things, negotiations with creditors, rejection of executory contracts and unexpired leases, and orders of the Bankruptcy Court. Liabilities subject to compromise may change due to reclassifications, settlements or reorganization activities that give rise to new claims or increases in existing claims.

Reorganization Items

Professional advisory fees and other costs directly associated with our reorganization are reported separately as reorganization items pursuant to SOP 90-7. Reorganization items also include provisions and adjustments to record the carrying value of certain pre-petition liabilities at their estimated allowable claim amounts, as well as the costs of certain actions within the non-Debtor companies that have occurred as a result of the Debtors' bankruptcy proceedings.

The reorganization items in the consolidated statement of operations for the three and six months ended June 30, 2007 and 2006 consisted of the following items:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Debtor reorganization items				
Professional fees	$ 29	$ 27	$ 63	$ 64
Debt valuation adjustments				17
Loss on settlements	8	7	9	8
Interest income	(4)	(3)	(7)	(3)
Debtor reorganization items	33	31	65	86
Non-Debtor reorganization items				
Professional fees	5	3	10	3
Total reorganization items	$ 38	$ 34	$ 75	$ 89

Claims resulting from contract rejections under the bankruptcy process are recorded as reorganization loss on settlements.

Non-Debtor costs during the second quarter of 2007 related principally to services rendered in connection with the settlement of our pension obligations in the United Kingdom (U.K.) (see Note 6) and other organizational restructuring to facilitate future repatriations, financings and other actions.

Note 3. Debtor Financial Statements

Debtor In Possession Financial Information

In accordance with SOP 90-7, the statement of operations and statement of cash flows of the Debtors are presented below for the three and six months ended June 30, 2007 and 2006, along with the balance sheet at June 30, 2007 and December 31, 2006. Intercompany balances between Debtors and non-Debtors are not eliminated. The investment in non-Debtor subsidiaries is accounted for on an equity basis and, accordingly, the net loss reported in the debtor in possession statement of operations is equal to the consolidated net loss.

DANA CORPORATION
DEBTOR IN POSSESSION
STATEMENT OF OPERATIONS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net sales				
Customers	$ 1,087	$ 1,126	$ 2,110	$ 2,234
Non-Debtor subsidiaries	63	65	122	126
Total	1,150	1,191	2,232	2,360
Costs and expenses				
Cost of sales	1,140	1,196	2,233	2,390
Selling, general and administrative expenses	54	75	115	152
Realignment and impairment	(9)		(5)	
Other income, net	56	45	120	85
Income (loss) from continuing operations before interest, reorganization items and income taxes	21	(35)	9	(97)
Interest expense (contractual interest of $45 and $39 for the three months ended June 30, 2007 and 2006 and $89 and $78 for the six months ended June 30, 2007 and 2006)	18	12	35	43
Reorganization items, net	33	31	65	86
Loss from continuing operations before income taxes	(30)	(78)	(91)	(226)
Income tax benefit (expense)	30	(9)	26	(10)
Minority interest income			2	
Equity in earnings (losses) of affiliates	(1)	(4)	3	(7)
Loss from continuing operations	(1)	(91)	(60)	(243)
Loss from discontinued operations	(66)	(14)	(118)	(43)
Equity in earnings (losses) of non-Debtor subsidiaries	(66)	77	(47)	132
Net loss	$ (133)	$ (28)	$ (225)	$ (154)

DANA CORPORATION
DEBTOR IN POSSESSION
BALANCE SHEET (Unaudited)

	June 30, 2007	December 31, 2006
Assets		
Current assets		
Cash and cash equivalents	$ 378	$ 216
Accounts receivable		
Trade, less allowance for doubtful accounts of $23 in 2007 and 2006	580	460
Other	103	71
Inventories	227	243
Assets of discontinued operations	65	237
Other current assets	31	15
Total current assets	1,384	1,242
Investments and other assets	960	875
Investments in equity affiliates	119	110
Investments in non-debtor subsidiaries	2,124	2,193
Property, plant and equipment, net	744	788
Total assets	$ 5,331	$ 5,208
Liabilities and shareholders' deficit		
Current liabilities		
Debtor-in-possession financing	$ 900	$ —
Accounts payable	383	294
Liabilities of discontinued operations	22	50
Other accrued liabilities	412	343
Total current liabilities	1,717	687
Liabilities subject to compromise	4,054	4,577
Deferred employee benefits and other non-current liabilities	135	76
Debtor-in-possession financing		700
Commitments and contingencies (Note 14)		
Minority interest in consolidated subsidiaries		2
Total liabilities	5,906	6,042
Shareholders' deficit	(575)	(834)
Total liabilities and shareholders' deficit	$ 5,331	$ 5,208

DANA CORPORATION
DEBTOR IN POSSESSION
STATEMENT OF CASH FLOWS (Unaudited)

	Six Months Ended June 30,	
	2007	2006
Operating activities		
Net loss	$ (225)	$ (154)
Depreciation and amortization	68	60
Loss on sale of businesses	23	
Impairment and divestiture-related charges	1	31
Reorganization charges, net	2	44
Equity in losses (earnings) of non-Debtor subsidiaries, net of dividends	67	(132)
Payments to VEBAs for postretirement benefits	(27)	
Working capital	69	85
Other	(44)	(37)
Net cash flows used for operating activities	(66)	(103)
Investing activities		
Purchases of property, plant and equipment	(38)	(45)
Proceeds from sale of businesses	43	
Other	23	(10)
Net cash flows provided by (used for) investing activities	28	(55)
Financing activities		
Proceeds from debtor-in-possession facility	200	700
Net change in short-term debt		(546)
Net cash flows provided by financing activities	200	154
Net increase (decrease) in cash and cash equivalents	162	(4)
Cash and cash equivalents — beginning of period	216	286
Cash and cash equivalents — end of period	$ 378	$ 282

Note 4. Asset Disposals and Impairments, Divestitures and Acquisitions

DCC Asset Disposals and Impairments

The carrying value of the remaining DCC portfolio assets was $83 at June 30, 2007, down from $178 at December 31, 2006. Where applicable, these assets are adjusted quarterly to estimated fair value less cost to sell. At June 30, 2007, we determined that no additional adjustments to carrying value were required.

During the first six months of 2007 DCC continued to dispose of assets under the terms of the Forbearance Agreement discussed in Note 2. Cash proceeds from these asset sales totaled $120.

Certain DCC assets with a net book value of $49 are equity investments. The assets underlying these equity investments have not been impaired by the investees and there is not a readily determinable market value for these investments. Based on internally estimated current

market value, DCC expects that the future sale of these assets will result in total losses of $20 to $30. We will recognize an impairment charge if DCC enters into agreements to sell these investments at values below the carrying values or if we obtain other evidence that there has been an other-than-temporary decline in the fair values of the assets.

Divestitures

In January 2007, we sold our trailer axle business manufacturing assets for $28 in cash and recorded an after-tax gain of $14.

In March 2007, the following events occurred:

- We sold our engine hard parts business and received cash proceeds of $98. Of these proceeds, $5 was escrowed pending completion of closing conditions in certain countries and $20 was escrowed pending finalization of purchase price adjustments and satisfaction of certain of our indemnification obligations. We recorded a first quarter pre-tax loss of $26 in connection with this sale. In the second quarter, we received $5 of escrowed funds following completion of closing conditions in certain countries. $10 of the remaining escrow amounts is expected to be settled in the third quarter, with the remaining $10 settled in 2008.

- We sold our 30% equity interest in GETRAG Getriebe-und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie KG (GETRAG) to our joint venture partner for $207 in cash. We had recorded an impairment charge of $58 in the fourth quarter of 2006 to adjust this equity investment to fair value and we recorded an additional charge of $2 in the first quarter of 2007 based on value of the investment at the time of closing.

- We signed an agreement with Orhan Holding A.S. and certain of its affiliates for the sale of our fluid products hose and tubing business. We subsequently completed the sale in two transactions in July and August and received aggregate cash proceeds of $85. We expect to record a third-quarter after-tax gain of $34 in connection with this sale.

In May 2007, we signed an agreement with Coupled Products Acquisition LLC for the sale of our coupled fluid products business for the nominal price of one dollar, with the buyer to assume certain liabilities of the business at closing. We expect to complete this sale in the third quarter of 2007 and to record an after-tax loss of $25 at closing.

Acquisitions

In June 2007, our subsidiary Dana Mauritius Limited (Dana Mauritius) purchased 4% of the registered capital of Dongfeng Dana Axle Co., Ltd. (a commercial vehicle axle manufacturer in China formerly known as Dongfeng Axle Co., Ltd.) from Dongfeng Motor Co., Ltd. and certain of its affiliates for $5. Dana Mauritius has agreed, subject to certain conditions, to purchase an additional 46% equity interest in Dongfeng Dana Axle Co., Ltd. within the next three years for approximately $55.

Note 5. Discontinued Operations

The results of operations of the engine hard parts business that we sold in March 2007 and the fluid products and pump products businesses that we have divested or are divesting are aggregated and presented as discontinued operations.

The results of the discontinued operations for the three and six months ended June 30, 2007 and 2006 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Sales	$ 167	$ 328	$ 416	$ 653
Cost of sales	136	307	406	607
Selling, general and administrative expenses	7	15	22	33
Impairment charges	3		4	28
Restructuring and other expense, net	52	3	50	4
Income (loss) before income taxes	(32)	3	(66)	(19)
Income tax benefit (expense)	4		(18)	1
Income (loss) from discontinued operations	$ (28)	$ 3	$ (84)	$ (18)

Since the fourth quarter of 2005, we have adjusted the underlying assets of the discontinued operations to their net fair value less cost to sell based on the profit outlook for these businesses, discussions with potential buyers and other factors impacting expected sale proceeds. These valuation adjustments are reflected in the discontinued operations results as impairment charges. Restructuring & other expense, net for the three months ended June 30, 2007 included a charge of $17 for settlement of pension obligations in the U.K. (see Note 6) relating to discontinued operations and $9 for estimated bankruptcy claim settlements. Other expense for the six months ended June 30, 2007 included pre-tax losses of $26 recognized during the first quarter in connection with the sale of the engine hard parts business. At June 30, 2007, we had reduced the assets of the fluid products and pump products businesses to the extent permitted by GAAP. At the current expected selling prices, additional charges of $27 will be recorded as the sales are finalized.

The assets and liabilities of discontinued operations reported in the consolidated balance sheet at June 30, 2007 and December 31, 2006 consisted of the following:

	2007	2006
Assets of discontinued operations		
Accounts receivable	$ 128	$ 223
Inventories	38	123
Cash and other current assets	23	11
Investments and other assets	5	29
Investments in leases		6
Total assets	$ 194	$ 392
Liabilities of discontinued operations		
Accounts payable	$ 62	$ 95
Accrued payroll and employee benefits	14	41
Other current liabilities	20	51
Other noncurrent liabilities		8
Total liabilities	$ 96	$ 195

In the consolidated statement of cash flows, the cash flows of discontinued operations are reported in the respective categories of cash flows, along with those of our continuing operations.

Liabilities subject to compromise of discontinued operations and certain other accounts are not included in the liabilities of discontinued operations. The assets and liabilities of discontinued operations declined due to the sale of the engine hard parts business during the first quarter of 2007.

Note 6. Realignment of Operations

The following table shows the realignment charges and related payments, exclusive of the U.K. pension charges discussed below, recorded in our continuing operations during the six months ended June 30, 2007.

	Employee Termination Benefits	Long-Lived Asset Impairment	Exit Costs	Total
Balance at December 31, 2006	$ 64	$ —	$ 10	$ 74
Activity during the period				
Charges to expense	11	6	24	41
Adjustments of accruals	(24)			(24)
Non-cash write-off		(6)		(6)
Cash payments	(23)		(23)	(46)
Balance at June 30, 2007	$ 28	$ —	$ 11	$ 39

In February 2007, we announced the restructuring of pension liabilities in the U.K. As a result of the underlying agreement, we recorded $8 of pension curtailment cost as a realignment charge in the first quarter of 2007. In April 2007 our U.K. subsidiaries settled their pension plan obligations to the plan participants through a cash payment of $93 and the transfer of a 33% equity interest in our remaining U.K. axle and driveshaft operating businesses to the plans. Concurrent with the cash payment and equity transfer, we recorded a pension settlement charge of $128 as a realignment charge in continuing operations and $17 in discontinued operations.

As a consequence of the negotiations that resulted in the agreements reached with the UAW and the USW in July 2007 (see Notes 10 and 19), we modified certain of our manufacturing footprint optimization plans. A facility that we previously planned to close will remain operative, but we will implement work force reductions at that facility and other facilities in the affected business segment. As a result of these modifications, realignment charges for the second quarter of 2007 included a credit adjustment of $17 to record reduced contractual employee separation cost.

The remainder of the realignment charges expensed during the three months and six months ended June 30, 2007 related primarily to the ongoing facility closure activities associated with previously announced manufacturing footprint actions.

At June 30, 2007, $39 of restructuring charges remained in accrued liabilities, including $28 for the reduction of approximately 1,600 employees to be completed over the next two years and $11 for lease terminations and other exit costs. The estimated cash expenditures related to these liabilities are projected to approximate $26 in the remainder of 2007 and $13 thereafter. In addition to the $39 accrued at June 30, 2007, we estimate that another $101 will be expensed in relation to pending initiatives. Our liquidity and cash flows will be impacted by these expenditures.

Realignment initiatives generally occur over multiple reporting periods. The following table provides project-to-date and estimated future expenses for completion of our pending realignment initiatives for the Automotive Systems Group (ASG) and the Heavy Vehicle Technology Systems Group (HVTSG) business units and the underlying segments.

	Expense Recognized			
	Prior to 2007	Year-to-Date 2007	Total	Estimated Cost to Complete
ASG				
Axle	$ 42	$ 4	$ 46	$ (2)
Driveshaft	31	(9)	22	38
Sealing	3	1	4	1
Thermal	4	1	5	
Structures	45	10	55	64
Total ASG	125	7	132	101
HVTSG				
Commercial Vehicles	5	6	11	
Off-Highway	31	2	33	
Total HVTSG	36	8	44	
Other	17	2	18	
Total continuing operations	$ 178	$ 17	$ 194	$ 101

Note 7. Common Shares

In addition to average shares outstanding of 149.8 for the three and six months ended June 30, 2007 and 2006, there were 0.6 shares that satisfy the definition of potentially dilutive shares for these periods. These potentially dilutive shares have been excluded from the computation of earnings per share for the three and six months ended June 30, 2007 and 2006 as the loss from continuing operations for these periods caused the shares to have an anti-dilutive effect.

In addition, we have excluded 11.5 common shares for each of these periods from the computation of earnings per share as these shares represent stock options with exercise prices higher than the average per share trading price of our stock during the respective periods and the effect of including them would also be anti-dilutive.

Note 8. Goodwill

Changes in goodwill during the six months ended June 30, 2007 for the affected segments were as follows:

	December 31, 2006	Effect of Currency and Other	June 30, 2007
ASG			
Driveshaft	$ 158	$ 5	$ 163
Sealing	24		24
Thermal	119	1	120
Total	301	6	307
HVTSG			
Off-Highway	115	1	116
Total	$ 416	$ 7	$ 423

Note 9. Equity-Based Compensation

During the second quarter of 2007, there were no stock options, restricted shares or units or other stock-based awards granted under our equity compensation plans. Also, no options were exercised.

The following chart shows the number of options that vested or were forfeited during the first six months of 2007:

	Number of Options	Weighted Average Grant Date Fair Values (in $ per share)
Non-vested at December 31, 2006	617,026	$3.39
Vested	(353,260)	3.42
Forfeited	(52,757)	3.47
Non-vested at June 30, 2007	211,009	3.33

As of June 30, 2007, the total unrecognized compensation expense for non-vested options was $1, which will be amortized over a period of approximately one year. The total fair value of options that vested during the three and six months ended June 30, 2007 was $1 and $1. During the three and six months ended June 30, 2007 we recognized nominal equity-based compensation expense. For the three and six months ended June 30, 2006, we recognized $1 of expense.

Note 10. Pension and Postretirement Benefit Plans

We provide defined contribution and defined benefit, qualified and nonqualified, pension plans for certain employees. We also provide other postretirement benefits, including medical and life insurance, for certain employees following retirement.

Components of net periodic benefit costs for the three and six months ended June 30, 2007 and 2006 were as follows:

	Three months ended June 30,			
	Pension Benefits		Other Benefits	
	2007	2006	2007	2006
Service cost	$ 12	$ 11	$ 1	$ 3
Interest cost	41	41	20	23
Expected return on plan assets	(48)	(50)		
Amortization of prior service cost		1	(3)	(3)
Recognized net actuarial loss (gain)	8	8	5	10
Net periodic benefit cost	$ 13	$ 11	$ 23	$ 33
Curtailment loss	3			
Settlement loss	128	7		
Net periodic benefit cost after curtailment and settlements	$ 144	$ 18	$ 23	$ 33

	Six months ended June 30,			
	Pension Benefits		Other Benefits	
	2007	2006	2007	2006
Service cost	$ 25	$ 23	$ 3	$ 6
Interest cost	82	82	42	45
Expected return on plan assets	(98)	(101)		
Amortization of prior service cost		2	(6)	(7)
Recognized net actuarial loss (gain)	14	16	14	20
Net periodic benefit cost	$ 23	$ 22	$ 53	$ 64
Curtailment loss	11			
Settlement loss (gain)	128	11	(12)	
Net periodic benefit cost after curtailment and settlements	$ 162	$ 33	$ 41	$ 64

In March 2007, the Bankruptcy Court approved the elimination of postretirement healthcare benefits for active non-union employees in the U.S. This action reduced our accumulated postretirement benefit obligation (APBO) for postretirement healthcare by $115 in the first quarter. Because the elimination of these benefits reduced benefits previously earned, it was considered a negative plan amendment. Accordingly, the reduction in the APBO was offset by a credit to accumulated other comprehensive income (AOCI) which is being amortized to income.

In May 2007, we reached an agreement with the Retiree Committee to make cash contributions of $78 to a VEBA trust for non-pension retiree benefits in exchange for release of the Debtors from obligations for postretirement health and welfare benefits for non-union retirees in the U.S. A payment of $25 was made in June 2007. In May 2007 we also made a $2.25 payment to the International Association of Machinists (IAM) to resolve all claims for non-pension retiree benefits after June 30, 2007 for retirees and active employees represented by the IAM. As a result of these actions, we reduced our APBO by $303, with $80 being offset by the payment obligation to the VEBAs and $223 being credited to AOCI.

The elimination of retiree medical benefits for non-union employees in March 2007 and the agreement with the Retiree Committee on behalf of such employees in May 2007 necessitated the remeasurement of U.S. pension benefits as of June 30, 2007. The discount rate used for remeasurement was 6.29% versus 5.88% used at December 31, 2006.

In June 2007, we amended our U.S. pension plans for non-union employees to freeze service credits and benefit accruals effective July 1, 2007. In connection with this action, we recorded a curtailment charge of $3 during the second quarter of 2007 and certain plan assets

and liabilities were remeasured. The resulting funded status of all our U.S. pension plans (non-union and union) at June 30, 2007 was a net liability of $19, as compared to a net liability of $103 at December 31, 2006. Unamortized pension loss in AOCI was reduced to $335 at June 30, 2007 from $433 at December 31, 2006 and continues to be amortized to income over an actuarially determined period.

In July 2007, we entered into the settlement agreements with the UAW and USW that are discussed in Note 19. Some provisions of the agreements, such as wage structure modifications and buyouts for certain eligible employees represented by the UAW and the USW (union-represented employees), were effective upon Bankruptcy Court approval of the settlement agreements.

Other provisions will be implemented on January 1, 2008 or upon our emergence from bankruptcy. Under these provisions, we will:

- -- modify healthcare, long-term and short-term disability and life insurance benefits for covered union-represented employees;
- -- freeze credited service and benefit accruals under our defined benefit pension plans for union-represented employees;
- -- make contributions, based on an allowed hours formula, to a USW pension trust, which will provide future pension benefits for covered union-represented employees;
- -- eliminate non-pension retiree benefits (postretirement healthcare and life insurance benefits) for union-represented employees and retirees;
- -- contribute an aggregate of $722 in cash (less certain offsets, including amounts paid for non-pension retiree benefit claims of union-represented retirees after June 30, 2007) to separate UAW- and USW-administered VEBAs to provide non-pension retiree benefits, as determined by the VEBA trustees, to eligible union-represented retirees after our emergence from bankruptcy;
- -- eliminate long-term disability and related healthcare benefits for union-represented employees receiving, or entitled to receive, disability benefits; and
- -- contribute an aggregate of $42 in cash (less certain offsets, including amounts paid for long-term disability and related healthcare benefit claims of eligible union-represented employees after June 30, 2007) to the VEBAs to provide disability benefits, as determined by the VEBA trustees, to such employees after our emergence from bankruptcy.

These actions, when implemented, are expected to eliminate our remaining APBO for non-pension retiree benefits in the U.S. ($1,033 as of June 30, 2007). Although we expect to implement these actions, under certain circumstances involving termination of the Centerbridge investment commitments, they may not be implemented as currently contemplated or at all.

Note 11. Comprehensive Income (Loss)

Comprehensive income (loss) includes our net loss and components of other comprehensive income (loss) (OCI) such as deferred currency translation gains and losses that are charged or credited directly to shareholders' deficit.

The components of our total comprehensive income (loss) for the three and six months ended June 30, 2007 and 2006 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net loss	$ (133)	$ (28)	$ (225)	$ (154)
Other comprehensive income (loss):				
Deferred translation gain	51	57	67	90
Postretirement healthcare plan revisions	223		338	
Pension plan revisions	63		63	
Reclassification to net loss of:				
Benefit plan amortization	7		18	
UK pension settlement	144		144	
GETRAG deferred translation and pension			(93)	
Income tax provision	(73)		(73)	
Other	4	(2)	17	
Total comprehensive income (loss)	$ 286	$ 27	$ 256	$ (64)

The $51 deferred translation gain reported for the three months ended June 30, 2007 was due largely to the continued weakening of the U.S. dollar relative to a number of currencies including the Brazilian real ($21), Canadian dollar ($8), euro ($6), and Australian dollar ($5).

The Brazilian real ($34), euro ($13), Canadian dollar ($9) and Australian dollar ($8) all gained value against the U.S. dollar over the six months ended June 30, 2007, contributing to a deferred translation gain of $67.

For the three months ended June 30, 2007, OCI included credits of $63 related to the modification of pension plans and $223 resulting from the settlements reached with the Retiree Committee and the IAM (see Note 10). OCI also reflects the reclassification to net loss of the amortization of unamortized benefit plan losses of $7 and a loss of $144 related to the April settlement of U.K. pension liabilities. The settlement was effected through a cash payment and transfer of an equity interest in our U.K. axle and driveshaft operating businesses (see Note 6).

In addition to the second quarter activity, OCI for the six months ended June 30, 2007 included a $115 credit that resulted from the termination of postretirement healthcare coverage for active non-union employees (see Note 10) and a charge of $93 to reclassify to net loss for the period the deferred translation gain and unamortized pension expense related to our equity investment in GETRAG, which we sold in March 2007.

See Note 16 for a discussion of the tax provision.

The $57 deferred translation gain reported for the three months ended June 30, 2006 was primarily the result of the strengthening of the euro ($44), Canadian dollar ($16) and British pound ($14) relative to the U.S. dollar. These gains were partially offset by the effects of a weaker South African rand ($7) and Mexican peso ($4). The $90 deferred gain for the six months ended June 30, 2006 was due largely to a stronger euro ($60), Brazilian real ($23), British pound ($15) and Canadian dollar ($14). The South African rand ($6) and Mexican peso ($4) both lost value relative to the U.S. dollar, partially offsetting the gains.

Note 12. Cash Deposits

At June 30, 2007, cash and cash equivalents held in the U.S. amounted to $378. Included in this amount was $72 of cash deposits that provide credit enhancement for certain lease agreements and support surety bonds that enable us to self-insure our workers' compensation obligations in certain states and fund an escrow account required to appeal a judgment rendered in Texas. Cash held by DCC of $103 is restricted under the terms of the Forbearance Agreement discussed in Note 2 and is reported separately as restricted cash.

At June 30, 2007, cash and cash equivalents held outside the U.S. amounted to $623. Included in this amount was $22 of cash deposits that provide credit enhancement for certain lease agreements and support surety bonds that enable us to self-insure certain employee benefit obligations.

The cash deposits other than DCC's cash are not considered restricted as they could be replaced by letters of credit under our DIP Credit Agreement (discussed in Note 13). Availability at June 30, 2007 was adequate to cover the deposits for which replacement by letters of credit is permitted.

A substantial portion of our non- U.S. cash and cash equivalents is needed for working capital and other operating purposes. Several countries have local regulatory requirements that significantly restrict the ability of the Debtors to access this cash. In addition, at June 30, 2007, $78 was held by consolidated entities that have minority interests with varying levels of participation rights involving cash withdrawals. Beyond these restrictions, there are practical limitations on repatriation of cash from certain countries because of the resulting tax cost.

Note 13. Financing Agreements

DIP Credit Agreement

Dana Corporation, as borrower, and its Debtor subsidiaries, as guarantors, are parties to the DIP Credit Agreement that was approved by the Bankruptcy Court in March 2006. Under the DIP Credit Agreement, we currently have a $650 revolving credit facility and a $900 term loan facility. In the first quarter of 2007, the original term loan facility was increased by $200 and we reduced the original revolving credit facility by $100 to correspond with the lower availability in our collateral base. For a discussion of the terms of the DIP Credit Agreement, see Note 10 to our consolidated financial statements in Item 8 of our 2006 Form 10-K.

At June 30, 2007, we had borrowed $900 under the DIP Credit Agreement. Based on our borrowing base collateral, we had availability at that date under the DIP Credit Agreement of $236 after deducting the $100 minimum availability requirement and $237 for outstanding letters of credit. All obligations under the DIP Credit Agreement will become due and payable no later than March 2008. We expect to refinance these obligations as part of our plan of reorganization. However, since refinancing these obligations on a long-term basis is not presently assured, we have classified the borrowings under the DIP Credit Agreement as a current liability at June 30, 2007.

Canadian Credit Agreement

Dana Canada Corporation (Dana Canada) as borrower, and certain of its Canadian affiliates, as guarantors, are parties to a credit agreement (the Canadian Credit Agreement) that provides Dana Canada with a $100 revolving credit facility, of which $5 is available for the issuance of letters of credit. For a discussion of the terms of the Canadian Credit Agreement, see Note 10 to our consolidated financial statements in Item 8 of our 2006 Form 10-K. Based on Dana Canada's borrowing base collateral at June 30, 2007, it had availability under the Canadian Credit Agreement of $58 after deducting the $20 minimum availability requirement and $2 for currently outstanding letters of credit. Dana Canada had no borrowing under this agreement at June 30, 2007.

European Receivables Loan Facility

In July 2007, certain European subsidiaries of Dana entered into definitive agreements to establish a receivable securitization program. The agreements include a Receivables Loan Agreement (the Loan Agreement) with GE Leveraged Loans Limited (GE) that provides for a five-year accounts receivable securitization facility under which up to the euro equivalent of approximately $225 in financing will be available to those European subsidiaries (collectively, the Sellers).

Ancillary to the Loan Agreement, the Sellers will enter into receivables purchase agreements and related agreements, as applicable, under which they will, directly or indirectly, sell certain receivables to Dana Europe Financing (Ireland) Limited (the Purchaser). The Purchaser is a limited liability company incorporated under the laws of Ireland as a special purpose entity to purchase the transferred receivables. The Purchaser will pay the purchase price of the transferred receivables in part from the proceeds of loans from GE and other lenders under the Loan Agreement and in part from the proceeds of certain subordinated loans from Dana Europe S.A., a Dana subsidiary. The Purchaser's obligations under the Loan Agreement will be secured by a lien on and security interest in all of its rights to the transferred

receivables, as well as collection accounts and items related to the receivables. The accounts receivable purchased will be included in our consolidated financial statements because the Purchaser does not meet certain accounting requirements for treatment as a “qualifying special purpose entity” under GAAP and the Sellers will retain control of the assets. Accordingly, the sale of the accounts receivable and the subordinated loans from Dana Europe S.A. will be eliminated in consolidation and any loans to the Purchaser from GE and the participating lenders will be reflected in our consolidated financial statements.

Advances to the Purchaser under the Loan Agreement will be determined based on advance rates relating to the value of the transferred receivables. Advances will bear interest based on the London Interbank Offered Rate (LIBOR) applicable to the currency in which each advance is denominated, plus a margin as specified in the Loan Agreement. Advances are to be repaid in full by July 2012. The Purchaser will also pay a fee to the lenders based on any unused amount of the receivables facility. The Loan Agreement contains representations and warranties, affirmative and negative covenants and events of default that are customary for financings of this type.

The Sellers and Dana International Luxembourg SARL, a subsidiary of Dana (Dana Luxembourg) and certain of its subsidiaries (collectively, the Dana European Group) also entered into a Performance and Indemnity Deed (the Performance Guaranty) with GE under which Dana Luxembourg has, among other things, guaranteed the Sellers’ obligations to perform under their respective purchase agreements. The Performance Guaranty contains representations and warranties, affirmative and negative covenants, and events of default that are customary for financings of this type, including certain restrictions on the ability of members of the Dana European Group to incur additional indebtedness, grant liens on their assets, make acquisitions and investments, and pay dividends and make other distributions. Dana Luxembourg has agreed to act as the master servicer for the transferred receivables under the terms of a servicing agreement with GE and each Seller has agreed to act as a sub-servicer under the servicing agreement for the transferred receivables it sells.

The proceeds from the sales of the transferred receivables will principally be reinvested in our European businesses, including the repayment of intercompany debt.

DCC Notes

See Note 2 for information about DCC’s outstanding notes and the Forbearance Agreement among DCC and most of its noteholders.

United Kingdom Financing

During the first quarter of 2007, in connection with the restructuring and settlement of our U.K. pension obligations (see Note 6), we borrowed GBP 35 ($67) under an interim bank loan which has an October 31, 2007 maturity date. As of June 30, 2007, a balance of GBP 5 ($10) remained outstanding under this loan.

Note 14. Commitments and Contingencies

Impact of Our Bankruptcy Filing

During our Chapter 11 reorganization proceedings, most actions against us relating to pre-petition liabilities are automatically stayed. Substantially all of our pre-petition liabilities will be addressed under our plan of reorganization or pursuant to orders of the Bankruptcy Court.

Class Action Lawsuit and Derivative Actions

By order dated June 14, 2007 (as amended on June 18, 2007), the U.S. District Court for the Northern District of Ohio denied lead plaintiff's motion in the consolidated securities class action *Howard Frank v. Michael J. Burns and Robert C. Richter* for an order partially lifting the statutory discovery stay which would have enabled the plaintiff to obtain copies of certain documents produced to the SEC. The Court still has under consideration the defendants' motion to dismiss the *Frank* action. By order dated July 13, 2007, the Court dismissed the class action claims asserted by the plaintiff in the shareholder derivative action *Roberta Casden v. Michael J. Burns, et al.* and entered a judgment closing the case.

SEC Investigation

We are continuing to cooperate with the SEC in its investigation with respect to matters related to the restatement of our financial statements for the first two quarters of 2005 and fiscal years 2002 through 2004.

Legal Proceedings Arising in the Ordinary Course of Business

We are a party to various pending judicial and administrative proceedings arising in the ordinary course of business. These include, among others, proceedings based on product liability claims and alleged violations of environmental laws. We have reviewed these pending legal proceedings, including the probable outcomes, our reasonably anticipated costs and expenses, the availability and limits of our insurance coverage and surety bonds and our established reserves for uninsured liabilities.

Further information about these legal proceedings follows, including information about our accruals for the liabilities that may arise from such proceedings. We accrue for contingent liabilities at the time when we believe they are both probable and estimable. We review our assessments of probability and estimability as new information becomes available and adjust our accruals quarterly, if appropriate. With respect to liabilities subject to compromise in the bankruptcy proceedings, we consider the potential settlement outcomes in determining whether the liabilities are probable and estimable. Since we do not accrue for contingent liabilities that we believe are probable unless we can reasonably estimate the amounts of such liabilities, our actual liabilities may exceed the amounts we have recorded.

We do not believe that any liabilities that may result from these proceedings are reasonably likely to have a material adverse effect on our liquidity, or financial condition; however, bankruptcy claim settlements could result in charges materially impacting results of operations.

Asbestos-Related Product Liabilities

We had approximately 72,000 active pending asbestos-related product liability claims at June 30, 2007, including approximately 6,000 claims that were settled but awaiting final documentation and payment. We project costs for asbestos-related product liability claims using the methodology that is discussed in Note 17 to our consolidated financial statements in Item 8 of our 2006 Form 10-K. We had accrued $138 for indemnity and defense costs for pending and future claims at June 30, 2007.

Prior to 2006, we reached agreements with some of our insurers to commute policies covering asbestos-related product liability claims. There were no commutations of insurance in the first half of 2007. At June 30, 2007, our liability for future demands under prior commutations was $11, bringing our total recorded liability for asbestos-related product liability claims to $149.

At June 30, 2007, we had recorded $71 as an asset for probable recovery from our insurers for pending and projected asbestos-related product liability claims. The recorded asset does not represent the limits of our insurance coverage, but rather the amount we would expect to recover if we paid the accrued indemnity and defense costs.

In addition, we had a net amount recoverable from our insurers and others of $17 at June 30, 2007. The recoverable represents reimbursements for settled asbestos-related product liability claims, including billings in progress and amounts subject to alternate dispute resolution proceedings with some of our insurers.

Other Product Liabilities

We had accrued $10 for non-asbestos product liabilities at June 30, 2007, with no recovery expected from third parties. We estimate these liabilities based on assumptions about the value of the claims and about the likelihood of recoveries against us derived from our historical experience and current information.

Environmental Liabilities

We had accrued $59 for environmental liabilities at June 30, 2007. We estimate these liabilities based on the most probable method of remediation, current laws and regulations and existing technology. Our estimates are made on an undiscounted basis and exclude the effects of inflation. If there is a range of equally probable remediation methods or outcomes, we accrue the lower end of the range. The difference between our minimum and maximum estimates for these liabilities was $1 at June 30, 2007. Included in this accrual are amounts relating to the Hamilton Avenue Industrial Park site in New Jersey, where we are one of four potentially responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act (Superfund).

Other Liabilities Related to Asbestos Claims

After the Center for Claims Resolution (CCR) discontinued negotiating shared settlements for asbestos claims for its member companies in 2001, some former CCR members defaulted on the payment of their shares of some settlements and some settling claimants sought payment of the unpaid shares from other members of the CCR at the time of the settlements, including Dana. Through June 30, 2007, we had paid $47 to such claimants and collected $29 from our insurance carriers with respect to these claims. At June 30, 2007, we had a net receivable of $13 for the amount that we expect to recover from available insurance and surety bonds relating to these claims. We are continuing to pursue insurance collections with respect to such claims paid prior to the Filing Date.

Assumptions Regarding Asbestos-Related Liabilities

The amounts we have recorded for asbestos-related liabilities and recoveries are based on assumptions and estimates reasonably derived from our historical experience and current information. The actual amount of our liability for asbestos-related claims and the effect on us could differ materially from our current expectations if our assumptions about the outcome of the pending unresolved asbestos-related product liability claims, the volume and outcome of projected future asbestos-related product liability claims, the outcome of claims relating to the CCR-negotiated settlements, the costs to resolve these claims, or the amount of available insurance and surety bonds prove to be incorrect, or if U.S. federal legislation impacting

asbestos personal injury claims is enacted. Although we have projected our liability for future asbestos-related product liability claims based upon historical trend data that we consider to be reliable, there is no assurance that our actual liability will not differ from what we currently project.

Note 15. Warranty Obligations

We record a liability for estimated warranty obligations at the dates our products are sold. Adjustments are made as new information becomes available. Our warranty activity for the three months and six months ended June 30, 2007 and 2006 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Balance, beginning of period	$ 84	$ 95	$ 90	$ 91
Amounts accrued for current period sales	20	10	31	25
Adjustments of prior accrual estimates	(1)	1	2	1
Settlements of warranty claims	(15)	(12)	(35)	(24)
Foreign currency translation and other	1	1	1	2
Balance, end of period	$ 89	$ 95	$ 89	$ 95

Note 16. Income Taxes

Income taxes are accounted for in accordance with SFAS No. 109, “Accounting for Income Taxes.” Current and deferred income tax assets and liabilities are recognized based on events which have occurred and are measured under enacted tax laws. Based on our history of losses and our near-term profit outlook, we have established 100% valuation allowances against our U.S. deferred tax assets. Similar valuation allowances are recorded in other countries such as the U.K. where, based on the profit outlook, realization of the deferred taxes does not satisfy the more likely than not recognition criterion.

The tax expense or benefit recorded in continuing operations is generally determined without regard to other categories of earnings, such as a loss from discontinued operations or OCI. An exception is provided if there is aggregate pre-tax income from other categories and a pre-tax loss from continuing operations, even if a valuation allowance has been established against deferred tax assets as of the beginning of the year. The tax benefit allocated to continuing operations is the amount by which the loss from continuing operations reduces the tax expense recorded with respect to the other categories of earnings.

Prior to considering the effect of income taxes, Dana reported U.S. OCI of $401 for the six months ended June 30, 2007, primarily as a result of amending its pension and other postretirement benefit plans. The exception described in the preceding paragraph resulted in reducing OCI for the quarter ended June 30, 2007 by $73. An offsetting tax benefit was attributed to continuing operations; however, the benefit recorded in continuing operations for the quarter was limited to $26 due to interperiod tax allocation rules, resulting in a deferred credit of $47 being recorded in other accrued liabilities as of June 30, 2007. The amount to be recognized in the second half of 2007 will be affected by the OCI and pre-tax loss from continuing operations reported for the period.

Our tax provision for the three months ended June 30, 2007 included incremental net tax expense of $3 for items that should have been recorded in prior periods, including an $8 reduction for the March 2007 divestiture of our engine hard parts business and $11 of additional tax expense relating to the fourth quarter of 2006 modification of our plans to repatriate 2007 divestiture proceeds to the U.S. These items did not have a material effect on net loss for any of the affected periods.

With the exception of this $26 of income tax benefits recorded in continuing operations for the three and six months ended June 30, 2007, we have not recognized tax benefits on losses generated since 2005 in several countries, including the U.S. and the U.K., where the recent history of operating losses does not allow us to satisfy the “more likely than not” criterion for realization of deferred tax assets. This is the primary factor which causes the tax expense of $3 and $18 for the three and six months ended June 30, 2007 to differ from expected tax benefits of $37 and $47 at the U.S. federal statutory rate of 35%. This is also the primary factor which causes the tax expense of $36 and $58 for the three and six months ended June 30, 2006 to differ from the expected tax benefits of $0 and $32 using the 35% rate.

We adopted the provisions of FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109” (FIN 48), on January 1, 2007, and credited retained earnings for the initial impact of approximately $3. As of the adoption date, we had gross unrecognized tax benefits of $137, of which $112 can be reduced by net operating loss carryforwards, and other timing adjustments. The net amount of $25, if recognized, would affect our effective tax rate. Unrecognized tax benefits are the difference between a tax position taken, or expected to be taken, in a tax return and the benefit recognized for accounting purposes pursuant to FIN 48. We recognize interest and penalties related to unrecognized tax benefits in income tax expense.

We conduct business globally and, as a result, file income tax returns in the U.S. and various non-U.S. jurisdictions. In the normal course of business we are subject to examination

by taxing authorities throughout the world. With few exceptions, we are no longer subject to U.S. federal, state and local or non-U.S. income tax examinations for years before 1999. We are currently under audit by the U.S. Internal Revenue Service for the 2003 to 2005 tax years. It is likely that the examination phase of this audit will conclude in 2007.

As of June 30, 2007, the total amount of gross unrecognized tax benefits was $49, of which $31, if recognized, would impact the effective tax rate. The gross unrecognized tax benefits decrease of $88 from January 1, 2007 was caused by our assessment that an uncertain tax position had become a certain tax position. The certain position was related to years in which we had incurred net operating losses. As a result of this change we reduced the deferred benefit of our net operating loss carryforwards and our valuation allowance. This adjustment did not impact the effective tax rate or result in cash taxes. If matters for 1999 through 2002 that are currently under discussion with the U.S. Internal Revenue Service ultimately settle within the next 12 months, the total amounts of unrecognized tax benefits may increase or decrease for all open tax years. Audit outcomes and the timing of the audit settlements are subject to significant uncertainty; therefore, we cannot make an estimate of the impact on earnings at this time.

Note 17. Other Income, Net

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Interest income	$ 9	$ 11	$ 17	$ 20
DCC income	19	14	25	23
Divestiture gains			12	
Foreign exchange gain, net	14		19	3
Claim settlement	(11)		(11)	
Government grants	3	3	6	4
Rental income		1	3	1
Other, net	(2)	10	7	19
Other income, net	$ 32	$ 39	$ 78	$ 70

Foreign currency denominated intercompany loans valued at $197 at June 30, 2007 by the Debtors to certain non-U.S. operations have been determined to no longer be permanently invested. As such, the foreign exchange gains or losses on these loans are now recorded in other income rather than as translation gain or loss in other comprehensive income. The bankruptcy claim settlement charge of $11 represents the estimated costs to settle a contractual matter with an investor in one of our equity investments.

Note 18. Segments

SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information” (SFAS No. 131), establishes standards for reporting information about operating segments and related disclosures about products and services and geographic locations. SFAS No. 131 requires reporting on a single basis of segmentation. The components that management establishes for purposes of making decisions about an enterprise’s operating matters are referred to as “operating segments.” We currently have seven operating segments within two manufacturing business units (ASG and HVTSG). ASG consists of five operating segments: Axle, Driveshaft, Sealing, Thermal and Structures. HVTSG consists of two operating segments: Commercial Vehicle and Off-Highway.

Management also monitors shared services, operations that are not part of the operating segments, trailing liabilities of closed operations and other administrative costs.

Management evaluates DCC as if it were accounted for under the equity method of accounting rather than on the fully consolidated basis used for external reporting. DCC is included as a reconciling item between the segment results and our income (loss) from continuing operations before income taxes.

At the start of 2007, we modified the methodology underlying the transfer pricing on certain sales from the Axle and Driveshaft segments to the Commercial Vehicle segment. For comparability purposes, segment profits in 2006 have been adjusted to be consistent with the new profit allocation used by management to evaluate segment performance.

Earnings before interest and taxes (EBIT) is the key internal measure of performance used by management as a measure of profitability for our segments. EBIT, a non-GAAP financial measure, excludes equity in earnings of affiliates. It includes sales, cost of sales, SG&A and certain reorganization items and other income (expense) items, net. Certain nonrecurring and unusual items like goodwill impairment, certain realignment charges and divestiture gains and losses are excluded from segment EBIT. EBIT is a critical component of earnings before interest, taxes, depreciation, amortization, restructuring and reorganization charges (EBITDAR), which is a measure used to determine compliance with our DIP Credit Agreement financial covenants.

We used the following information to evaluate our operating segments for the three months ended June 30, 2007 and 2006:

2007	External Sales	Inter-Segment Sales	Segment EBIT
ASG			
Axle	$ 716	$ 26	$ 13
Driveshaft	307	59	22
Sealing	190	6	16
Thermal	79	2	5
Structures	279	5	21
Eliminations and other	7	(69)	(10)
Total ASG	1,578	29	67
HVTSG			
Commercial Vehicle	307	2	4
Off-Highway	403	12	41
Eliminations and other		(11)	(2)
Total HVTSG	710	3	43
Other Operations	1	8	
Eliminations		(40)	
Total Segments	$ 2,289	$ —	$ 110

2006	External Sales	Inter-Segment Sales	Segment EBIT
ASG			
Axle	$ 615	$ 14	$ 1
Driveshaft	293	28	30
Sealing	178	9	18
Thermal	79	1	10
Structures	333	10	11
Eliminations and other	28	(34)	(9)
Total ASG	1,526	28	61
HVTSG			
Commercial Vehicle	439	1	4
Off-Highway	329	10	33
Eliminations and other		(9)	(2)
Total HVTSG	768	2	35
Other Operations	6	12	
Eliminations		(42)	
Total Segments	$ 2,300	$ —	$ 96

We used the following information to evaluate our operating segments for the six months ended June 30, 2007 and 2006:

2007	External Sales	Inter-Segment Sales	Segment EBIT
ASG			
Axle	$ 1,327	$ 50	$ 3
Driveshaft	593	110	31
Sealing	366	13	27
Thermal	151	4	9
Structures	549	9	29
Eliminations and other	12	(130)	(17)
Total ASG	2,998	56	82
HVTSG			
Commercial Vehicle	647	2	12
Off-Highway	787	21	77
Eliminations and other		(19)	(4)
Total HVTSG	1,434	4	85
Other Operations	2	17	
Eliminations		(77)	
Total Segments	$ 4,434	$ —	$ 167

2006	External Sales	Inter-Segment Sales	Segment EBIT
ASG			
Axle	$ 1,203	$ 27	$ (5)
Driveshaft	570	60	56
Sealing	355	16	33
Thermal	155	2	21
Structures	657	18	13
Eliminations and other	60	(67)	(24)
Total ASG	3,000	56	94
HVTSG			
Commercial Vehicle	856	4	8
Off-Highway	630	18	60
Eliminations and other		(18)	(5)
Total HVTSG	1,486	4	63
Other Operations	11	24	
Eliminations		(84)	
Total Segments	$ 4,497	$ —	$ 157

The following table reconciles segment EBIT to the consolidated income (loss) from continuing operations before income tax:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Segment EBIT	$ 110	$ 96	$ 167	$ 157
Shared services and administrative	(41)	(51)	(78)	(102)
Closed operations not in segments	(3)	(11)	(5)	(24)
DCC EBIT	12	6	19	15
Impairment of other assets		(1)		(15)
Reorganization items, net	(38)	(34)	(75)	(89)
Interest expense	(28)	(26)	(51)	(65)
Realignment not in segments	(134)	(13)	(150)	(13)
Other income (loss)	14	35	38	45
Income (loss) from continuing operations before income taxes	$ (108)	$ 1	$ (135)	$ (91)

Note 19. Union Settlement, Plan Support and Investment Agreements

On August 1, 2007, the Bankruptcy Court entered an order authorizing the Debtors to enter into a series of related agreements consisting of (i) settlement agreements (referred to collectively in this Note 19 as the Union Settlement Agreements) with the UAW and the USW (referred to collectively in this Note 19 as the Unions); (ii) a Plan Support Agreement with the Unions, Centerbridge, and certain of Dana's unsecured creditors; and (iii) an Investment Agreement between Dana, Centerbridge, and a Centerbridge affiliate. More information about these agreements follows. The following summary is not intended to be exhaustive and is qualified in its entirety by reference to the agreements themselves, copies of which have been filed with the SEC.

THIS DOCUMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN. SUCH AN OFFER OR SOLICITATION WILL ONLY BE MADE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

Union Settlement Agreements

The Union Settlement Agreements, which have been ratified by the Debtors' Union-represented employees, provide terms for settling all outstanding issues between the Debtors and the Unions related to the Bankruptcy Cases.

As amended, the Union Settlement Agreements provide for the following, among other things:

(i) Union collective bargaining agreements (including the UAW Master Agreement), effective until June 1, 2011, for the Debtors' Union-represented facilities in the United States;

(ii) modifications to healthcare, short-term and long-term disability and life insurance benefits for Union-represented employees, effective January 1, 2008;

(iii) wage structure modifications effective upon Bankruptcy Court approval of the Union Settlement Agreements;

(iv) the elimination of non-pension healthcare and life insurance retiree benefits for Union-represented retirees, and of non-pension healthcare and certain long-term disability benefits for certain Union-represented employees, effective on the later of January 1, 2008 or the effective date of the Debtors' plan of reorganization; the establishment by the Unions of separate, Union-specific VEBAs to provide such benefits to eligible Union-represented employees and retirees after that date; and the Debtors' contribution of an aggregate cash amount of $764 (less amounts incurred on behalf of Union-represented employees and retirees between July 1, 2007 and January 1, 2008 for long-term disability, healthcare and life insurance claims) to fund the VEBAs;

(v) a freeze of credited service and benefit accruals under the Debtors' defined benefit pension plans for Union-represented employees, effective on the later of January 1, 2008 or the effective date of the Debtors' plan of reorganization, with future benefits to be provided through company participation in and contributions to a USW pension trust for some such employees;

(vi) buyouts valued at twenty-two thousand five hundred dollars and forty-five thousand dollars for certain retirement-eligible and recently retired Union-represented employees, available on the date when the pension benefits are frozen; and

(vii) separation payments for eligible Union-represented employees at one Union-represented facility in Indiana under a special voluntary separation program.

The Union Settlement Agreements memorialize certain other agreements between the Debtors and the Unions, including, among others, agreements with respect to neutrality at certain of the Debtors' non-union facilities, the continuation of the Debtors' manufacturing footprint optimization program, and the reserve of common shares of reorganized Dana valued at up to approximately $22.5 to provide post-emergence bonuses for certain Union-represented employees following the Debtors' emergence from bankruptcy.

The Union Settlement Agreements also provide that the Unions will have certain rights if the Debtors choose to pursue a transaction or means of reorganization different from that contemplated under the Plan Support Agreement. Under certain circumstances, the Unions will have the right to (i) consent to the alternative plan; (ii) designate a replacement investor to Centerbridge; (iii) either terminate their collective bargaining agreements or elect between an allowed administrative claim of $764 or an allowed general unsecured claim of $908; or (iv) in some circumstances, terminate the Union Settlement Agreements and have a general unsecured claim of $908.

Plan Support Agreement

The Plan Support Agreement sets out the terms under which the Unions, Centerbridge and certain holders of unsecured claims against the Debtors who may become parties thereto, including holders of unsecured notes of Dana, will support the Debtors' plan of reorganization.

The Plan Support Agreement provides as follows, among other things:

(i) Centerbridge, the Unions and the other creditor parties to the Plan Support Agreement each will support the prosecution, confirmation and consummation of a plan of reorganization

that is consistent with the Plan Support Agreement and the Plan Term Sheet attached as an exhibit thereto, including confirmation under 11 U.S.C. Section 1129(b), and will not encourage other persons to take actions that would interfere with an orderly plan and disclosure statement process;

(ii) Centerbridge will make an investment in reorganized Dana and other parties will purchase certain preferred stock on the terms set out in the Investment Agreement upon the effective date of the Debtors' plan of reorganization;

(iii) the Debtors and the Unions will enter into the Union Settlement Agreements;

(iv) the Unions, Centerbridge, and the other creditor parties to the Plan Support Agreement will engage in good faith negotiations with other parties in interest regarding the form of plan of reorganization, related disclosure statement and other definitive documents that are consistent with the Plan Support Agreement;

(v) the Debtors will not propose, and Centerbridge and the Unions will not support, any plan of reorganization premised upon the use of Section 382(l)(5) of the Internal Revenue Code and will propose only a plan of reorganization premised upon the use of Section 382(l)(6) of the Internal Revenue Code;

(vi) certain holders of unsecured claims agree not to sell, transfer, assign, pledge, or otherwise dispose of, directly or indirectly (including by creating any subsidiary or affiliate for the sole purpose of acquiring any claims against any Debtor), their right, title or interest in respect of any claim against any Debtor unless the recipient of such claim agrees in writing, prior to such transfer, to be bound by the Plan Support Agreement;

(vii) the plan of reorganization may not become effective if the total amount of allowed unsecured non-priority claims (but not including asbestos claims, claims of the Unions, small claims to be paid in cash under a plan of reorganization, intercompany claims, including claims of Dana Credit Corporation, and claims of the non-union retirees) (with such exceptions, the Unsecured Claims) against the Debtors exceeds $3,250, unless the Creditors Committee waives such condition consistent with its fiduciary duties to all unsecured creditors;

(viii) the Debtors' post-emergence funded debt will not exceed $1,500;

(ix) the Debtors will obtain exit financing on terms and with parties reasonably acceptable to Centerbridge and sufficient to refinance their existing debtor-in-possession credit facility and provide sufficient liquidity for working capital and general corporate purposes;

(x) the Debtors' plan of reorganization will provide with reasonable certainty the sources and amounts of cash required to meet the Debtors' cash payment obligations to the Unions under the Union Settlement Agreements and will otherwise conform to the terms of the Union Settlement Agreements;

(xi) holders of allowed Unsecured Claims will receive, on account of their allowed unsecured nonpriority claims, their *pro rata* portion of shares of common stock of reorganized Dana and/or cash in excess of the minimum cash required to operate the Debtors' business on the effective date of the plan of reorganization and thereafter;

(xii) holders of allowed Unsecured Claims who do not qualify to purchase Series B preferred shares pursuant to and consistent with the terms of the Investment Agreement will receive an amount of cash or shares of common stock of reorganized Dana that is (a) determined to be reasonably acceptable to the Debtors, Centerbridge and certain unsecured creditors and (b) approved by the Bankruptcy Court;

(xiii) the individuals that are anticipated to serve on the board of directors of reorganized Dana will negotiate employment agreements with initial senior management in form and substance reasonably acceptable to Centerbridge, who will consult with certain other parties regarding such agreements; and

(xiv) except for certain agreed-upon exceptions, prior to the effective date of the plan of reorganization, the Debtors will not be permitted to sell any of their businesses without appropriate Union consent or the consent of Centerbridge.

The Plan Support Agreement and Plan Term Sheet will expire and be of no further effect (i) for the Unions, the Debtors and Centerbridge if the Debtors' plan of reorganization fails to become effective on or before May 1, 2008 and (ii) for any supporting creditor who exercises its right to terminate the Plan Support Agreement, if the Debtors' plan of reorganization fails to become effective on or before February 28, 2008.

Investment Agreement

The Investment Agreement, dated as of July 26, 2007, provides that Centerbridge will purchase $250 in Series A convertible preferred shares of reorganized Dana and qualified creditors of the Debtors (*i.e.*, creditors who meet specified criteria) will have an opportunity to purchase $500 in Series B convertible preferred shares on a pro rata basis. Centerbridge will purchase up to $250 in Series B preferred shares that are not purchased by the qualified creditors.

The Investment Agreement provides as follows, among other things:

(i) The price at which the Series A and Series B preferred shares will be convertible into the common stock of reorganized Dana will be 83% of the value that is determined by calculating the 20-day volume weighted average trading price of such common stock (determined using the closing trading price of the stock between the first and the twenty-third business days after Dana's emergence from bankruptcy after disregarding the highest and lowest closing trading price during such period), subject to a collar based on total enterprise value of Dana of between $3,150 and $3,500.

(ii) Under certain circumstances, reorganized Dana will be able to force conversion of the preferred shares on or after the fifth anniversary of the effective date of the Debtors' plan of reorganization.

(iii) The Series A and Series B preferred shares will be entitled to dividends at an annual rate of 4%, payable quarterly in cash. The shares will have equal voting rights and will vote together as a single class with the common stock of reorganized Dana on an as-converted basis.

(iv) The Series A and Series B preferred shares will have customary registration rights. For purposes of liquidation, dissolution or winding up of reorganized Dana, the Series A and

Series B preferred shares will rank *pari passu* and senior to any other class or series of capital stock of reorganized Dana.

(v) The Series A and Series B preferred shares will be subject to lockup provisions prohibiting their sale for six months after the effective date of the Debtors' plan of reorganization and prohibiting the sale or conversion of the Series A preferred shares to common shares valued at more than $150 for an additional 30 months.

(vi) Centerbridge will be limited for ten years in its ability to acquire additional stock of reorganized Dana if it would own more than 30% of the voting power of the stock after such acquisition or to take other actions to control reorganized Dana after the effective date of the Debtors' plan of reorganization without the consent of reorganized Dana's board of directors.

(vii) The initial board of directors of reorganized Dana will be composed of seven members, as follows: three directors (one of whom must be independent) chosen by Centerbridge, two independent directors chosen by the Creditors Committee, one director chosen by Centerbridge and the Creditors Committee through a process specified in the Investment Agreement, and the chief executive officer of reorganized Dana. Beginning at the first annual meeting of shareholders of reorganized Dana following emergence, and as long as Centerbridge owns at least $150 of Series A preferred shares, Dana's board of directors will be composed of seven members, as follows: three directors (one of whom must be independent) designated by Centerbridge and elected by holders of the Series A preferred shares, one independent director nominated by a special purpose nominating committee composed of two Centerbridge designees and one other board member and elected by all shareholders, and three directors (including the chief executive officer of reorganized Dana) nominated by reorganized Dana's board.

(viii) For a period of three years, so long as Centerbridge owns at least $150 of Series A preferred shares (a) Centerbridge's approval will be required for any sale of all or substantially all of Dana's assets, a merger of Dana involving a change of control, a liquidation of Dana, the issuance by Dana of equity at a value below fair market value, the payment of cash dividends on account of common stock of reorganized Dana, or an amendment of the charter of reorganized Dana, and (b) Centerbridge's consent will be required for material transactions with directors, officers or 10% shareholders (other than officer and director compensation arrangements), the issuance of debt or equity securities senior to or *pari passu* with the Series A preferred shares other than for refinancings, by-law amendments adverse to shareholders generally or adverse to Centerbridge, and share repurchases exceeding $10 in any 12-month period. Centerbridge's approval and consent rights will be subject to override by a vote of two-thirds of reorganized Dana's shareholders and its approval rights for dividends and the issuance of senior or *pari passu* securities will end after 12 months if certain financial ratios are met.

(ix) The investment by Centerbridge will be subject to certain conditions, including (a) no material adverse change in Dana; (b) the Debtors' obtaining of exit financing on market terms and with parties reasonably acceptable to Centerbridge; (c) the filing of the Debtors' plan of reorganization and disclosure statement by September 3, 2007; (d) confirmation of the Debtors' plan of reorganization no later than February 28, 2008; and (e) an effective date of the Debtors' plan of reorganization no later than May 1, 2008.

(x) Dana will have the right to terminate the Investment Agreement subject to (a) a $15 break-up fee and an expense reimbursement of up to $4, if the Debtors accept a proposal for an alternative minority investment determined by Dana's board of directors to be superior to the Centerbridge investment commitments and (b) a $22.5 break-up fee and an expense reimbursement of up to $4, if the Debtors accept a proposal for an alternative majority investment, the sale of all or substantially all of the assets of Dana and its subsidiaries, or a standalone plan of reorganization that Dana's board of directors determines would be more favorable to the Debtors' bankruptcy estates than the Centerbridge investment commitments and plan.

(xi) Centerbridge will be entitled to a $2.5 commitment fee if the Investment Agreement is terminated because the Debtors have not emerged from bankruptcy by May 1, 2008 and a $3.5 commitment fee if the Investment Agreement is terminated because the Debtors' cases are dismissed or converted to Chapter 7 cases under the Bankruptcy Code or if Centerbridge terminates the Investment Agreement because of a breach by Dana.

Under the Investment Agreement, the holders of Dana's unsecured notes (the Dana bonds) may qualify to participate in the purchase of the Series B preferred shares. The record date for determining which Dana bonds will qualify to participate is August 13, 2007 (the Bond Record Date). To qualify, the Dana bondholder must meet the following criteria: (i) the holder must beneficially own the Dana bonds on the Bond Record Date; (ii) the holder and its affiliates must own $25 or more in Dana bonds and other allowed liquidated, non-contingent unsecured claims that are not Dana bond claims (Trade Claims); (iii) the holder must be a "Qualified Institutional Buyer" as defined in Rule 144A under the Securities Act of 1933, as amended (a QIB); and (iv) the holder must execute and deliver to Dana a signature page to the Plan Support Agreement by the Bond Record Date. In determining the amount of Dana bonds owned on the Bond Record Date for eligibility and participation in the Series B preferred shares, the calculation will be done net of short positions and/or other hedging positions. Bondholders who (i) qualify under these requirements; (ii) do not engage in hedging activities (as described the definition of "Qualified Investor" in the Investment Agreement) after the Bond Record Date and before the effective date of the Debtors' plan of reorganization; and (iii) sign a subscription agreement in the timeframe specified in the Investment Agreement, will be considered "Qualified Investors" and their bonds will be considered "Participating Bonds."

A transferee of a Participating Bond will continue to hold Participating Bonds if it (i) executes and delivers to Dana a signature page to the Plan Support Agreement within five business days after the closing of an acquisition of a Participating Bond (but in no event later than the confirmation date for the Debtors' plan of reorganization); (ii) assumes the obligations of the transferor of "Qualified Bond Claims" under the Plan Support Agreement; (iii) is a QIB; (iv) does not engage in the hedging activities referred to above; and (v) owns $25 or more in Participating Bonds and Trade Claims (aggregated).

If a bondholder meets the requirements for being a Qualified Investor, the holder's Participating Bonds purchased after the Bond Record Date and Trade Claims purchased up until the confirmation date of the Debtors' plan of reorganization will count as claims eligible to purchase a *pro rata* share of the Series B preferred shares, subject to a cap of $200 of Series B preferred shares per investor and its affiliates.

The record date for Trade Claims to be considered for participation in the purchase of Series B preferred shares will be the date that the Bankruptcy Court enters an order confirming the Debtors' plan of reorganization. Trade Claims may be aggregated with Participating Bonds for purposes of determining whether the $25 threshold is met. To be eligible, holders of Trade Claims must meet the same criteria as apply to the holders of Participating Bonds, except that the holder of Trade Claims may execute a signature page to the Plan Support Agreement at any time prior to the confirmation of the Debtors' plan of reorganization.

Signature pages to the Plan Support Agreement must be provided to: (i) the Debtors, Dana Corporation, P.O. Box 1000, Toledo, Ohio 43697, Attn: Linda Grant, Fax: (419) 535-4790; (ii) counsel to the Debtors, Jones Day, 222 East 41st Street, New York, New York 10017, Attn: Denise Sciabarassi, Fax: (212) 755-7306; and (iii) Centerbridge Capital Partners, L.P., 31 West 52nd Street, 16th Floor, New York, New York 10019, Attn: David Trucano, Fax: (212) 301-6501.

Amendment to Rights Agreement

Dana has a preferred share purchase rights plan which is administered under the Rights Agreement, dated as of April 25, 1996, as amended (the Rights Agreement), between Dana and The Bank of New York, as Rights Agent. Pursuant to the Rights Agreement, one right to purchase 1/1000th of a share of Series A Junior Participating Preferred Stock, no par value, has been issued in respect of each share of Dana common stock outstanding on and after July 25, 1996. Dana registered the rights on Form 8-A registration statements filed with the SEC on May 1, 1996; July 21, 2006; and August 1, 2007. A full description of the rights is contained therein and incorporated herein by reference.

On July 25, 2007, Dana's Board of Directors adopted an amendment to the Rights Agreement that provides that the provisions of the Rights Agreement are inapplicable to the transactions contemplated by the Investment Agreement, dated as of July 25, 2007, as amended and restated on July 26, 2007, and makes certain other modifications to the Rights Agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollars in millions)

Management's discussion and analysis of financial condition and results of operations should be read in conjunction with the financial statements and accompanying notes in this report.

Management Overview

We are a leading supplier of axle, driveshaft, structures, sealing and thermal products and we design and manufacture products for every major vehicle producer in the world. We are focused on being an essential partner to automotive, commercial truck and off-highway vehicle customers. We employ approximately 40,000 people in 28 countries. Our world headquarters is in Toledo, Ohio. Our Internet address is www.dana.com.

We are currently operating under Chapter 11 of the Bankruptcy Code. The Bankruptcy Cases are discussed in detail in Note 2 to our financial statements in Item 1 of Part I. Our reorganization goals are to maximize enterprise value during the reorganization process and to emerge from Chapter 11 as soon as practicable as a sustainable, viable company.

Business Strategy

We are utilizing the reorganization process to effect fundamental changes that will improve our distressed U.S. operations. This is critical to us, as our worldwide operations are highly integrated for the manufacture and assembly of our products. Therefore, while we are continuing to grow overseas, our long-term viability depends on our ability to return our U.S. operations to sustainable profitability.

During the first half of 2007, we have been successfully implementing our restructuring initiatives. While our U.S. operations continue to generate losses and consume substantial amounts of cash, our efforts to improve our margins and reduce costs are favorably impacting our performance and helping to mitigate the underlying industry challenges and difficult business conditions. We are depending upon divestiture proceeds, repatriating available cash from our overseas operations, and loans under our DIP Credit Agreement to meet our liquidity needs for 2007. However, we cannot depend on those sources of funding indefinitely. We expect our restructuring initiatives to enable our U.S. operations to become substantially less dependent on returns from our foreign operations in the future.

As we successfully implement the initiatives that we have reported previously, we expect to emerge from bankruptcy as a sustainable, viable business. These initiatives, which require the cooperation of all of our key business constituencies – customers, vendors, employees and retirees – are:

- Achieve improved margins for our products by obtaining substantial price increases from our customers;
- Restructure our wage and benefit programs to create an appropriate labor and benefit cost structure;

- Address the excessive costs and funding requirements of the legacy postretirement benefit liabilities that we have accumulated over the years, in part from prior divestitures and closed operations;
- Achieve a permanent reduction and realignment of our overhead costs; and
- Optimize our manufacturing “footprint” by substantially repositioning our production to lower cost countries.

Achievement of many of our objectives has enabled us to mitigate the effects of the significantly curtailed production forecasts since the second half of 2006 by some of our largest domestic customers, particularly in the production of SUVs and pickup trucks, which represent the primary market for our products in the U.S. These production cuts are adversely impacting our sales in 2007 in the light vehicle market. Weaker demand in the U.S. heavy-duty and medium-duty truck markets in 2007 as a result of pre-buying in 2006 ahead of new emissions rules is also negatively impacting our 2007 performance. However, we expect that our restructuring initiatives, when fully implemented, will achieve viable long-term U.S. operations despite a challenged U.S. automotive industry and a cyclical commercial vehicle market.

We have made the following progress on our reorganization initiatives:

- *Product Profitability*

  Following a detailed review of our product programs to identify unprofitable contracts and meetings with our customers and their advisors to address under-performing programs, we have or are finalizing documentation for agreements with customers resulting in aggregate pricing improvements of approximately $180 on an annualized basis.

- *Labor and Benefit Costs*

  In June 2007, we amended our U.S. pension plans for non-union employees to freeze service credits and benefit accruals effective July 1, 2007. Actions to reduce other non-union employee benefits, such as disability and healthcare, were previously implemented.

  In July 2007, we entered into settlement agreements (subsequently approved by the Bankruptcy Court) with two primary unions representing our active U.S. employees – the UAW and the USW – which resolve our collective bargaining issues with these unions and, when fully implemented, will help us achieve our labor cost reduction goal. These agreements provide for (i) union master agreements and collective bargaining agreements for UAW- and USW-represented employees at our U.S. facilities until June 2011, and (ii) wage structure modifications and modifications to healthcare, short-term disability, and life insurance benefits for the covered union employees. The UAW and USW settlement agreements also provide for a freeze of credited service and benefit accruals under our defined benefit pension plans for UAW- and USW-represented employees, effective on the later of January 1, 2008 or the effective date of our plan of reorganization, and for the replacement of future benefits with matching company contributions to a USW pension trust for some such employees. Although we expect

to obtain the above benefits from the union settlement agreements, under certain circumstances involving termination of the Centerbridge investment commitments, these agreements may not be implemented.

Our labor and benefits cost reduction goal was $60-$90 of annual cost savings. With the actions referred to above and other previously implemented actions, the annualized cost savings are expected to approximate $70.

- *Other Postretirement Employee Benefits*

  In March 2007, we reached an agreement with the Retiree Committee (subsequently executed in May after approval by the Bankruptcy Court) to make a $78 cash contribution to a VEBA trust for non-pension retiree benefits for our non-union retirees, in exchange for release of our obligations for postretirement health and welfare benefits for such retirees after June 30, 2007. We also reached an agreement with the IAM (subsequently approved by the Bankruptcy Court) to pay $2.25 to resolve all IAM claims after June 30, 2007 for non-pension retiree benefits for retirees and active employees represented by the IAM.

  In April 2007, we eliminated retiree healthcare benefits coverage for our active non-union U.S. employees.

  Under the UAW and USW settlement agreements, we will eliminate long-term disability, healthcare, and life insurance benefits for UAW- and USW-represented employees and retirees, effective on the later of January 1, 2008 or the effective date of our plan of reorganization, and the UAW and the USW will establish separate, union-specific VEBAs to provide such benefits to eligible union-represented employees and retirees after that date. We have agreed to contribute to the VEBAs an aggregate cash amount of up to $764 (less amounts incurred by UAW- and USW-represented employees between July 1, 2007 and January 1, 2008 for long-term disability, healthcare and life insurance claims).

  As a result of these actions, we will eliminate our U.S. postretirement healthcare obligations, resulting in annualized cost savings of approximately $90.

- *Overhead Costs*

  We are continuing to analyze and implement initiatives to reduce overhead costs. Additional reductions in overhead will occur as a result of a remaining divestiture and reorganization activities. We expect our reductions in overhead spending to contribute annual expense savings of $40 to $50.

- *Manufacturing Footprint*

  We have identified a number of manufacturing and assembly plants that carry an excessive cost structure or have excess capacity and closed certain locations and consolidated their operations into lower costs facilities in other countries or into U.S. facilities that currently have excess capacity. During 2007, we completed the closure of eight facilities. Closures of five facilities previously announced are in various stages of progress. As a consequence of the aforementioned settlement with the

unions, a facility previously identified for closure but not announced, is now expected to remain open. This facility and others within the affected business segment will implement work force reductions. In addition to the five facility closures, there are several locations and work force reduction initiatives that are in various stages of development. As of the present date, there remain two facilities that we plan to close that have not been announced. As modified in response to the union settlements, over the long term, we continue to expect our manufacturing footprint actions to reduce our annual operating costs by $60 to $85.

Our customer pricing initiatives and labor and benefit actions, certain of which are subject to future events, are substantially completed. The manufacturing footprint and overhead reduction actions are in process and progressing largely as planned. We are solidly on course to achieve our goal of aggregate annual pre-tax profit improvement of $405 to $540 from our reorganization initiatives, when fully implemented, and we expect these actions to contribute between $175 and $200 to our base plan forecast for 2007 (*i.e.*, our initial base forecast based on 2006 ending production levels, before inclusion of the benefits of any of the initiatives) as we continue to phase them in during the year.

As reported elsewhere in this report, we are also completing previously announced divestures.

In January 2007, we sold our trailer axle business manufacturing assets for $28 in cash and recorded an after-tax gain of $13.

In March 2007, the following events occurred:

- We sold our engine hard parts business and received cash proceeds of $98. Of these proceeds, $5 was escrowed pending completion of closing conditions in certain countries and $20 was escrowed pending finalization of purchase price adjustments and satisfaction of certain of our indemnification obligations. We recorded a first quarter after-tax loss of $26 in connection with this sale. In the second quarter, $3 of the $5 escrow was returned to the buyers and $2 was paid to Dana. The remaining escrow amounts are expected to be settled in the third quarter.
- We sold our 30% equity interest in GETRAG Getriebe-und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie KG (GETRAG) to our joint venture partner for $207 in cash. We had recorded an impairment charge of $58 in the fourth quarter of 2006 to adjust this equity investment to fair value and we recorded an additional charge of $2 in the first quarter of 2007 based on value of the investment at the time of closing.
- We signed an agreement with Orhan Holding A.S. and certain of its affiliates for the sale of our fluid products hose and tubing business. We subsequently completed the sale in two transactions in July and August and received aggregate cash proceeds of $85. We expect to record a third-quarter after-tax gain of $34 in connection with this sale.

In May 2007, we signed an agreement with Coupled Products Acquisition LLC for the sale of our coupled fluid products business for the nominal price of one dollar, with the buyer to assume certain liabilities of the business at closing. We expect to complete this sale in the third quarter of 2007 and to record an after-tax loss of $25.

Reorganization Proceedings under Chapter 11 of the Bankruptcy Code

The Bankruptcy Cases

Dana Corporation and forty of its wholly-owned domestic subsidiaries (collectively, the Debtors) are operating under Chapter 11 of the Bankruptcy Code. The Debtors' Chapter 11 cases have been consolidated in the Bankruptcy Court for the Southern District of New York under the caption *In re Dana Corporation, et al.*, Case No. 06-10354 (BRL). Neither DCC and its subsidiaries nor any of Dana's non-U.S. affiliates are Debtors.

During the bankruptcy proceedings, investments in Dana securities are highly speculative. Although shares of our common stock are trading on the OTC Bulletin Board under the symbol "DCNAQ," the opportunity for any recovery by shareholders under our confirmed plan of reorganization is uncertain and the shares may be cancelled without any compensation pursuant to such plan.

The Bankruptcy Cases are being jointly administered, with the Debtors managing their businesses as debtors in possession subject to the supervision of the Bankruptcy Court. We are continuing normal business operations while we evaluate our business financially and operationally. We are proceeding with previously announced divestiture and reorganization plans and taking steps to reduce costs, increase efficiency and enhance productivity so that we can emerge from bankruptcy as a stronger, more viable company.

Official committees of the Debtors' unsecured creditors (the Creditors Committee) and retirees not represented by unions (the Retiree Committee) have been appointed in the Bankruptcy Cases. The Debtors bear certain of the committees' costs and expenses, including those of their counsel and other professional advisors. An official committee of Dana's equity security holders was also appointed, but it was later disbanded.

The Debtors have filed schedules of their assets and liabilities existing on the Filing Date, including certain amendments to the initial schedules, with the Bankruptcy Court.

Under the Bankruptcy Code, the Debtors have the right to assume or reject executory contracts (*i.e.*, contracts that are to be performed by the parties after the Filing Date) and unexpired leases, subject to Bankruptcy Court approval and other limitations. The Bankruptcy Court has approved the Debtors' assumption and rejection of certain executory contracts and unexpired leases.

The Bankruptcy Court has entered an order establishing procedures for trading in claims and equity securities that is designed to protect the Debtors' potentially valuable tax attributes (such as net operating loss carryforwards). Under the order, holders or acquirers of 4.75% or more of Dana's common stock are subject to certain notice and consent procedures before acquiring or disposing of the shares. Holders of claims against the Debtors that would entitle them to more than 4.75% of the common shares of reorganized Dana under a confirmed plan of reorganization utilizing the tax benefits provided under Section 382(l)(5) of the Internal Revenue Code may be required to sell down the excess claims if necessary to implement such a plan of reorganization. Currently, the Plan Support Agreement contemplates a plan of reorganization utilizing tax benefits under Section 382(l)(6) of the Internal Revenue Code.

The Bankruptcy Court has also authorized us to enter into the agreements discussed in Note 19 to the financial statements in Item 1 of Part I of this report.

Pre-petition Claims

Most persons and entities asserting pre-petition claims (with the exception of, among others, asbestos-related personal injury claims and claims resulting from the future rejections of executory contracts and unexpired leases) against the Debtors were required to file proofs of claim in the Bankruptcy Cases by September 21, 2006. Proofs of claim alleging rights to payment for financing, trade debt, employee obligations, environmental matters, commercial damages and other litigation-based liabilities, tax liabilities and other matters in a total amount of approximately $26,600 (as well as certain unliquidated amounts) were filed by that date. In addition, another $51 in liabilities is listed in our schedules of assets and liabilities as undisputed, non-contingent and liquidated.

Pre-petition Debt

Our bankruptcy filing triggered the immediate acceleration of certain of our direct financial obligations, including, among others, an aggregate of $1,623 in principal and accrued interest on currently outstanding non-secured notes issued under our 1997, 2001, 2002 and 2004 indentures. Such amounts are characterized as unsecured debt for purposes of the reorganization proceedings and the related obligations are classified as liabilities subject to compromise in our consolidated balance sheet as of June 30, 2007. In accordance with SOP 90-7, following the Filing Date, we discontinued recording interest expense on debt classified as liabilities subject to compromise.

Reorganization Initiatives

It is critical to the Debtors' successful emergence from bankruptcy that they (i) achieve positive margins for their products by obtaining substantial price increases from their customers, (ii) recover or otherwise provide for increased material costs through renegotiation or rejection of various customer programs, (iii) restructure their wage and benefit programs to create an appropriate labor and benefit cost structure, (iv) address the excessive cash requirements of the legacy pension and other postretirement benefit liabilities that they have accumulated over the years, (v) optimize their manufacturing footprint by eliminating excess capacity, closing and consolidating facilities and repositioning operations in lower cost countries, and (vi) achieve a permanent reduction and realignment of their overhead costs. The steps that the Debtors have taken or are taking to accomplish these goals are discussed in "Business Strategy" above.

Plan of Reorganization

Until September 3, 2007, the Debtors have the exclusive right to file a plan of reorganization in the Bankruptcy Cases. We anticipate that substantially all of the Debtors' liabilities as of the Filing Date will be addressed and treated in accordance with such plan, which will be voted on by the creditors and equity holders in accordance with the provisions of the Bankruptcy Code. Although the Debtors intend to file such a plan by that date, there can be no assurance that they will be able to do so or that any plan that is filed will be confirmed by the Bankruptcy Court and consummated. The Debtors' plan of reorganization could materially change the amounts and classification of items reported in our historical financial statements.

On August 1, 2007, the Bankruptcy Court entered an order authorizing the Debtors to enter into a series of related agreements consisting of (i) settlement agreements with the UAW and USW providing terms for settling all outstanding issues between the Debtors and these unions related to the Bankruptcy Cases; (ii) a Plan Support Agreement with these unions, Centerbridge, and

certain of Dana's unsecured creditors setting out the terms under which these parties will support the Debtors' plan of reorganization; and (iii) an Investment Agreement between Dana, Centerbridge, and a Centerbridge affiliate providing for Centerbridge to purchase $250 in Series A convertible preferred shares of reorganized Dana and qualified creditors of the Debtors (*i.e.*, creditors who meet specified criteria) to have an opportunity to purchase $500 in Series B convertible preferred shares on a pro rata basis, with Centerbridge purchasing up to $250 in Series B preferred shares that are not purchased by the qualified creditors. The proceeds from the sale of the preferred shares will be used in part to fund the VEBA trusts that will be established under the union settlement agreements. We have agreed to file a plan of reorganization with the Bankruptcy Court incorporating the union settlement agreements and the foregoing equity investment commitments (or an alternative proposal acceptable to the UAW and USW) by September 3, 2007. If we fail to do so, Centerbridge may terminate the Investment Agreement and the unions may, under some circumstances, terminate the union settlement agreements or their collective bargaining agreements. In addition, if our plan of reorganization does not become effective by February 28, 2008, individual supporting creditors may withdraw their support and if it does not become effective by May 1, 2008, the Plan Support Agreement will expire. See Note 19 to the financial statements in Item 1 of Part I for additional details.

In addition, the Bankruptcy Court order authorizing our entry into these agreements established a schedule and procedures under which we will consider potential alternatives to the investments contemplated with Centerbridge under the Investment Agreement. The schedule contemplates that any alternate investment proposals will be received and considered by specific dates during August through October 2007.

Continuation as a Going Concern

Our financial statements have been prepared on a going-concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. As a result of our bankruptcy filing, such realization of assets and liquidation of liabilities is subject to uncertainty. While operating as debtors in possession under the protection of Chapter 11 of the Bankruptcy Code, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those recorded in our financial statements, subject to Bankruptcy Court approval or as otherwise permitted in the ordinary course of business. Our financial statements as of June 30, 2007 do not give effect to all the adjustments to the carrying value of assets and liabilities that may become necessary as a consequence of our reorganization.

Our continuation as a going concern is contingent upon our ability to (i) comply with the terms and conditions of the DIP Credit Agreement, (ii) obtain confirmation of a plan of reorganization under the Bankruptcy Code, (iii) generate sufficient cash flow from operations, and (iv) obtain financing sources to meet our future obligations. Although we are taking steps to achieve these objectives, there is no assurance that we will be successful in doing so or that any measures that are achievable will result in sufficient improvement to our financial position. Accordingly, until such time as we emerge from bankruptcy, there is no certainty about our ability to continue as a going concern. If our reorganization is not completed successfully, we could be forced to sell a significant portion of our assets to retire debt outstanding or, under certain circumstances, to cease operations.

DCC Notes

At the time of our bankruptcy filing, DCC had outstanding notes totaling approximately $399. In December 2006, DCC and most of its noteholders executed a Forbearance Agreement under which (i) the forbearing noteholders agreed not to exercise their rights or remedies with respect to the DCC notes for a period of 24 months (or until the effective date of Dana's plan of reorganization), during which time DCC is endeavoring to sell its remaining asset portfolio in an orderly manner and use the proceeds to pay down the notes and (ii) DCC agreed to pay the forbearing noteholders their pro rata share of any excess cash it maintains in the U.S. greater than $7.5 on a quarterly basis. At June 30, 2007, the amount of principal outstanding under the DCC notes was $228. In July 2007, DCC made a $95 payment to the forbearing noteholders, consisting of $91 of principal and $4 of interest.

Contemporaneously with the execution of the Forbearance Agreement, Dana and DCC executed a Settlement Agreement whereby they agreed to the discontinuance of a tax sharing agreement between them and to a stipulated amount of a general unsecured claim owed by Dana to DCC of $325. Payments to DCC relative to this obligation are expected to be addressed in our plan of reorganization, which may propose that distributions to DCC be limited to the amount required to satisfy DCC's obligations.

Business Units

We manage our operations globally through two business units – ASG and HVTSG. ASG focuses on the automotive market and primarily supports light vehicle original equipment manufacturers (OEMs) with products for light trucks, SUVs, CUVs, vans and passenger cars. ASG has five operating segments focused on specific products for the automotive market: Axle, Driveshaft, Structures, Sealing and Thermal.

HVTSG supports the OEMs of medium-duty (Classes 5-7) and heavy-duty (Class 8) commercial vehicles (primarily trucks and buses) and off-highway vehicles (primarily wheeled vehicles used in construction and agricultural applications). HVTSG has two operating segments focused on specific markets: Commercial Vehicle and Off-Highway.

Trends in Our Markets

North American Light Vehicle Market

Production Levels

North American light vehicle production levels were 2.2% lower in the second quarter of 2007 than in the second quarter of 2006, and 4.9% lower for the first half of 2007 compared to 2006. In the light truck segment, second quarter production levels were up 0.4% over 2006, while first half production was down 2.2%. Within this segment, the declines over the past year have been more heavily weighted toward medium and full size pick-up trucks and SUVs where consumer concerns about high fuel prices have led to increased preferences for more fuel efficient CUVs. The light truck platforms which generate the highest sales for us are primarily medium and full size pick-up trucks and SUVs; however, a number of our newer programs involve CUVs. Production levels on vehicles with higher Dana content in the second quarter and first half of 2007 were up about 3.7% and down 2.7% from the same periods in the previous year *(source: Global Insight).*

Lower light truck production levels during the second half of 2006 and first six months of 2007 have helped bring inventory levels down. Days supply of light truck inventories in the U.S. was 76 at June 30, 2007 as compared to 83 at the same time a year ago. While improved over last year, the days supply of light trucks in the U.S. increased during this year's second quarter – rising to the current level of 76 days from 69 days at the end of March. Sales of light trucks in U.S. during the second quarter of 2007 were down about 2% from the prior year, with June sales being especially soft – down 6% from the previous year. Light truck sales in the U.S. in July continued to be relatively weak – off about 7% from last year. While a number of vehicle manufacturers have increased incentives recently in an effort to stimulate sales, the recent inventory and sales data lead to a cautious near term outlook for light truck production levels. *(source: Wards Automotive).*

Overall North American light vehicle production in 2007 is forecasted to be about the same as in 2006 – 15.3 million units – or slightly lower *(source: Global Insight & Wards Automotive).* While second half light truck production is currently forecasted to be somewhat higher than comparable 2006 levels, high fuel prices and a weaker housing market could put potential pressure on production levels of our key platforms later in the year.

OEM Mix

The declining sales of light vehicles (especially light trucks, which generally have a higher profit margin than passenger cars) in North America, as well as losses of market share to competitors such as Toyota and Nissan, continue to put pressure on three of our largest light vehicle customers: Ford, GM and Chrysler. These three customers accounted for 78% of light truck production in North America in the second quarter of 2006. Their share of second quarter 2007 production was 76% *(source: Global Insight).* While our current bankruptcy reorganization has provided us with some relief from the price reduction pressures applied by these major customers, we expect any continuing loss of their market shares could result in renewed pricing pressure in order for us to retain existing business and be awarded new business. Our product profitability initiative discussed in “Business Strategy” above specifically addresses our efforts to improve our pricing.

Commodity Costs

Another challenge we face is the high cost of steel and other raw materials, which has had a significant adverse impact on our results, and those of other North American automotive suppliers, for more than two and a half years. Steel suppliers began assessing price surcharges and increasing base prices during the first half of 2004, and prices since then have remained at considerably higher levels.

Two commonly-used market-based indicators — the Tri Cities Scrap Index for #1 bundled scrap steel (which represents the monthly average costs in the Chicago, Cleveland and Pittsburgh ferrous scrap markets, as posted by American Metal Market, and is used by our domestic steel suppliers to determine our monthly surcharge) and the spot market price for hot-rolled sheet steel — illustrate the impact. As compared to 2003, average scrap steel prices on the Tri Cities index during 2006 were more than 70% higher, and spot market hot-rolled sheet steel prices during 2006 were up more than 100%. After subsiding some during the second half of 2006, scrap prices on the Tri Cities index rose significantly during the first six months of 2007 – with the average second quarter 2007 price being slightly lower than the second quarter 2006 average by approximately 2% and year-to-date 2007 average prices being up about 6%. In the case of hot-rolled steel, spot prices during the first six months of 2007 have dropped, with average second quarter and year-to-date 2007 spot prices about 7% lower than the comparable

2006 period. However, even after taking account of the recent decline in hot-rolled steel prices, at current consumption levels, we estimate that our annualized cost of raw steel is approximately $140 higher than it would have been using prices at the end of 2003. We have taken actions to mitigate the impact of these increases, including consolidating purchases, taking advantage of our customers' resale programs where possible, finding new global steel sources, identifying alternative materials and re-designing our products to be less dependent on higher cost steel grades.

During the latter part of 2005 and throughout 2006, cost increases for raw materials other than steel were also significant. Average prices for nickel (which is used to manufacture stainless steel) and aluminum increased significantly, up about 60% and 37% over 2005 prices. During the first six months of this year, aluminum prices have been relatively stable while nickel prices continued to increase through May with a drop in June. Aluminum prices were up 4% compared to second quarter 2006 prices, while average nickel prices were up 42%. On a six month year-to-date basis, aluminum prices were about 6% higher than 2006, while nickel prices were up around 57%.

As discussed above, our reorganization initiatives include working with our customers to recover a greater portion of our commodity materials costs.

Automotive Supplier Bankruptcies

Several major U.S. automotive suppliers, in addition to Dana, have filed for protection under Chapter 11 of the Bankruptcy Code since early 2005, including Tower Automotive, Inc., Collins & Aikman Corporation, Delphi Corporation and Dura Automotive Systems, Inc. These bankruptcy filings indicate stress in the North American light vehicle market that could lead to further filings or to competitor or customer reorganizations or consolidations that could impact the marketplace and our business.

North American Commercial Vehicle Market

Production Cyclicality

The North American commercial vehicle market was strong during 2006, primarily due to pre-buying of heavy-duty (Class 8) and medium-duty (Class 5-7) trucks in advance of the more stringent U.S. emission regulations that took effect at the beginning of 2007 and increased the prices of these trucks. As a result of the pre-buying, North American commercial vehicle truck build is expected to be down considerably in 2007.

Second quarter 2007 production of Class 8 vehicles in North America was down about 53% from the second quarter of 2006, and Class 5-7 medium-duty production was down 21% for the same period. We expect that the second quarter will be the lowest quarterly Class 8 production level for the year. While Class 8 vehicle build during the remainder of 2007 is expected to be down significantly from levels of a year ago, production levels are expected to increase from second quarter 2007 levels. Class 8 and medium-duty order backlogs at June 30, 2007 were off 52% and 65% from the same time last year. Full year 2007 production of Class 8 vehicles is expected to be around 200,000 units, compared to 369,000 units in 2006, and medium-duty truck build is forecast at about 200,000 units in 2007 compared to 265,000 units in 2006 (*source: ACT*).

Commodity Costs

The high commodity costs, in particular steel, affecting the North American light vehicle market have also impacted the commercial vehicle market, but this impact has been partially mitigated by our ability to recover material cost increases from our Commercial Vehicle customers.

New Business

A continuing major focus for us is growing our revenue through new business. Based on awards to date, we expect net new business to contribute approximately $270 and $150 to our sales in 2007 and 2008. Our level of net new business is lower in 2007 than in recent years. This is due, in part, to the end of some of our larger customer programs in 2006, including programs to supply certain structural products to Ford and certain axle products to a GM affiliate in Australia. Our 2008 net new business projection takes into consideration sales reductions that we anticipate next year due to the co-sourcing of a structural products program with Ford. While continuing to support Ford, GM and Chrysler, we are striving to diversify our sales across a broader customer base. Approximately 80% of our current book of net new business involves customers other than Ford, GM and Chrysler, and approximately 90% of this business is with other automotive manufacturers based outside North America.

United States Profitability

Our U.S. operations have generated losses before income taxes during the past five years aggregating more than $2,000. While numerous factors have contributed to our lack of profitability in the U.S., paramount among them are those discussed earlier in this report: high raw material costs that we have been absorbing, customer price reductions that have reduced our margins, competition from suppliers in countries with lower labor costs, and accumulated retiree healthcare costs disproportionate to the scale of our current business.

As indicated in Note 3 to the financial statements in Item 1 of Part I, during the first six months of 2007, the Debtor companies (comprised of our U.S. operations other than DCC), incurred pre-tax losses from continuing operations of $91, including $65 of net reorganization costs. After adjusting for the reorganization items, the pre-tax loss was $26 for the first six months of the year, with the second quarter of 2007 showing pre-tax income before reorganization items of $3. While the second quarter results benefited from some nonrecurring currency transaction gains and reductions to restructuring expense, part of the improvement was due to the customer pricing, benefits and SG&A reorganization actions discussed earlier in this section. The second quarter has traditionally been our strongest in terms of sales given the typical North American light vehicle production cycle. While we do not necessarily expect this level of profit during the second half of the year, we do expect continued improvement from the reorganization actions.

Results of Operations – Summary (Second Quarter 2007 versus Second Quarter 2006)

	For the Three Months Ended June 30,		
	2007	2006	Change
Net sales	$ 2,289	$ 2,300	$ (11)
Cost of sales	2,141	2,161	(20)
Gross margin	148	139	9
Selling, general and administrative expenses	88	115	(27)
Gross margin less SG&A*	60	24	36
Other costs and expenses			
Realignment charges	$ 134	$ 1	$ 133
Impairment of other assets		1	(1)
Other income, net	32	39	(7)
Total expense (income)	102	(37)	139
Income (loss) from continuing operations before interest, reorganization items and income taxes	$ (42)	$ 61	$ (103)
Loss from continuing operations	$ (105)	$ (31)	$ (74)
Income (loss) from discontinued operations	$ (28)	$ 3	$ (31)
Net loss	$ (133)	$ (28)	$ (105)

* Gross margin less SG&A is a non-GAAP financial measure derived by excluding realignment charges, impairments and other income, net from the most closely related GAAP measure, which is income from continuing operations before interest, reorganization items and income taxes. We believe this non-GAAP measure is useful for an understanding of our ongoing operations because it excludes other income and expense items which are generally not expected to be part of our ongoing business. Certain reclassifications were made to conform 2006 to the 2007 reporting schedules.

Results of Operations (Second Quarter 2007 versus Second Quarter 2006)

The tables below show changes in our sales by geographic region, business unit and segment for the three months ended June 30, 2007 and 2006.

Geographical Sales Analysis

	2007	2006	Increase/ (Decrease)	Amount of Change Due To		
				Currency Effects	Acquisitions/ Divestitures	Organic Change
North America	$ 1,301	$ 1,398	$ (97)	$ 4	$ (25)	$ (76)
Europe	575	493	82	39	(1)	44
South America	253	221	32	15		17
Asia Pacific	160	188	(28)	14	(8)	(34)
Total	$ 2,289	$ 2,300	$ (11)	$ 72	$ (34)	$ (49)

Segment Sales Analysis

	2007	2006	Increase/ (Decrease)	Amount of Change Due To		
				Currency Effects	Acquisitions/ Divestitures	Organic Change
ASG						
Axle	$ 716	$ 615	$ 101	$ 20	$ 5	$ 76
Driveshaft	307	293	14	13	12	(11)
Sealing	190	178	12	5		7
Thermal	79	79		2		(2)
Structures	279	333	(54)	6		(60)
Other	7	28	(21)		(2)	(19)
Total ASG	1,578	1,526	52	46	15	(9)
HVTSG						
Commercial Vehicle	307	439	(132)	5	(49)	(88)
Off-Highway	403	329	74	21		53
Total HVTSG	710	768	(58)	26	(49)	(35)
Other Operations	1	6	(5)			(5)
Total	$ 2,289	$ 2,300	$ (11)	$ 72	$ (34)	$ (49)

Regional Review

Total sales of $2,289 in the second quarter of 2007 were $11 lower than in the second quarter of 2006. Currency translation effects, primarily from a stronger euro, increased sales by $72, partially offsetting the overall organic sales decline associated with reduced production levels in certain of our key markets and the effects of divestitures. The 2006 acquisition of the axle and driveshaft operations of our former Mexican joint venture provided additional sales in 2007. However, these higher sales were more than offset by the divestiture of our trailer axle business in January 2007, which reduced second quarter sales by $49.

The second quarter of 2007 organic sales decline of 5.5% in North America was driven primarily by lower production in the commercial vehicle markets. Production levels of Class 8 trucks were down 53% and medium-duty production was 21% lower compared to the second quarter of 2006. North American light vehicle production in the second quarter of 2007 was comparable to the same period in 2006. Partially offsetting the commercial vehicle production

decreases was the impact of higher pricing from our reorganization initiatives which contributed about $47 as discussed in the “Business Strategy” section.

In Europe, the sales increase of $82 included a positive translation impact of $39 – mostly from a stronger euro. The organic increase of $44 was in large part due to strong production levels in the off-highway market where we have a significant European presence and to new business with European customers. The organic sales reduction in Asia Pacific was due primarily to the expiration of an axle program in mid-2006 with a subsidiary of General Motors.

Business Segment Review

Reorganization-related pricing improvements contributed approximately $44 to organic sales in our ASG segments in second quarter of 2007. However, the increase from pricing was more than offset by lower production levels. In our Axle segment, pricing improvements and new business programs generated the higher sales. Our Driveshaft segment sells to the commercial vehicle market as well as the light vehicle market. The significant decline in commercial vehicle production levels led to this unit’s overall organic sales decline. Neither the Thermal nor Sealing segment benefited significantly from pricing improvement or new business; consequently, the organic sales change in these operations was primarily due to production level changes. In Structures, the sales decline was due to lower production levels and to the expiration of a frame program with Ford in 2006. The reduction from these two factors was partially offset by higher sales from pricing initiatives.

In HVTSG, our Commercial Vehicle segment is heavily concentrated in the North American market and the organic sales decline of 20% in this segment was primarily due to the drop in North American production levels. Organic sales in the Off-Highway segment have benefited from stronger production levels and sales from new programs. With its significant European presence, this segment’s sales also benefited from the stronger euro.

The chart below shows our business unit and segment margin analysis for the three months ended June 30, 2007 and 2006:

Margin Analysis

	As a Percentage of Sales		Increase / (Decrease)
	2007	2006	
Gross margin:			
ASG	6.1%	7.5%	(1.4)%
Axle	3.0	2.6	0.4
Driveshaft	6.8	10.2	(3.4)
Sealing	14.0	15.5	(1.5)
Thermal	10.2	16.5	(6.3)
Structures	8.6	4.9	3.7
HVTSG	9.1	7.3	1.8
Commercial Vehicle	5.1	3.5	1.6
Off-Highway	11.9	12.1	(0.2)
Selling, general and administrative expenses:			
ASG	2.6%	3.8%	(1.2)%
Axle	1.9	2.7	(0.8)
Driveshaft	0.8	1.0	(0.2)
Sealing	6.3	6.6	(0.3)
Thermal	4.7	3.9	0.8
Structures	1.8	1.7	0.1
HVTSG	3.1	2.9	0.2
Commercial Vehicle	3.5	2.6	0.9
Off-Highway	2.2	2.6	(0.4)
Gross margin less SG&A:*			
ASG	3.5%	3.7%	(0.2)%
Axle	1.1	(0.1)	1.2
Driveshaft	6.0	9.2	(3.2)
Sealing	7.7	8.9	(1.2)
Thermal	5.5	12.6	(7.1)
Structures	6.8	3.2	3.6
HVTSG	6.0	4.4	1.6
Commercial Vehicle	1.6	0.9	0.7
Off-Highway	9.7	9.5	0.2
Consolidated	2.6	1.0	1.6

* Gross margin less SG&A is a non-GAAP financial measure derived by excluding realignment charges, impairments and other income, net from the most closely related GAAP measure, which is income from continuing operations before interest, reorganization items and income taxes. We believe this non-GAAP measure is useful for an understanding of our ongoing operations because it excludes other income and expense items which are generally not expected to be part of our ongoing business. Certain reclassifications were made to conform 2006 to the 2007 reporting structures.

In ASG, gross margin less SG&A was 3.5% as compared to the 3.7% in the second quarter of 2006. In the Axle segment, gross margin less SG&A as a percent of sales was up 1.2% from 2006. The reorganization related pricing improvement contributed approximately $18 to 2007 margin. This benefit was partially offset by an adverse sales mix – higher sales on programs with lower margins – and increased warranty cost of about $3. Gross margin less SG&A in the Driveshaft segment was down significantly – 3.2%. In addition to the light vehicle market, this

segment supplies product to the commercial vehicle market where production levels in 2007 were down substantially. Driveshaft sales to the North American commercial vehicle market were approximately $60 lower than last year. While this decline was partially offset by higher sales to the light vehicle market, the margins on sales to the light vehicle market are lower. Also reducing year-over-year Driveshaft margins were higher new program launch costs, premium freight and other manufacturing inefficiencies. Benefiting margins was customer pricing improvement of about $7. In the Sealing segment, the margin reduction of 1.2% of sales was due principally to higher material costs for stainless steel and nickel. Higher raw material costs, most notably aluminum, also reduced margins in our Thermal segment. Margins in Thermal were also negatively impacted by start-up costs associated with a new operation in Hungary and some new program launch costs. The Structures segment, while experiencing the largest percentage decline in organic sales, had quarter-over-quarter gross margin less SG&A improvement of 3.6%. More than offsetting the impact from lower sales was $19 of increased margin from pricing improvement and $3 from a one-time program cost recovery.

Gross margin less SG&A in HVTSG improved from 4.4% in the second quarter of 2006 to 6.0% in the second quarter of 2007. Commercial Vehicle gross margin less SG&A as a percent of sales improved 0.7% as the margin reduction associated with the lower production levels and loss of the trailer axle business was more than offset by pricing improvement, lower material costs and reduced SG&A. Price increases with certain major customers in this segment were implemented in the second half of 2006, with additional pricing improvement coming from the reorganization actions discussed in the “Business Strategy” section. The quarter-over-quarter margin improvement from pricing amounted to $7, while higher warranty costs reduced margins by $2. In the Off-Highway segment, the margin improvement of 0.2% of sales was due primarily to higher sales volume.

Corporate expenses and other costs not allocated to the business units reduced gross margins less SG&A by 2.1% for the second quarter of 2007 as compared to 3.4% in the same period in 2006, thereby contributing to the 1.7% improvement in consolidated gross margin less SG&A. Second quarter 2006 expenses included $7 of pension settlement cost triggered by high levels of lump sum pension fund distributions. Adjustments to accruals for long-term disability and active employee medical benefits were lower in 2007 by $14. The remaining margin improvement was due primarily to lower employee benefit costs resulting from the actions discussed in the “Business Strategy” section and to manpower and other cost reductions.

Realignment charges

Realignment charges during the second quarter of 2007 were primarily costs incurred in connection with the continuing manufacturing footprint optimization actions and $128 of costs relating to settlement of pension obligations in the U.K., both of which are described in the “Business Strategy” section.

Other income (expense)

During 2007, certain intercompany loans receivable held by the Debtors that were previously designated as invested indefinitely were identified for repayment through near-term repatriation actions. As a consequence, exchange rate movements on these loans generated currency gains of $17 during the second quarter. Other expense of $11 is included in 2007 for the estimated cost to settle a contractual matter with an investor in one of our equity investments. See Note 17 to the financial statements in Item 1 of Part I for additional components of other income.

Interest expense

As a result of our Chapter 11 reorganization process, a substantial portion of our debt obligations are now subject to compromise. Effective with our filing for reorganization under Chapter 11, interest expense is no longer accrued on these obligations. The post-filing interest expense not recognized in the three month periods ended June 30, 2007 and 2006 on these obligations amounted to $27 in each period.

Reorganization items

Reorganization items are primarily expenses directly attributed to our Chapter 11 reorganization process. See Note 3 to our financial statements in Item 1 of Part I of this report for a summary of these costs. Higher professional advisory fees in 2007 were due in part to costs associated with completing the restructuring and settlement of our pension obligations in the U.K. and implementing European repatriation initiatives.

Income tax benefit (expense)

As a result of the significant amount of OCI reported for the three months ended June 30, 2007, we recognized a U.S. tax benefit of $26 in continuing operations for the same period. (See Note 16 for additional information regarding the determination of this benefit.) The continuing inability to recognize tax benefits in the U.K. overshadowed this item as the substantial loss recognized on the settlement of pension plans in the U.K. generated no tax effects. Accordingly, the tax expense of $3 is significantly less than the $37 of expected benefit derived by applying a marginal tax rate of 35%. The inability to recognize benefits in both the U.S. and the U.K. in 2006 was the primary reason that we recorded tax expense of $36 on only $1 of pre-tax income from continuing operations in the second quarter of 2006.

Results of Operations – Summary (Year-to-Date 2007 versus Year-to-Date 2006)

	For the Six Months Ended June 30,		
	2007	2006	Change
Net sales	$ 4,434	$ 4,497	$ (63)
Cost of sales	4,184	4,257	(73)
Gross margin	250	240	10
Selling, general and administrative expenses	184	230	(46)
Gross margin less SG&A*	66	10	56
Other costs and expenses			
Realignment charges	$ 153	$ 2	$ 151
Impairment of other assets		15	(15)
Other income, net	78	70	8
Total expense (income)	75	(53)	128
Income (loss) from continuing operations before interest, reorganization items and income taxes	$ (9)	$ 63	$ (72)
Loss from continuing operations	$ (141)	$ (136)	$ (5)
Loss from discontinued operations	$ (84)	$ (18)	$ (66)
Net loss	$ (225)	$ (154)	$ (71)

* Gross margin less SG&A is a non-GAAP financial measure derived by excluding realignment charges, impairments and other income, net from the most closely related GAAP measure, which is income from continuing operations before interest, reorganization items and income taxes. We believe this non-GAAP measure is useful for an understanding of our ongoing operations because it excludes other income and expense items which are generally not expected to be part of our ongoing business. Certain reclassifications were made to conform 2006 to the 2007 reporting schedules.

Results of Operations (Year-to-Date 2007 versus Year-to-Date 2006)

The tables below show changes in our sales by geographic region, business unit and segment for the six months ended June 30, 2007 and 2006.

Geographical Sales Analysis

	2007	2006	Increase/ (Decrease)	Amount of Change Due To		
				Currency Effects	Acquisitions/ Divestitures	Organic Change
North America	$ 2,525	$ 2,770	$ (245)	$ —	$ (32)	$ (213)
Europe	1,137	958	179	90	(23)	112
South America	459	420	39	16		23
Asia Pacific	313	349	(36)	23	(13)	(46)
Total	$ 4,434	$ 4,497	$ (63)	$ 129	$ (68)	$ (124)

Segment Sales Analysis

	2007	2006	Increase/ (Decrease)	Amount of Change Due To		
				Currency Effects	Acquisitions/ Divestitures	Organic Change
ASG						
Axle	$ 1,327	$ 1,203	$ 124	$ 32	$ 20	$ 72
Driveshaft	593	570	23	22	23	(22)
Sealing	366	355	11	12		(1)
Thermal	151	155	(4)	3		(7)
Structures	549	657	(108)	6		(114)
Other	12	60	(48)		(24)	(24)
Total ASG	2,998	3,000	(2)	75	19	(96)
HVTSG						
Commercial Vehicle	647	856	(209)	7	(87)	(129)
Off-Highway	787	630	157	47		110
Total HVTSG	1,434	1,486	(52)	54	(87)	(19)
Other Operations	2	11	(9)			(9)
Total	$ 4,434	$ 4,497	$ (63)	$ 129	$ (68)	$ (124)

Regional Review

Total sales of $4,434 in the first six months of 2007 were $63 lower than in the comparable period of 2006. Currency translation effects, primarily from a stronger euro, increased sales, partially offsetting the lower sales due to divestitures and the overall organic sales decline associated with reduced production levels in certain of our key markets. The 2006 acquisition of the axle and driveshaft operations of our former Mexican joint venture provided additional sales in 2007. However, these higher sales were more than offset by the divestiture of our trailer axle business in January 2007, which reduced sales for the first six months of 2007 by $87.

The first half of 2007 organic sales decline of 7.7% in North America reflects lower production levels in both the light vehicle and commercial vehicle markets. North American light truck production in the first six months of 2007 was down 2.2%, with the production levels of our key platforms down about 2.7%. In the commercial vehicle market, production levels of Class 8 trucks were down 36% and medium-duty production was 17% lower. Partially offsetting the production-

driven decreases was the impact of higher pricing from our reorganization initiatives of about $73 as discussed in the “Business Strategy” section.

In Europe, the sales increase of $179 included a positive translation impact of $90 – mostly from a stronger euro. The organic increase of $112 was in large part due to strong production levels in the off-highway market where we have a significant European presence and to contributions from new business. The organic sales reduction in Asia Pacific was due primarily to the expiration of an axle program in mid-2006 with a subsidiary of General Motors.

Business Segment Review

Most of our ASG segments were impacted negatively in the first six months of 2007 by the lower production levels in the North American light vehicle market. The exception was our Axle segment where higher sales from new business more than offset the impact from lower production levels. Lower organic sales in the Driveshaft, Sealing and Thermal segments were due principally to lower production levels. In Structures, the sales decline was due to lower production levels and to the expiration of a frame program with Ford in 2006. ASG sales benefited by about $68 from the pricing initiatives discussed in the “Business Strategy” section.

In the HVTSG, our Commercial Vehicle segment is heavily concentrated in the North American market and the organic sales decline of 15% in this segment was primarily due to lower North American production levels. Organic sales in the Off-Highway segment have benefited from stronger production levels and sales from new programs. With its significant European presence, this segment’s sales particularly benefited from the stronger euro.

The chart below shows our business unit and segment margin analysis for the six months ended June 30, 2007 and 2006:

	As a Percentage of Sales		Increase / (Decrease)
	2007	2006	
Gross margin:			
ASG	5.1%	6.5%	(1.4)%
Axle	1.6	1.8	(0.2)
Driveshaft	6.3	11.2	(4.9)
Sealing	13.6	15.1	(1.5)
Thermal	10.4	17.0	(6.6)
Structures	6.2	3.5	2.7
HVTSG	9.1	7.4	1.7
Commercial Vehicle	5.3	3.9	1.4
Off-Highway	11.9	11.9	
Selling, general and administrative expenses:			
ASG	3.0%	3.6%	(0.6)%
Axle	2.1	2.4	(0.3)
Driveshaft	2.0	2.3	(0.3)
Sealing	6.5	6.5	
Thermal	4.9	3.7	1.2
Structures	1.8	1.7	0.1
HVTSG	3.2	3.4	(0.2)
Commercial Vehicle	3.6	3.3	0.3
Off-Highway	2.3	2.7	(0.4)
Gross margin less SG&A:*			
ASG	2.1%	2.9%	(0.8)%
Axle	(0.5)	(0.6)	0.1
Driveshaft	4.3	8.9	(4.6)
Sealing	7.1	8.6	(1.5)
Thermal	5.5	13.3	(7.8)
Structures	4.4	1.8	2.6
HVTSG	5.9	4.0	1.9
Commercial Vehicle	1.7	0.6	1.1
Off-Highway	9.6	9.2	0.4
Consolidated	1.5	0.2	1.3

* Gross margin less SG&A is a non-GAAP financial measure derived by excluding realignment charges, impairments and other income, net from the most closely related GAAP measure, which is income from continuing operations before interest, reorganization items and income taxes. We believe this non-GAAP measure is useful for an understanding of our ongoing operations because it excludes other income and expense items which are generally not expected to be part of our ongoing business. Certain reclassifications were made to conform 2006 to the 2007 reporting structures.

In ASG, gross margin less SG&A declined from 2.9% in the first six months of 2006 to 2.1% in the first six months of 2007. Each of the ASG segments except Axle experienced lower organic sales as compared to 2006 mostly due to lower production levels. This lower volume of unit sales without proportionate reduction in fixed costs reduced overall margins. In the Axle segment, net margins as a percent of sales improved by 0.1% from the first half of 2006. Pricing actions benefited margins by about $26. However, this benefit was largely offset by the adverse sales mix. The higher sales were mostly on newer programs with lower overall margins. As such,

these sales masked the sales reduction resulting from lower production levels on existing higher margin programs. Gross margin less SG&A in the Driveshaft segment was down significantly – 4.6%. The Mexican driveshaft operation that was acquired in mid-2006 generated losses of $6, in part due to start up costs associated with the transition of business from the U.S. Additionally, costs in the U.S. of closing Driveshaft's Bristol, VA operation and transferring the business to Mexico added another $2 of cost. This segment also sells to the commercial vehicle market, where production levels were down more significantly than in the light vehicle market. Further adding to the mix factor, margins on Driveshaft commercial vehicle sales are higher than on light vehicle sales. Margins in the Driveshaft operations have also been negatively impacted by new program launch costs, premium freight and other manufacturing inefficiencies. Partially offsetting the above margin reductions in Driveshaft was pricing action improvement of $8. In the Sealing segment, the margin reduction of 1.5% of sales was due principally to higher material costs for stainless steel and nickel. Higher raw material costs, most notably aluminum, also reduced margins in our Thermal segment. Margins in Thermal were also negatively impacted by the lower production levels, start-up costs associated with a new operation in Hungary and some new program launch costs. The Structures segment achieved year-over-year net margin improvement of 2.6%. More than offsetting the impact from lower sales was $34 of increased margin from pricing improvement and $9 from one-time program cost recoveries.

Gross margin less SG&A in HVTSG improved from 4.0% in the first six months of 2006 to 5.9% in the first six months of 2007. Commercial Vehicle net margins as a percent of sales improved 1.1% as the margin reduction associated with the lower production levels and loss of the trailer axle business was more than offset by pricing improvement, lower material costs and reduced SG&A. Price increases with certain major customers in this segment were implemented in the second half of 2006, with additional pricing improvement from the reorganization actions discussed in the "Business Strategy" section effectuated during this year's first six months. The year-over-year margin improvement from pricing amounted to $15. In the Off-Highway segment, the margin improvement of 0.4% of sales was due primarily to higher sales volume. Lower material costs improved margins, but this was largely offset by higher warranty cost.

Corporate expenses and other costs not allocated to the business units reduced gross margins less SG&A by 2.2% for the first six months of 2007 as compared to 3.7% in the same period in 2006, thereby contributing to the 1.3% improvement in consolidated gross margin less SG&A. Year-to-date 2006 expenses included $11 of pension settlement cost triggered by high levels of lump sum pension fund distributions and approximately $6 of higher costs associated with advisory and other fees incurred in connection with the arrangement of replacement financing and other projects which were discontinued with our bankruptcy filing in March 2006. The lower corporate and other expenses as a percent of sales in 2007 also resulted from manpower, employee benefits, and other cost reductions and net reductions to medical and long-term disability accruals in 2007.

Realignment charges

Realignment charges during the first six months of 2007 were primarily costs incurred in connection with the continuing manufacturing footprint optimization actions and $136 of costs relating to settlement of pension obligations in the U.K., both of which are described in the "Business Strategy" section.

Other income (expense)

The increase in other income is due primarily to currency transaction gains of $22 on foreign currency denominated intercompany loans designated in 2007 for repayment in the near-term through repatriation actions. Additionally, included in 2007 is $14 of gain from the sale of the trailer axle business and an expense of $11 associated with settling a contractual matter with an investor in one of our equity investments. See Note 17 to the financial statements in Item 1 of Part I for additional components of other income.

Interest expense

As a result of our Chapter 11 reorganization process, a substantial portion of our debt obligations are now subject to compromise. Effective with our filing for reorganization under Chapter 11, interest expense is no longer accrued on these obligations. The post-filing interest expense not recognized in the first six months of 2007 on these obligations amounted to $54, compared to $35 not recognized for this period in 2006.

Reorganization items

Reorganization items are primarily expenses directly attributed to our Chapter 11 reorganization process. See Note 3 to our financial statements in Item 1 of Part I of this report for a summary of these costs. Reorganization items recorded in the six months ended June 30, 2006 included debt valuation adjustments on pre-petition liabilities and underwriting fees related to the DIP Credit Agreement that were one-time charges associated with the initial phase of the reorganization. In the first half of 2007, in lieu of these one-time charges, the reorganization items consisted primarily of higher ongoing professional advisory fees due to an increased level of reorganization initiatives and the activities of the official committees appointed by the Bankruptcy Court.

Income tax benefit (expense)

As a result of the significant amount of OCI reported for the six months ended June 30, 2007, we recognized a U.S. tax benefit of $26 in continuing operations for the same period. (See Note 16 for additional information regarding the determination of this benefit.) The continuing inability to recognize tax benefits in the U.K. overshadowed this item as the substantial operating loss in the U.K., which included the $136 of charges related to the curtailment and subsequent settlement of pension plans, generated no tax effects. Accordingly, the tax expense of $18 is significantly less than the $47 of expected benefit derived by applying a marginal tax rate of 35%. The inability to recognize benefits in both the U.S. and the U.K. in 2006 was the primary reason that we recorded tax expense of $58 versus an expected benefit of $32 derived by applying a marginal tax rate of 35% to a pre-tax loss from continuing operations of $91 in the first half of 2006.

Discontinued Operations

In October 2005, our Board of Directors approved the divestiture of our engine hard parts, fluid products and pump products operations and we started to report these businesses as discontinued operations. The engine hard parts business was sold in March 2007, and the fluid products hose and tubing business was sold in July and August 2007. We expect the coupled fluid products business to be sold in the third quarter of 2007. We are continuing to pursue the sale of our pump products business.

The net sales and the income (loss) from discontinued operations of these businesses for the three and six months ended June 30, 2007 and 2006, aggregated by operating segment, are shown in the table below.

	Three Months Ended June 30,		Six Months Ended June 30,	
Sales	**2007**	**2006**	**2007**	**2006**
ASG				
Engine	$ 6	$ 175	$ 130	$ 354
Fluid	134	127	238	248
Pump	27	26	48	51
Total Discontinued Operations	$ 167	$ 328	$ 416	$ 653

	Three Months Ended June 30,		Six Months Ended June 30,	
Net income (loss)	**2007**	**2006**	**2007**	**2006**
ASG				
Engine	$ (7)	$ (16)	$ (63)	$ (19)
Fluid	1	8	(2)	(13)
Pump	(18)	2	(15)	1
Total ASG	(24)	(6)	(80)	(31)
Other	(4)	9	(4)	13
Total Discontinued Operations	$ (28)	$ 3	$ (84)	$ (18)

Since October 2005, we have adjusted the underlying net assets of the discontinued operations to their net fair value less cost to sell from time to time based on the profit outlook for these businesses, discussions with potential buyers and other factors impacting expected sale proceeds. Valuation adjustment charges for the six months ended June 30, 2007 of less than $1 relating to the fluid routing and pump businesses are reported as impairment. Valuation adjustment charges of $28 were recorded in the first quarter of 2006. The 2007 net loss in Engine includes a loss of $26 on the sale of the engine hard parts business. The second quarter 2007 net loss in Pump includes a charge of $17 for settlement of pension obligations in the U.K. (see Note 6).

Liquidity

During 2007, we have taken the following steps to ensure adequate liquidity for all of our operations for the expected duration of the Chapter 11 proceedings, including the funding of our restructuring initiatives.

- Increased the size of our DIP Credit Agreement;
- Negotiated settlements with the Retiree Committee and the IAM related to postretirement, non-union benefits;
- Sold our interest in GETRAG;
- Sold our engine hard parts and a portion of our fluid products businesses;
- Sold our trailer axle business; and
- Established a $225 five-year accounts receivable securitization program with respect to our European operations.

As a result of these actions, we believe that our liquidity will be adequate to finance our business through our emergence from bankruptcy.

The following table summarizes our global liquidity at June 30, 2007 (excluding the European accounts receivable securitization program established in July 2007):

Cash	$ 1,001
Less:	
Deposits supporting obligations	(94)
Cash in less than wholly-owned subsidiaries	(78)
Available cash	829
Additional cash availability from:	
Lines of credit in the U.S. and Canada	294
Letters of credit from these lines allowing additional international borrowing	43
Total global liquidity	$ 1,166

A summary of the changes in cash and cash equivalents for the six months ended June 30, 2007 and 2006 is shown in the following tables:

Cash flow summary:	2007	2006
Cash and cash equivalents at beginning of period	$ 704	$ 762
Cash provided by (used in) operating activities	(152)	82
Cash provided by (used in) investing activities	264	(118)
Cash provided by financing activities	170	145
Increase in cash and cash equivalents	282	109
Impact of foreign exchange and discontinued operations	15	
Cash and cash equivalents at end of period	$ 1,001	$ 871

Operating activities:	2007	2006
Net loss	$ (225)	$ (154)
Depreciation and amortization	139	135
Charges related to divestitures and asset sales	(7)	46
Non-cash portion of U.K. pension charge	60	
Reorganization items, net	7	45
Payments to VEBAs for postretirement benefits	(27)	
Other	(35)	(39)
	(88)	33
Decrease (increase) in working capital	(64)	49
Cash flows provided by (used for) operating activities	$ (152)	$ 82

Cash of $152 was used by operating activities in the first six months of 2007 as compared to cash of $82 provided in the same period of 2006. We typically experience an increase in working capital during the first six months of the year due primarily to trade receivables being customarily lower at the end of the calendar year as our OEM customers' production levels are lighter during the holiday season. During the first half of 2007, receivables, as expected, increased by $223, which was one third of the increase in the first half of last year. The increases in the first half of this year and last year were offset primarily by increases in accounts payable, in part due to normal seasonality. The increase in payables during the first half of 2006 was larger by about $133 as the bankruptcy filing in March 2006 precluded the payment of a large portion of the pre-petition accounts payable. Inventory used cash of $21 in 2007 versus providing cash of $1 in 2006. Operating cash flow, exclusive of working capital, was lower in 2007 by $121, in large part due to a payment of $93 to settle pension obligations in the U.K and $27 of payments to VEBAs in connection with reorganization-related benefit reduction actions in the U.S.

Investing activities:	2007	2006
Purchases of property, plant and equipment	$ (94)	$ (182)
Proceeds from sale of businesses	305	
Proceeds from sale of DCC assets and partnership interests	109	11
Proceeds from sale of other assets	7	28
Payments received on leases and loans	7	6
Increase in restricted cash	(88)	
Other	18	19
Cash flows provided by (used for) investing activities	$ 264	$ (118)

Divestitures of the engine hard parts business and the trailer axle business and the sale of our investment in GETRAG provided cash of $305 in the first six months of 2007. Proceeds from DCC investment-related actions generated $109. Expenditures for property, plant and equipment were lower than last year in part due to timing. Capital investment in last year's first six months was higher because we had delayed some expenditures from the second half of 2005. Although we expect the full year capital expenditures to be lower in 2007 than 2006, expenditures during the remainder of the year are expected to be at higher levels than in the first half in line with new program and manufacturing footprint optimization requirements. DCC cash is restricted by the Forbearance Agreement discussed in Note 2 to our financial statements in Item 1, Part I, and increased by $88 from year-end. DCC pays the forbearing noteholders following the end of each quarter.

Financing activities:	2007	2006
Net change in short-term debt	$ (28)	$ (555)
Proceeds from debtor-in-possession facility	200	700
Issuance (payment) of long-term debt		7
Other	(2)	(7)
Cash flows provided by financing activities	$ 170	$ 145

During the first six months of 2007, we borrowed an additional $200 under the DIP Credit Agreement. We also borrowed GBP 35 ($67) under a short-term financing arrangement in the U.K. to facilitate the restructuring of our pension obligations. The proceeds from this U.K. borrowing were placed in escrow and were used to satisfy the settlement payment in April 2007. During the second quarter of 2007, GBP 30 ($57) was repaid. In the first six months of 2006, we borrowed $700 under the DIP Credit Agreement in connection with our bankruptcy filing. These proceeds were used in part to repay obligations under our previous bank facility and an accounts receivable securitization program.

Financing Activities

Cash and Cash Equivalents

At June 30, 2007, cash and cash equivalents held in the U.S. amounted to $378. Included in this amount was $72 of cash deposits that provide credit enhancement for certain lease agreements and support surety bonds that enable us to self-insure our workers' compensation obligations in certain states and fund an escrow account required to appeal a judgment rendered in Texas. Cash held by DCC of $103 is restricted under the terms of the Forbearance Agreement discussed in Note 2 to our financial statements in Item 1, Part I and is reported separately as restricted cash.

At June 30, 2007, cash and cash equivalents held outside the U.S. amounted to $623. Included in this amount was $22 of cash deposits that provide credit enhancement for certain lease agreements and support surety bonds that enable us to self-insure certain employee benefit obligations. These deposits are not considered restricted cash as they could be replaced by letters of credit under our DIP Credit Agreement (discussed in Note 13 to our financial statements in Item 1, Part I). Availability at June 30, 2007 was adequate to cover the deposits for which replacement by letters of credit is permitted.

A substantial portion of our non-U.S. cash and cash equivalents is needed for working capital and other operating purposes. Several countries have local regulatory requirements that significantly restrict the ability of the Debtors to access this cash. In addition, at June 30, 2007, $78 was held by consolidated entities that have minority interests with varying levels of participation rights involving cash withdrawals. Beyond these restrictions, there are practical limitations on repatriation of cash from certain countries because of the resulting tax cost.

Intercompany Loans

Certain of our international operations had intercompany loan obligations to the U.S. totaling $615 at June 30, 2007. These intercompany loans resulted (i) from certain international operations having received cash or other forms of financial support from the U.S. to finance their activities, (ii) from U.S. entities transferring their ownership in certain entities in exchange for intercompany notes, and (iii) from certain entities having declared a dividend in kind in the form of a note payable. Debtor loans of $197 to our international operations denominated in foreign currency are no longer considered permanently invested. Accordingly, foreign exchange gains on losses on these loans are reported in other income (expense) rather than being recorded in other comprehensive income as translation gain or loss.

European Accounts Receivable Securitization

In July 2007, certain European subsidiaries of Dana entered into definitive agreements to establish a receivable securitization program. The agreements include a Receivables Loan Agreement with GE Leveraged Loans Limited (GE) that provides for a five-year accounts receivable securitization facility under which the euro equivalent of approximately $225 in financing will be available to those European subsidiaries. The proceeds from the sales of the transferred receivables will principally be reinvested in our European businesses, including the repayment of intercompany debt.

DIP Credit Agreement

Dana Corporation, as borrower, and its Debtor subsidiaries, as guarantors, are parties to the DIP Credit Agreement that was approved by the Bankruptcy Court in March 2006. Under the DIP Credit Agreement, we currently have a $650 revolving credit facility and a $900 term loan facility. In the first quarter of 2007, the original term loan facility was increased by $200 and we reduced the original revolving credit facility by $100 to correspond with the lower availability in our collateral base. For a discussion of the terms of the DIP Credit Agreement, see Note 10 to our consolidated financial statements in Item 8 of our 2006 Form 10-K.

At June 30, 2007, we had borrowed $900 under the DIP Credit Agreement and, based on our borrowing base collateral, had availability of $236 after deducting the $100 minimum availability requirement and $237 for outstanding letters of credit. All obligations under the DIP Credit Agreement will become due and payable no later than March 2008. We expect to

refinance these obligations as part of our plan of reorganization. However, since refinancing these obligations on a long-term basis is not presently assured, we have classified the borrowings under the DIP Credit Agreement as a current liability at June 30, 2007.

Canadian Credit Agreement

Dana Canada and certain of its Canadian affiliates are parties to the Canadian Credit Agreement. The Canadian Credit Agreement provides for a $100 revolving credit facility, of which $5 is available for the issuance of letters of credit. At June 30, 2007, $2 was utilized under the facility for the issuance of letters of credit and there were no borrowings. Dana Canada must maintain a minimum availability of $20 under the Canadian Credit Agreement. Based on Dana Canada's borrowing base collateral, at June 30, 2007, it had availability of $58 after deducting the $20 minimum availability requirement and $2 for currently outstanding letters of credit.

United Kingdom Financing

In February 2007, we announced the restructuring of pension liabilities in the U.K. As a result of the underlying agreement, we recorded $8 of pension curtailment cost as a realignment charge in the first quarter of 2007. In April 2007, our U.K. subsidiaries settled their continuing pension plan obligations through a cash payment of $93 and the transfer of a 33% equity interest in our remaining U.K. axle and driveshaft operating businesses to the plan. Concurrent with the cash payment and equity transfer, we recorded a pension settlement charge of $128 as a realignment charge in continuing operations and $17 in discontinued operations for the portion of the charge attributed to these businesses.

In connection with the restructuring of our U.K. pension obligations (see Note 6 to our financial statements in Item 1 of Part I), we borrowed GBP 35 ($67) under a short-term interim bank loan. As of June 30, 2007, a balance of GBP 5 ($10) remains outstanding.

Post-emergence Financing

On August 1, 2007, the Bankruptcy Court entered an order authorizing the Debtors to enter into a series of related agreements consisting of (i) settlement agreements with the UAW and USW providing terms for settling all outstanding issues between the Debtors and these unions related to the Bankruptcy Cases; (ii) a Plan Support Agreement with these unions, Centerbridge, and certain of Dana's unsecured creditors setting out the terms under which these parties will support the Debtors' plan of reorganization; and (iii) an Investment Agreement between Dana, Centerbridge, and a Centerbridge affiliate providing for Centerbridge to purchase $250 in Series A convertible preferred shares of reorganized Dana and qualified creditors of the Debtors (*i.e.*, creditors who meet specified criteria) to have an opportunity to purchase $500 in Series B convertible preferred shares on a pro rata basis, with Centerbridge purchasing up to $250 in Series B preferred shares that are not purchased by the qualified creditors. (See Note 19 to our financial statements in Item 1 of Part I for more information.) The proceeds from the sale of the preferred shares will be used in part to fund the VEBA trusts that will be established under the union settlement agreements. We have also agreed to file a plan of reorganization with the Bankruptcy Court incorporating the union settlement agreements and the foregoing equity investment commitments (or an alternative proposal acceptable to the UAW and USW) by September 3, 2007. If we fail to do so, Centerbridge may terminate the Investment Agreement and the unions may, under some circumstances, terminate the union settlement agreements or their collective bargaining agreements. In addition, if our plan of reorganization does not become effective by February

28, 2008, individual supporting creditors may withdraw their support and if it does not become effective by May 1, 2008, the Plan Support Agreement will expire.

In addition, the Bankruptcy Court order authorizing our entry into these agreements established a schedule and procedures under which we will consider potential alternatives to the investments contemplated with Centerbridge under the Investment Agreement. The schedule contemplates that any alternate investment proposals will be received and considered by specific dates during August through October 2007.

Cash Obligations

We are obligated to make future cash payments in fixed amounts under various agreements. These include payments under our long-term debt agreements, rent payments under operating lease agreements and payments for equipment, other fixed assets and certain raw materials under purchase agreements. In the second quarter of 2007, there were no significant changes in the cash obligations reported in Item 7 of our 2006 Form 10-K.

Impact of Our Bankruptcy Filing

During our Chapter 11 reorganization proceedings, most actions against us relating to pre-petition liabilities are automatically stayed. Substantially all of our pre-petition liabilities will be addressed under our plan of reorganization or pursuant to orders of the Bankruptcy Court.

Class Action Lawsuit and Derivative Actions

By order dated June 14, 2007 (as amended on June 18, 2007), the U.S. District Court for the Northern District of Ohio denied lead plaintiff's motion in the consolidated securities class action *Howard Frank v. Michael J. Burns and Robert C. Richter* for an order partially lifting the statutory discovery stay which would have enabled the plaintiff to obtain copies of certain documents produced to the SEC. The Court still has under consideration the defendants' motion to dismiss the *Frank* action. By order dated July 13, 2007, the Court dismissed the class action claims asserted by the plaintiff in the shareholder derivative action *Roberta Casden v. Michael J. Burns, et al.,* and entered a judgment closing the case.

SEC Investigation

We are continuing to cooperate with the SEC in its investigation with respect to matters related to the restatement of our financial statements for the first two quarters of 2005 and fiscal years 2002 through 2004.

Legal Proceedings Arising in the Ordinary Course of Business

We are a party to various pending judicial and administrative proceedings arising in the ordinary course of business. These include, among others, proceedings based on product liability claims and alleged violations of environmental laws. We have reviewed these pending legal proceedings, including the probable outcomes, our reasonably anticipated costs and expenses, the availability and limits of our insurance coverage and surety bonds 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 adverse effect on our liquidity, financial condition or results of operations.

Asbestos-Related Product Liabilities

We had approximately 72,000 active pending asbestos-related product liability claims at June 30, 2007, including approximately 6,000 claims that were settled but awaiting final documentation and payment. We project costs for asbestos-related product liability claims using the methodology that is discussed in Note 17 to our consolidated financial statements in Item 8 of our 2006 Form 10-K. We had accrued $138 for indemnity and defense costs for pending and future claims at June 30, 2007.

Prior to 2006, we reached agreements with some of our insurers to commute policies covering asbestos-related product liability claims. There were no commutations of insurance in the second quarter of 2007. At June 30, 2007, our liability for future demands under prior commutations was $11, bringing our total recorded liability for asbestos-related product liability claims to $149.

At June 30, 2007, we had recorded $71 as an asset for probable recovery from our insurers for pending and projected asbestos-related product liability claims. The recorded asset does not represent the limits of our insurance coverage, but rather the amount we would expect to recover if we paid the accrued indemnity and defense costs.

In addition, we had a net amount recoverable from our insurers and others of $17 at June 30, 2007. The recoverable represents reimbursements for settled asbestos-related product liability claims, including billings in progress and amounts subject to alternate dispute resolution proceedings with some of our insurers.

Other Product Liabilities

We had accrued $10 for non-asbestos product liabilities at June 30, 2007, with no recovery expected from third parties. We estimate these liabilities based on assumptions about the value of the claims and about the likelihood of recoveries against us derived from our historical experience and current information.

Environmental Liabilities

We had accrued $59 for environmental liabilities at June 30, 2007. We estimate these liabilities based on the most probable method of remediation, current laws and regulations and existing technology. Our estimates are made on an undiscounted basis and exclude the effects of inflation. If there is a range of equally probable remediation methods or outcomes, we accrue the lower end of the range. The difference between our minimum and maximum estimates for these liabilities was $1 at June 30, 2007. Included in this accrual are amounts relating to the Hamilton Avenue Industrial Park site in New Jersey, where we are one of four potentially responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act (Superfund).

Other Liabilities Related to Asbestos Claims

After the Center for Claims Resolution (CCR) discontinued negotiating shared settlements for asbestos claims for its member companies in 2001, some former CCR members defaulted on the payment of their shares of some settlements and some settling claimants sought payment of the unpaid shares from other members of the CCR at the time of the settlements, including Dana. Through June 30, 2007, we had paid $47 to such claimants and collected $29 from our insurance carriers with respect to these claims. At June 30, 2007, we had a net receivable of $13 for the amount that we expect to recover from available insurance and surety bonds relating to these claims. We are continuing to pursue insurance collections with respect to such claims paid prior to the Filing Date.

Assumptions Regarding Asbestos-Related Liabilities

The amounts we have recorded for asbestos-related liabilities and recoveries are based on assumptions and estimates reasonably derived from our historical experience and current information. The actual amount of our liability for asbestos-related claims and the effect on us could differ materially from our current expectations if our assumptions about the outcome of the pending unresolved asbestos-related product liability claims, the volume and outcome of projected future asbestos-related product liability claims, the outcome of claims relating to the CCR-negotiated settlements, the costs to resolve these claims, or the amount of available insurance and surety bonds prove to be incorrect, or if U.S. federal legislation impacting asbestos personal injury claims is enacted. Although we have projected our liability for future asbestos-related product liability claims based upon historical trend data that we consider to be reliable, there is no assurance that our actual liability will not differ from what we currently project.

Critical Accounting Estimates

Except as discussed below, our critical accounting estimates for purposes of the financial statements in this report are the same as those discussed in Item 7 of our 2006 Form 10-K.

Tax Rates

For purposes of preparing our interim financial statements, we utilize an estimated annual effective tax rate for ordinary items that is re-evaluated each period based on changes in the components used to determine the annual effective rate.

Retiree Benefits

Under SFAS No. 158, we record on the balance sheet any unfunded liabilities associated with defined benefit pension and other postretirement obligations, as well as any assets exceeding plan obligations.

We use several key assumptions to determine our obligations, funding requirements and expense for our defined benefit retirement plans. These key assumptions include the long-term estimated rate of return on plan assets and the interest rate used to discount the pension obligations. In connection with amending our pension plans for U.S. non-union employees during the second quarter of 2007, we remeasured the assets and liabilities of these plans using updated assumptions. Our assumptions for other plans were last revised in December 2006.

Expense of medical and life insurance benefits provided to U.S. retired employees under postretirement benefit plans will also be impacted by changes in our assumptions. The discount rate used to value these liabilities at the end of 2006 was 5.86%.

Two actions necessitated the remeasurement of U.S. postretirement medical benefits – the elimination of retiree medical benefits for non-union employees on March 31, 2007 and the agreement with the Retirement Committee on behalf of U.S. non-union retirees in May 2007, which eliminated postretirement medical benefits in exchange for funding a retiree-sponsored VEBA. The discount rate used for remeasurement was 5.9%.

As discussed in the “Business Strategy” section, we have reached agreements with our U.S. union employees on similar actions to utilize union-sponsored VEBAs to eliminate postretirement medical benefits and to freeze future benefit accruals under defined benefit pension plans. While approved by the Bankruptcy Court by an order entered on August 1, 2007, these actions will generally not be effective until our emergence from bankruptcy. As such, we do not expect to remeasure the assets and liabilities associated with these plans until emergence from bankruptcy.

Our international defined benefit pension plans and postretirement benefit programs cover substantially fewer employees and the impact of changes in key assumptions would not be of the same magnitude as that on the domestic plans. The ultimate impact on our financial condition and results of operations of estimates used in valuing the U.S. and international pension and postretirement programs will depend on the actual assumptions used for interest rates, discount rates, health care trend rates, and other factors.

Long-lived Asset and Goodwill Impairment

We perform periodic impairment analyses on our long-lived assets (such as property, plant and equipment, carrying amount of investments, and goodwill) whenever events and circumstances indicate that the carrying amount of such assets may not be recoverable. The recoverability of long-lived assets is determined by comparing the forecasted undiscounted net cash flows of the operations to which the assets relate to their carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, the long-lived assets (excluding goodwill) are written down to fair value, as determined based on discounted cash flows or other methods providing best estimates of value. In assessing the recoverability of goodwill recorded by a reporting unit, we make projections regarding estimated future cash flows and other factors affecting the fair value of the reporting unit. By their nature, these assessments require significant estimates. Since the assessment completed in connection with the filing of our financial statements on 2006 Form 10-K, there have not been any significant events or developments requiring additional assessment.

Asset impairments often result from significant actions like the discontinuance of customer programs and facility closures. In the “Business Strategy” section, we discuss a number of reorganization initiatives that are in process or planned, which include customer program evaluations and manufacturing footprint assessments. While at present no final decisions have been made which require further asset impairment recognition, future decisions in connection with the reorganization initiatives could result in future asset impairment losses.

Impairments are possible if there is significant deterioration in our projected cash flows. Our cash flows could be reduced due to customer production cutbacks, our inability to increase prices to customers or reduce prices from suppliers or delays in implementing cost reduction and operating efficiencies. Our Axle and Structures segments in ASG have significant business with

domestic automobile manufacturers and are presently at the greatest risk of future impairment of their long-lived assets should they be unable to meet their forecasted cash flow targets.

Liabilities Subject to Compromise

Pre-petition obligations relating to matters such as contract disputes, litigation and environmental remediation are evaluated to determine whether a potential liability is probable. If probable, an assessment, based on all information then available, is made of whether the potential liability is estimable. A liability is recorded when it is both probable and estimable. In a case where there is a range of estimates which are equally probable, a liability is generally recorded using the low end of the range of estimates. In connection with the bankruptcy reorganization process, there are attempts to settle claims relating to these pre-petition matters. As such, the likelihood of settlement and potential settlement outcomes are considered in evaluating whether potential obligations are probable and estimable.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various types of market risks, including fluctuations in foreign currency exchange rates, adverse movements in commodity prices for products we use in our manufacturing and adverse changes in interest rates. To reduce our exposure to these risks, we maintain risk management controls to monitor these risks and take appropriate actions to attempt to mitigate such risks. There have been no material changes to the market risk exposures discussed in Item 7A of our 2006 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that the information disclosed in the reports we file with the SEC under the Securities Exchange Act of 1934, as amended (Exchange Act) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate, to allow timely decisions regarding required disclosure.

Based on the continued existence of the material weaknesses discussed in Item 9A of our 2006 Form 10-K, management, including our CEO and CFO, has concluded that our disclosure controls and procedures were not effective as of June 30, 2007.

For more information about the material weaknesses, their impact on our disclosure controls and procedures and our internal control over financial reporting, and the actions we have taken or are planning to take to remediate them, see Item 9A of our 2006 Form 10-K and Item 4 of our first quarter 2007 Form 10-Q. In addition, as described in Note 16 to the financial statements in Item 1 of Part I, we reported two out-of-period adjustments related to income taxes. Management has concluded that the material weakness described in our Annual Report on Form 10-K for the year ended December 31, 2006 related to effective controls around the completeness and accuracy of certain accruals also extends to income tax accruals.

Changes in Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP.

With the participation of our CEO and CFO, our management evaluates any changes in our internal control over financial reporting that occurred during each fiscal quarter that materially affected, or are reasonably likely to affect, such internal control.

During the second quarter of 2007, we took the following actions. Management believes that these changes have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

- In continuing to strengthen our financial and accounting organization's ability to support our financial accounting and reporting needs, we:
  - Conducted separate multi-day controllers meetings in North and South America focusing on US GAAP accounting (including specific topics such as revenue recognition, fixed assets and contingencies), internal controls and accounting for

certain key financial transactions (such as asset impairment, inventory valuation and account reconciliation).

- Updated and communicated enhanced corporate policies and procedures regarding account reconciliations and inventory accounting.
- Reduced the number of open financial positions, and maintained vigorous recruiting and hiring efforts in spite of an extremely challenging environment.
- Made significant progress toward consolidating numerous business processes, such as billing, accounts payable, inventory costing and general accounting, in HVTSG in North America.
- Made progress towards the consolidation of the accounts payable process within ASG in North America.
- Continued to use qualified supplemental resources in specific corporate accounting areas.

- To increase our monitoring of our overall financial and information technology control environment, we:
  - Shortened the criteria for the timeliness of control deficiency remediation to 30 days.
  - Implemented criteria to evaluate the quality of key financial controls and personnel (including account reconciliations, control ownership compliance and financial account analysis).
  - Improved the manner by which we monitor control deficiencies and remediation efforts, including timeliness.
- In addressing our ability to improve our segregation of duties over financial transaction processes, we developed, and are utilizing as part of the internal audit process, programs to evaluate potential segregation of duties conflicts for the major North American critical business application systems.
- Additionally, we fully implemented the enhanced *Standards of Business Conduct*, which was revised during the first quarter 2007.

Turnover in our Finance and Information Technology functions, which we attribute to the uncertainty surrounding the reorganization process, continued in the second quarter of 2007. We are addressing the situation through reassignment of internal resources, recruitment of additional qualified personnel and the utilization of temporary resources.

CEO and CFO Certifications

The Certifications of our CEO and CFO that are attached to this report as Exhibits 31-A and 31-B include information about our disclosure controls and procedures and internal control over financial reporting. These Certifications should be read in conjunction with the information contained in this Item 4 and in Item 9A of our 2006 Form 10-K and Item 4 of our first quarter 2007 Form 10-Q for a more complete understanding of the matters covered by the Certifications.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Dana Corporation and forty of its wholly owned subsidiaries are operating under Chapter 11 of the Bankruptcy Code. Under the Bankruptcy Code, the filing of the petitions for reorganization automatically stayed most actions against the Debtors, including most actions to collect on pre-petition indebtedness or to exercise control over the property of the bankruptcy estates. Substantially all of our pre-petition liabilities will be addressed under our plan of reorganization, if not otherwise addressed pursuant to orders of the Bankruptcy Court.

As discussed in Note 14 to our financial statements in Item 1 of Part I, our CEO and former CFO are parties to a pending pre-petition securities class action and we are a party to various pending judicial and administrative proceedings that arose in the ordinary course of business (including both pre-petition and subsequent proceedings). We are also cooperating with a formal investigation by the SEC with respect to matters related to the restatement of our financial statements for the first two quarters of 2005 and fiscal years 2002 through 2004.

After reviewing the currently pending lawsuits and proceedings (including the probable outcomes, reasonably anticipated costs and expenses, availability and limits of our insurance coverage and surety bonds and our established reserves for uninsured liabilities), we do not believe that any liabilities that may result are reasonably likely to have a material adverse effect on our liquidity, financial condition or results of operations.

ITEM 1A. RISK FACTORS

We discussed a number of risk factors that could adversely affect our business, financial condition and results of operations in Item 1A of our 2006 Form 10-K. There have been no material changes in most of the risk factors previously disclosed.

However, two previously reported risks have diminished or been eliminated:

- We have substantially completed the divestiture of our non-core fluid products business and there is little risk that we will not complete the remainder of this divestiture. We are continuing to pursue the sale of our non-core pump products business and, while there is no assurance that we will be successful in this endeavor, we would not expect our profitability and cash flow to be materially impacted if we do not complete the sale of this business.
- The settlement agreements with the IAM, the UAW and the USW that are discussed elsewhere in this report (the latter two of which are conditioned upon the timely filing and confirmation of our plan of reorganization and our timely emergence from bankruptcy) will, if implemented, resolve our collective bargaining and cost savings issues with our U.S. unionized employees. Although we expect to obtain the above benefits from the union settlement agreements, under certain circumstances involving termination of the Centerbridge investment commitments, these agreements may not be implemented. While we have not yet commenced negotiations with our Canadian unionized employees, we expect to be able to renegotiate our Canadian collective bargaining agreements on satisfactory terms.

In addition, in the second quarter of 2007, we identified a new bankruptcy-related risk factor:

Our emergence from bankruptcy may be jeopardized if we are unable to file and obtain confirmation of our plan of reorganization on the timetable that we currently anticipate

We have agreed to file a plan of reorganization with the Bankruptcy Court that comports with the requirements of the Bankruptcy Code and incorporates the union settlement agreements and the equity investment commitments (or an alternative proposal acceptable to the UAW and USW) discussed in Notes 2 and 19 to our financial statements in Item 1 of Part I and in the MD&A in Item 2 of Part I by September 3, 2007, the deadline for our period of exclusivity to file a plan of reorganization. If we fail to do so, Centerbridge may terminate the Investment Agreement and the unions may, under some circumstances, terminate the union settlement agreements or their collective bargaining agreements. In addition, after the exclusivity period, other parties may file plans of reorganization for the Debtors. If our plan of reorganization does not become effective by February 28, 2008, individual supporting creditors may withdraw their support and if it does not become effective by May 1, 2008, the Plan Support Agreement will expire.

ITEM 6. EXHIBITS

The Exhibits listed in the “Exhibit Index” are filed or furnished with this report.

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 thereunto duly authorized.

Dana Corporation
(Registrant)

Date: August 9, 2007

/s/ Kenneth A. Hiltz
Kenneth A. Hiltz
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description	Method of Filing or Furnishing
10-W	Agreement to Purchase Assets and Stock by and between Orhan Holding, A.S. and Dana Corporation, dated as of March 28, 2007	Filed with this report
10-W(1)	First Amendment to Agreement to Purchase Assets and Stock by and between Orhan Holding, A.S. and Dana Corporation, dated as of June 5, 2007	Filed with this report
10-X	Asset Purchase Agreement by and between Coupled Products Acquisition LLC and Dana Corporation, dated as of May 28, 2007	Filed with this report
10-Y	Executive Bonus Agreement between Dana Corporation and Ralf Gõttel, entered into on June 14, 2007	Filed with this report
10-Z(1)	Receivables Loan Agreement dated 18 July 2007, between Dana Europe Financing (Ireland) Limited, as Borrower; Dana International Luxembourg SARL, as Servicer and as Performance Undertaking Provider; the persons from time to time party thereto as Lenders; and GE Leveraged Loans Limited, as Administrative Agent	Filed with this report
10-Z(2)	Master Schedule of Definitions, Interpretation and Construction dated 18 July 2007, between Dana Europe Financing (Ireland) Limited; Dana International Luxembourg SARL; the Originators; GE Leveraged Loans Limited; GE FactorFrance SNC; Dana Europe S.A., the Lenders; and certain other parties	Filed with this report
10-Z(3)	Performance and Indemnity Deed dated 18 July 2007, between Dana International Luxembourg SARL, as Performance Undertaking Provider; the Intermediate Transferor; Dana Europe Financing (Ireland) Limited, as Borrower; GE Leveraged Loans Limited, as Administrative Agent; and other secured parties	Filed with this report
31-A	Rule 13a-14(a)/15d-14(a) Certification by Chief Executive Officer	Filed with this report
31-B	Rule 13a-14(a)/15d-14(a) Certification by Chief Financial Officer	Filed with this report

Exhibit No.	Description	Method of Filing or Furnishing
32	Section 1350 Certifications	Furnished with this report

Exhibit 10-W

AGREEMENT TO PURCHASE ASSETS AND STOCK

by and between

ORHAN HOLDING, A.S.,

and

DANA CORPORATION

Dated as of March 28, 2007

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

AGREEMENT TO PURCHASE ASSETS AND STOCK

AGREEMENT TO PURCHASE ASSETS AND STOCK, dated as of March 28, 2007 (this "***Agreement***"), by and between Orhan Holding, A.S., an *anonim sirket* organized under the laws of the Republic of Turkey ("***Orhan***"), and Dana Corporation, a corporation organized under the laws of the Commonwealth of Virginia ("***Dana***").

As of the Closing Date in accordance with Section 1.1(a), the following Persons will become additional parties to this Agreement: Dana Spicer Europe Ltd., a limited company organized under the laws of England and Wales ("***DSE***"); Thermal Products France, a "société par actions simplifiée" with its registered office located at ZI de Guiscard, rue du Lieutenant Gabriel Lalanne, 60640 Guiscard, registered with the Registry of Commerce and Companies of Compiègne under the number 341 206 183 ("***TPF***"); EFMG, LLC, a limited liability company organized under the laws of the Commonwealth of Virginia ("***EFMG***"); PTG Mexico S. de R.L. de C.V., a corporation organized under the laws of Mexico ("***PTG Mexico***"); PTG Servicios S. de R.L. de C.V., a corporation organized under the laws of Mexico ("***PTG Servicios***"); and Hose & Tubing Products, Inc., a corporation organized under the laws of the Commonwealth of Virginia ("***H&T***", together with DSE, TPF, EFMG and PTG Mexico, the "***Selling Affiliates***"; the Selling Affiliates together with Dana, the "***Sellers***" and, each individually a "***Seller***").

As of the Closing Date in accordance with Section 1.1(b), one or more Subsidiaries of Orhan designated by Orhan as purchasers hereunder (the "***Purchasing Affiliates***"), if any, will become additional parties to the Agreement (the Purchasing Affiliates, together with Orhan, the "***Purchasers***").

RECITALS

WHEREAS, each of the Selling Affiliates is a Subsidiary of Dana, and the Sellers are, among other things, engaged in the business known within Dana as the Fluid Products Group business;

WHEREAS, each of the Sellers wishes to transfer all of its interest in the FPG Business to the relevant Purchaser and to provide the representations, warranties, and indemnities set forth herein with respect to such Seller's interest in the relevant part of the FPG Business on a several (but not a joint) basis, and Orhan wishes, directly or through Purchasing Affiliates, to acquire all such interests;

WHEREAS, Dana conducts the FPG Business through:

(i) Dana's wholly-owned Subsidiary Nobel Plastiques, SAS, a "société par actions simplifiée" with its registered office located at Le Technoparc, 1 rue Gustave Eiffel, 7300 Poissy, registered with the Registry of Commerce and Companies of Versailles under the number 453 570 806 ("***Nobel***"), which further conducts the FPG Business through its wholly-owned Subsidiary Nobel Plastiques Iberica S.A., a "sociedad anónima" with its registered office located at "Avenida Barcelona, numero 18, Sant Joan Despi, 08970 Barcelona, Spain", registered with the Registry of Commerce ("Registro de Mercantil") of Barcelona under the number "NIF A — 58835083" on June 14th, 1989 ("***Nobel Iberica***"), and its 50%-

owned joint ventures Nobel Teknik France SAS and Nobel Teknik A.S., and which is in the process of forming a new wholly-owned Subsidiary (the "***China Subsidiary***") for purposes of conducting the FPG Business in China;

(ii) Dana's 50%-owned joint venture Orda Automotive, A.S.;

(iii) Dana's wholly-owned Subsidiary Dana Fluid Products Slovakia, S.R.O.;

(iv) those certain Purchased Assets located in Birmingham, United Kingdom, owned by Dana's wholly-owned Subsidiary DSE;

(v) those certain Purchased Assets located in Archbold, Ohio owned by Dana's wholly-owned Subsidiary H&T;

(vi) those certain Purchased Assets located in Paris, Tennessee owned by Dana;

(vii) those certain Purchased Assets located in Rochester Hills, Michigan owned by EFMG;

(viii) those certain Purchased Assets located in San Luis Potosi, Mexico owned by H&T and PTG Mexico (DSE, EFMG, PTG Mexico and H&T, together with Dana, the "***Asset Selling Entities***" and individually, an "***Asset Selling Entity***"); and

(ix) Current Employees of PTG Servicios;

WHEREAS, Orhan directly owns a 50% interest in (i) Nobel Teknik France SAS; (ii) Nobel Teknik A.S.; and (iii) Orda Automotive, S. (Orda Automotive, A.S., Nobel Teknik France SAS and Nobel Teknik A.S. collectively, the "***JV Acquired Companies***");

WHEREAS, Nobel, Nobel Iberica and Dana Fluid Products Slovakia, S.R.O. are referred to collectively as the "***Non-JV Acquired Companies***" and the JV Acquired Companies together with the Non-JV Acquired Companies are each referred to as an "***Acquired Company***" and collectively as the "***Acquired Companies***";

WHEREAS, upon the terms and subject to the conditions herein and in order to transfer the FPG Business, each of the Asset Selling Entities shall assign and transfer to the applicable Purchaser, and Orhan shall, or shall cause the applicable Purchasing Affiliate to, purchase and acquire from the applicable Asset Selling Entity, all right, title and interest of such Asset Selling Entity in and to the relevant Purchased Assets and Orhan shall, and shall cause the applicable Purchasing Affiliate to, assume the relevant Assumed Liabilities;

WHEREAS, upon the terms and subject to the conditions herein and in order to transfer the FPG Business, Dana and TPF (collectively, the "***Stock Selling Entities***") each shall sell and transfer to the applicable Purchasing Affiliate, and Orhan shall, or shall cause the applicable Purchaser to, purchase and acquire from the applicable Stock Selling Entity, all of the right, title and interest of such Stock Selling Entity in and to the relevant Purchased Shares;

WHEREAS, Dana and its NMD joint venture partner have agreed to carry out the dissolution and liquidation of NMD in accordance with Mexican Law, and Dana and Orhan intend to deal with the disposition of the NMD joint venture interest and NMD-related assets located in San Luis Potosi, Mexico as provided herein; and

WHEREAS, Dana and certain of its Subsidiaries that are Sellers and are identified on Exhibit A hereto (collectively, the ***"Debtors"***), together with certain other Subsidiaries of Dana, have filed voluntary petitions initiating cases under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (each, a "***Case***" and together, the "***Cases***") and intend that the transactions contemplated by this Agreement shall be implemented through the filing of the Sale Motion, subject to better and higher bids, pursuant to Section 363 of the Bankruptcy Code seeking approval of the transactions contemplated by this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

THE PURCHASE AND SALE

Section 1.1. Purchasers and Sellers.

(a) Dana shall, and shall cause each of the other Sellers to, make all notifications, applications, and requests necessary to obtain the corporate or other authority, and to comply with all requirements of applicable Law, required to enable such Seller to lawfully enter into and become obligated as a Seller under and subject to the terms and conditions of this Agreement (as to each Seller, the ***"Seller Authorization"***). Dana shall cause such Seller to execute and deliver a counterpart of this Agreement after obtaining the Seller Authorization applicable to such Seller, whereupon such Seller shall become a party hereto effective as of the Closing Date. As provided in Articles VIII and IX, the obligations of Orhan and the other Purchasers, on the one hand, and of Dana and the other Sellers, on the other hand, to consummate the transactions contemplated by this Agreement, are subject to, among other things, all of the Sellers entering into and becoming parties to this Agreement in accordance with this Section 1.1(a).

(b) The parties acknowledge and agree that Orhan contemplates identifying and designating one or more Subsidiaries as Purchasing Affiliates to acquire the Purchased Shares and the Purchased Assets and to assume the Assumed Liabilities and otherwise perform the obligations of Purchasers under and subject to the terms and conditions of this Agreement. To the extent that Orhan chooses to do so, Orhan will, before the Closing Date, identify and designate one or more of its Subsidiaries as Purchasing Affiliates hereunder by giving to Dana written notice to such effect, which notice will identify each such Purchasing Affiliate and the Purchased Shares or Purchased Assets that such Purchasing Affiliate is to acquire hereunder. Orhan shall cause each such Purchasing Affiliate to execute and deliver a counterpart of this

Agreement on the Closing Date, whereupon such Purchasing Affiliate shall become a party hereto effective as of the Closing Date.

Section 1.2. Purchase and Sale of Shares.

On the terms and subject to the conditions set forth herein, at the Closing:

(a) Dana shall sell and deliver, and Orhan shall, or shall cause the applicable Purchaser to, purchase, acquire and accept from Dana all of the issued and outstanding capital stock or other equity interests owned by Dana of: (i) Orda Automotive, A.S.; and (ii) Dana Fluid Products Slovakia, S.R.O.; and

(b) TPF shall, and Dana shall cause TPF to, sell and deliver, and Orhan shall, or shall cause the applicable Purchaser to, purchase, acquire and accept from TPF all of the issued and outstanding capital stock owned by TPF of Nobel, with all rights attached to such capital stock, including, but not limited to all rights to dividends distributed after the Closing Date.

The issued and outstanding capital stock and other equity interests described in this Section 1.2 are referred to as the "***Purchased Shares***".

Section 1.3. Purchase and Sale of the Purchased Assets.

On the terms and subject to the conditions set forth herein, at the Closing, each Asset Selling Entity shall, and Dana shall cause each such Asset Selling Entity to, sell, assign, transfer, convey and deliver to the applicable Purchaser, and Orhan shall, or shall cause the applicable Purchaser to, purchase, acquire and accept from such Asset Selling Entity, all of such entity's right, title and interest in, to and under the following assets, properties, rights, Contracts and claims of such entity, in each case, primarily related to such Asset Selling Entity's part of the FPG Business (each such part of the FPG Business a "***Relevant ASE Business***" and collectively, the "***ASE Business***") whether tangible or intangible, real, personal or mixed (such assets of the ASE Business, excluding the Excluded Assets, the "***Purchased Assets***"):

(a) (i) the Owned Real Property and (ii) the Real Property Leases;

(b) all machinery, equipment, furniture, vehicles, tools, tooling and other tangible personal property primarily related to the FPG Business, including, without limitation, the items set forth on Schedule 1.3(b) (the "***Purchased Equipment***");

(c) all inventories and supplies of raw materials, works-in-process, finished goods, spare parts, supplies, storeroom contents and other inventoried items wherever located;

(d) all trade accounts and other receivables arising out of the sale or other disposition of goods or services, including, without limitation, those trade accounts and other receivables reflected on the Financial Statements;

(e) all rights in, to and under all Contracts of the Debtor Asset Selling Entities, including, without limitation, the Contracts listed on Schedule 1.3(e) (collectively, the "***Debtor Contracts***" and each, individually, a "***Debtor Contract***");

(f) all rights in, to and under the Retention Agreements listed on Schedule 1.3(f) (collectively, the "***Assumed Retention Agreements***" and each, individually, an "***Assumed Retention Agreement***");

(g) all rights in, to and under the Non-Debtor Contracts;

(h) the Intellectual Property identified on Schedule 1.3(h), all associated know-how, all rights to enforce and to past and future damages for the infringement of any such Intellectual Property, and all goodwill of the FPG Business associated with any Trademarks included in such Intellectual Property (the "***Purchased Intellectual Property***");

(i) subject to Section 11.2, and other than Tax Returns and related work papers and items set forth in 1.4(h), all books, records, files, papers, disks, manuals, keys, reports, plans, catalogs, sales and promotional materials, and all other printed and written materials, to the extent available;

(j) the Permits (to the extent permitted by applicable Law to be transferred and subject to any required consents);

(k) all deferred and prepaid charges for utilities and similar operational services and requirements, other than those that relate to any Excluded Asset;

(l) all rights under or pursuant to all warranties, representations and guarantees, whether express or implied, made by suppliers, manufacturers, contractors and other third parties with respect to any of the Purchased Assets, other than any of the foregoing that primarily relate to any Excluded Asset or Excluded Liability;

(m) all claims, defenses causes of action, causes of action, rights of recovery, rights of set off, and rights of recoupment listed on Schedule 1.3(m);

(n) the software listed on Schedule 1.3(n), in accordance with the terms of Section 4.22; and

(o) those receivables, loans and investments constituting Transferred Intercompany Receivables.

Section 1.4. Excluded Assets.

The parties expressly understand and agree that the Purchased Assets shall not include, and no Asset Selling Entity is selling, assigning, transferring or conveying to any Purchaser, any right or title to or interest in, any of the following assets, properties, rights, Contracts and claims, whether tangible or intangible, real, personal or mixed (collectively, the "***Excluded Assets***"):

(a) all cash, cash equivalents, bank deposits, investment accounts, lockboxes, certificates of deposit, marketable securities or similar cash items, of such Asset Selling Entity;

(b) subject to Section 10.1 through 10.4, any assets of an Employee Benefit Plan other than an Acquired Company Benefit Plan, including, any trusts, insurance arrangements or other assets held pursuant to, or set aside to fund the obligations of each Asset Selling Entity or its Affiliates under, any such Employee Benefit Plan, and any data and records (or copies thereof) required to administer the benefits of Business Employees under any such Employee Benefit Plan;

(c) any and all insurance policies, binders and claims and rights thereunder and the proceeds thereof and all prepaid insurance premiums;

(d) subject to Section 7.7, all right, title and interest of each Asset Selling Entity and its Affiliates in all Intellectual Property other than Purchased Intellectual Property (the "***Excluded Intellectual Property***");

(e) all tangible personal property disposed of or consumed in the ordinary course of business between the date hereof and the Closing Date as permitted by this Agreement;

(f) the assets, Real Property Leases and Contracts of the Asset Selling Entities listed on Schedule 1.4(f);

(g) all rights and incidents in, to and under any Retention Agreements other than Assumed Retention Agreements;

(h) any books, records and other materials that any Asset Selling Entity or any of its Affiliates is required by Law to retain all Tax Returns (subject to Section 15.5) and related work papers and all "***Dana***" marked sales and promotional materials and brochures (subject to Section 7.7);

(i) all claims, counterclaims, defenses, causes of action, choses in action or claims of any kind relating primarily to either Excluded Assets or Excluded Liabilities;

(j) all assets, business lines, properties, rights, Contracts and claims of any Asset Selling Entity not primarily related to the FPG Business, wherever located, whether tangible or intangible, real, personal or mixed;

(k) except as set forth in Section 1.3(a), all assets associated with facilities related to the FPG Business which have ceased operations prior to the date hereof;

(l) all refunds, credits, prepayments or deferrals of or against any Excluded Taxes;

(m) except for Transferred Intercompany Receivables, all intercompany receivables, loans and investments (i) between any Asset Selling Entity, on the one hand, and any other Seller or any of its Affiliates, on the other hand, or (ii) required to be settled in accordance with Section 6.7;

(n) any and all notes receivable listed on Schedule 1.4(n);

(o) any and all causes of action arising under Sections 510, 544 through 550 and 553 of the Bankruptcy Code or under similar state laws; and

(p) except as set forth in Section 1.3(m), or otherwise arising from the Purchased Intellectual Property, all claims, defenses, causes of actions, choses in action, rights of recovery, rights of set off and rights of recoupment.

Section 1.5. Assumed Liabilities in respect of Purchased Assets.

Subject to the effect of the Approval Order, at the Closing, Orhan shall, and shall cause the applicable Purchaser acquiring Purchased Assets from an Asset Selling Entity to, assume and be liable for, and Orhan shall, and shall cause such applicable Purchaser to, become responsible to pay, perform and discharge, only the following obligations and Liabilities of such Asset Selling Entity related to the Relevant ASE Business, whether known or unknown, fixed or contingent, asserted or unasserted (collectively, and excluding the Excluded Liabilities, the "***Assumed Liabilities***"):

(a) all Liabilities of such Asset Selling Entity relating primarily to the FPG Business and arising exclusively on or after the Closing Date, except for Excluded Liabilities and Liabilities arising from the claims listed on the Closing Claims Schedule;

(b) all Liabilities under the Contracts arising exclusively on or after the Closing Date, plus payment of the Cure Costs;

(c) except as set forth in Sections 10.1 through 10.4, (i) all Liabilities arising out of the employment of the Transferred Employees owed to the Transferred Employees and their dependents and their beneficiaries, including, but not limited to, obligations for salaries, wages, profit-sharing plans, annual bonuses, any other form of compensation accrued prior to, but payable after, the Closing Date, and accrued but not taken vacation, personal days and floating holidays, sick pay and any other leave of the Transferred Employees, and (ii) Liabilities relating to, arising out of or resulting from any collective bargaining agreement covering the Transferred Employees; and (iii) the Liabilities of Asset Selling Entities relating to the Transferred Employees for severance, separation or notice payments under any Debtor Contract, any policy or practice or under the Assumed Retention Agreements, in the case of this clause (iii), arising after the Closing Date.

(d) any and all Liabilities, claims, demands, expenses or commitments of the Debtor Asset Selling Entities primarily related to the ASE Business arising after the filing by the Debtors of the Cases, including without limitation:

(i) accounts and trade payables of the Debtor Asset Selling Entities related to the Relevant ASE Business; and

(ii) Liabilities of the Debtor Asset Selling Entities related to the Relevant ASE Business for utility, telephone and other utility services and goods;

(e) all other Liabilities of the FPG Business reflected on the Closing Statement of Net Assets;

(f) all Liabilities that Orhan or any other Purchaser has assumed or agreed to pay for or be responsible for pursuant to this Agreement and the other Operative Documents;

(g) all Liabilities for claims made on or after the Closing Date for any return, rebate, recall, warranty or similar claims with respect to products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business, other than those described on the Closing Claims Schedule;

(h) all Liabilities for claims made on or after the Closing Date for death, personal injury, other injury to persons or property damage relating to, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business (including asbestos and any such Liabilities for negligence, strict liability, design or manufacturing defect, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose or use), other than those described on the Closing Claims Schedule;

(i) all Liabilities relating to, resulting from, caused by or arising out of, workers' compensation, occupational health and safety, occupational disease, occupational injury, or similar workplace issues to the extent involving or relating to Transferred Employees;

(j) all Liabilities relating to, resulting from, caused by or arising out of toxic tort or Environmental Law (including the presence, removal or remediation of mold, formaldehyde insulation or asbestos in buildings or building interiors or elsewhere, and exposure to asbestos containing materials or friable asbestos, and release of Hazardous Material, including Liabilities arising under CERCLA and RCRA) and that are directly or indirectly related to the FPG Business or any assets or property (including the Purchased Assets, the Owned Real Property) used, manufactured, sold, leased, owned or operated, or services performed, in connection with the ASE Business including those that constitute, may constitute or are alleged to constitute a tort, breach of contract or violation of, or non-compliance with, any Law or Permit; *provided*, *however*, that Purchasers shall not assume such Liabilities for property leased to any Purchaser by any Seller or any of such Seller's Affiliates to the extent such Liabilities are attributable to acts or omissions that occurred prior to the Closing;

(k) all Liabilities arising out of Legal Proceedings relating to, or arising out of, or resulting from, the FPG Business or the use, manufacture, sale, ownership, lease and operation or disposition of any of the Purchased Assets, other than and excluding those Legal Proceedings described in Schedule 4.16; and

(l) those payables and Liabilities constituting Transferred Intercompany Receivables.

Section 1.6. Excluded Liabilities in respect of Purchased Assets.

It is expressly understood and agreed that there shall be excluded from the Liabilities being assumed by the Purchasing Affiliates hereunder the following Liabilities of the Asset Selling Entities (collectively, the "***Excluded Liabilities***"):

(a) the debt and other Liabilities, including any interest or other amounts in connection therewith, listed on Schedule 1.6(a);

(b) all Liabilities for which any Asset Selling Entity is expressly made responsible pursuant hereto or under any Transition Agreement;

(c) all Liabilities of the Asset Selling Entities not expressly assumed;

(d) all Excluded Taxes;

(e) fees, expenses, indemnification obligations and other Liabilities owed by Sellers to their respective advisors, including Miller Buckfire & Co., LLC, on account of the acquisition advisory services provided to Sellers by such advisors in connection with the transactions contemplated hereby;

(f) except for Transferred Intercompany Receivables, all intercompany payables, loans and investments (i) between any Asset Selling Entity, on the one hand, and any Seller or any of its Affiliates, on the other hand, or (ii) required to be settled in accordance with Section 6.7;

(g) all Chapter 11 Expenses and other expense associated with the Cases, unless expressly assumed by any Purchaser under this Agreement or any of the other Operative Documents;

(h) all Liabilities for claims made prior to the Closing Date for any return, rebate, recall, warranty or similar claims with respect to products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business, and all such Liabilities with respect to claims made on or after the Closing Date described on the Closing Claims Schedule;

(i) all Liabilities for claims made prior to the Closing Date for death, personal injury, other injury to persons or property damage relating to, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business (including asbestos and any such Liabilities for negligence, strict liability, design or manufacturing defect, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose or use), and all such Liabilities with respect to claims made on or after the Closing Date described on the Closing Claims Schedule;

(j) all Liabilities of any Asset Selling Entity arising out of those Legal Proceedings described in Schedule 4.16;

(k) all Liabilities arising under any Employee Benefit Plan, except as expressly otherwise provided in Section 1.5 and Article X; and

(l) all Liabilities with respect to which the Purchased Assets are being sold free and clear under the Approval Order.

Section 1.7. Product Liability, Recall and Warranty Claims, Legal Proceedings.

(a) Schedule 1.7 (the ***"Closing Claims Schedule"***) sets forth a true and complete description of the following: (i) events, acts and omissions of which Sellers have Knowledge that are reasonably expected to result in Liabilities for return, rebate, recall, warranty or similar claim with respect to products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business with respect to which no claim has been made (or as to which one or more claims have been made but further claims are reasonably expected to be made); (ii) events, acts and omissions of which Sellers have Knowledge that are reasonably expected to result in Liabilities for death, personal injury, other injury to persons or property damage relating to, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business (including asbestos and any such Liabilities for negligence, strict liability, design or manufacturing defect, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose or use) with respect to which no claim has been made; and (iii) events, acts and omissions of which Sellers have Knowledge that are reasonably expected to result in Legal Proceedings to be instituted, brought or commenced relating to, or arising out of, or resulting from, the FPG Business or the use, manufacture, sale, ownership, lease and operation or disposition of any of the Purchased Assets.

(b) At the Closing, the Sellers shall deliver, or shall cause to be delivered, to Orhan and the Applicable Purchaser an updated Closing Claims Schedule including a description of the following: (i) any additional events, acts or omissions that would reasonably be expected to result in Liabilities for return, rebate, recall, warranty or similar claim with respect to products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business with respect to which no claim has been made prior to the Closing Date (or as to which one or more claims have been made but further claims are reasonably expected to be made on or after the Closing Date) but as to which Seller has Knowledge on the Closing Date; (ii) any additional events, acts or omissions that would reasonably be expected to result in Liabilities for death, personal injury, other injury to persons or property damage relating to, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business (including asbestos and any such Liabilities for negligence, strict liability, design or manufacturing defect, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose or use) with respect to which no claim has been made prior to the Closing Date but as to which Seller has Knowledge on the Closing Date; and (iii) any additional events, acts or omissions occurring prior to the Closing that would reasonably be expected to result in Legal Proceedings to be instituted, brought or commenced relating to, or arising out of, or resulting from, the FPG Business or the use, manufacture, sale, ownership, lease and operation or disposition of any of the Purchased Assets as to which Seller has Knowledge on the Closing Date.

(c) Each Seller of a Non-JV Acquired Company shall, and Dana shall cause each such Seller to, assume and retain responsibility for all Liabilities of such Non-JV Acquired Company for (i) any return, rebate, recall, warranty or similar claim with respect to products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business for which any claims have been made prior to the Closing Date (or for which one or more claims have been made but further claims are reasonably expected to be made on or after the Closing Date); (ii) for death, personal injury, other injury to persons or property damage relating to, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products (or any part or component thereof) designed, manufactured, serviced or sold, or services performed, by the FPG Business (including asbestos and any such Liabilities for negligence, strict liability, design or manufacturing defect, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose or use) for which claims have been made prior to the Closing Date; (iii) those Legal Proceedings described in Schedule 4.16; and (iv) matters described in clauses (i), (ii) and (iii) hereof with respect to claims made on or after the Closing Date, or, in the case of Legal Proceedings, instituted, brought or commenced on or after the Closing Date, to the extent described on the Closing Claims Schedule.

(d) As between the applicable Seller and the applicable Purchaser, responsibility for the management after Closing of proceedings relating to matters for which the Seller is responsible pursuant to Section 1.6(h) and Section 1.7(c)(i) shall be as designated and described in the Closing Claims Schedule. All proceedings relating to matters for which a Seller is responsible pursuant to Section 1.6(i), Section 1.7(c)(ii) or Section 1.7(c)(iii) shall be managed in accordance with Section 12.4.

(e) All Liabilities of the JV Acquired Companies, including those arising from or in connection with (i) any return, rebate, recall, warranty or similar claim with respect to products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business; (ii) any death, personal injury, other injury to persons or property damage relating to, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products (or any part or component thereof) designed, manufactured, serviced or sold by the FPG Business (including asbestos and any such Liabilities for negligence, strict liability, design or manufacturing defect, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose or use); and (iii) Legal Proceedings, shall remain the responsibility of the JV Acquired Companies.

ARTICLE II

CONSIDERATION

Section 2.1. Amount and Form of Consideration.

The consideration to be paid by Purchasers to Sellers, in full consideration of the Purchased Shares and the Purchased Assets shall consist of:

(a) U.S.$70 million (the "***Initial Cash Consideration***") in immediately available funds, subject to adjustment as set forth in Section 2.3 (the Initial Cash Consideration,

as adjusted, the "***Final Cash Consideration***"), to be paid in the manner and at the time set forth in Section 2.2; and

(b) the assumption by Orhan or the applicable Purchasers of the Assumed Liabilities.

Section 2.2. Payment of Cash Consideration.

The Initial Cash Consideration shall be paid as follows:

(a) within three (3) Business Days after the date hereof, in accordance with the Deposit Agreement (the form of which is attached as Exhibit B hereto, the "***Deposit Agreement***"), Orhan will wire transfer in immediately available funds to The Bank of New York, as deposit agent (the "***Deposit Agent***"), an amount equal to 10 percent (10%) of the Initial Cash Consideration in U.S. Dollars (such amount, together with the interest accrued thereon, the "***Deposit Amount***"), to be held in an interest-bearing account by the Deposit Agent and to be distributed in accordance with the terms of the Deposit Agreement.

(b) at the Closing, Orhan shall, or shall cause the applicable Purchasers to, pay, by wire transfer of immediately available funds in U.S. Dollars, an amount equal to (i) the Initial Cash Consideration, less (ii) the Deposit Amount, plus (iii) any applicable VAT or other Transfer Taxes that are the responsibility of Orhan or the applicable Purchasers in accordance with Section 15.9 (but, only to the extent that any Seller will be required by applicable Law to make a payment of such VAT or Transfer Taxes), to an account or accounts designated by Sellers, such designation to be made in writing at least three (3) Business Days prior to the Closing Date. If any requirements of Law require that any portion of the Initial Cash Consideration payable to Sellers must be paid in a currency other than United States Dollars, Purchasers shall pay such portion at the Closing, by wire transfer of immediately available funds in such other currency, based on the exchange rate as published in *The Wall Street Journal* two (2) Business Days prior to the Closing Date.

Section 2.3. Post-Closing Adjustment.

(a) "***Net Working Assets of the European Business***" as of any date shall mean the amount calculated by subtracting the Liabilities described in Schedule 2.3(a) from the assets described in Schedule 2.3(a), in each case for the Non- JV Acquired Companies and the ASE Business associated with the Birmingham, England facility. "***Net Working Assets of the NA Business***" as of any date shall mean the amount calculated by subtracting the Liabilities described in Schedule 2.3(a) from the assets described in Schedule 2.3(a), in each case for the ASE Business associated with the Archbold, Ohio, Paris, Tennessee, and San Luis Potosi II, Mexico facilities.

(b) As promptly as practicable, but in any event within 90 days following the Closing, Dana, at its sole cost and expense, will prepare and deliver to Orhan (i) a statement of Net Working Assets of the European Business as of the Closing Date (as such may be adjusted following resolution of disputes in accordance with Section 2.3(c), the "***Closing Statement of European Net Assets***") and a calculation of the Net Working Assets European Adjustment derived from the Closing Statement of European Net Assets, and (ii) a statement of Net Working

Assets of the NA Business as of the Closing Date (as such may be adjusted following resolution of disputes in accordance with Section 2.3(c), the "***Closing Statement of NA Net Assets***") and a calculation of the Net Working Assets NA Adjustment derived from the Closing Statement of NA Net Assets (the Closing Statement of European Net Assets and the Closing Statement of NA Net Assets, collectively, the "***Closing Statements of Net Assets***"). The Closing Statements of Net Assets and the calculation of the Net Working Assets Adjustments derived from the Closing Statements of Net Assets shall (i) be prepared on a basis consistent with the preparation of the Statement of Net Assets, and (ii) be prepared in accordance with Modified GAAP. During the preparation of the Closing Statements of Net Assets, and the 90 day period for dispute resolution under this Section 2.3(b), Orhan shall, and shall cause the Purchasing Affiliates and Acquired Companies to: (i) provide Dana and its authorized representatives with full access to all relevant books, records, facilities and employees of the FPG Business to the extent reasonably necessary to prepare the Closing Statements of Net Assets, and (ii) cooperate fully with Dana and its authorized representatives, including by providing on a timely basis all information to the extent necessary or useful in preparing the Closing Statements of Net Assets and calculating the Net Working Assets Adjustments.

(c) Following receipt by Orhan of the Closings Statement of Net Assets and the Net Working Assets Adjustments, Orhan will be afforded a period of 30 days (the "***Review Period***") to review the Closing Statements of Net Assets and the Net Working Assets Adjustments. Orhan shall be deemed to have accepted the Net Working Assets Adjustments unless, prior to the expiration of the Review Period, Orhan shall deliver to Dana a detailed written explanation of those items in the Net Working Assets Adjustments that Orhan disputes. The Net Working Assets Adjustments, to the extent not affected by such disputed items, will be deemed to be accepted, and the items identified by Orhan shall be deemed to be in dispute. Within a further period of 30 days from the end of the Review Period, Dana and Orhan will attempt to resolve in good faith any disputed items. Failing such resolution, the unresolved disputed items will be referred for final binding resolution to a nationally recognized certified public accounting firm mutually acceptable to Dana and Orhan (the "***Independent Auditors***"). Such unresolved disputed items shall be as determined by the Independent Auditors within 30 days in accordance with Modified GAAP applied on a basis consistent with the preparation of the Statement of Net Assets. One-half of the cost of the Independent Auditors shall be paid by Orhan and one-half by Dana. The decision of the Independent Auditors shall not be subject to appeal or challenge for any reason (other than gross negligence, fraud or willful misconduct). The definitive Closing Net Working Assets and Net Working Assets Adjustment shall be the Closing Net Working Assets and Net Working Assets Adjustment, as applicable, agreed to (or deemed to be agreed to) by Orhan and Dana or as determined by the Independent Auditors, as the case may be, in accordance with the terms of this Section 2.3(c). Other than those provisions set forth in this Section 2.3(c) relating to the resolution of certain matters by the Independent Auditors, nothing herein shall constitute an agreement among the parties to submit disputes under this Agreement to arbitration.

(d) For purposes hereof, the upper range for Net Working Assets of the European Business is U.S.$26,775,000 (the "***European Upper Range***") and the lower range for Net Working Assets of the European Business is U.S.$24,225,000 (the "***European Lower Range***"). The upper range for Net Working Assets of the NA Business is U.S.$14,010,000 (the

"***NA Upper Range***") and the lower range for Net Working Assets of the NA Business is U.S.$11,590,000 (the "***NA Lower Range***").

(e) "***Closing European Net Working Assets***" is an amount equal to the Net Working Assets of the European Business as calculated and finalized in accordance with this Section 2.3 from the Closing Statement of European Net Assets. "***Closing NA Net Working Assets***" is an amount equal to the Net Working Assets of the NA Business as calculated and finalized in accordance with this Section 2.3 from the Closing Statement of NA Net Assets.

(f) "***Net Working Assets European Adjustment***" shall be determined as follows: (i) if the Closing European Net Working Assets is equal to or greater than the European Lower Range but not greater than the European Upper Range, then the Net Working Assets European Adjustment will equal zero; (ii) if the Closing European Net Working Assets is more than the European Upper Range, then the Net Working Assets European Adjustment will be a positive amount equal to the amount of such excess; and (iii) if the Closing European Net Working Assets is less than the European Lower Range, then the Net Working Assets European Adjustment will be a negative amount equal to the absolute value of such difference. "***Net Working Assets NA Adjustment***" shall be determined as follows: (i) if the Closing NA Net Working Assets is equal to or greater than the NA Lower Range but not greater than the NA Upper Range, then the Net Working Assets NA Adjustment will equal zero; (ii) if the Closing NA Net Working Assets is more than the NA Upper Range, then the Net Working Assets NA Adjustment will be a positive amount equal to the amount of such excess; and (iii) if the Closing NA Net Working Assets is less than the NA Lower Range, then the Net Working Assets NA Adjustment will be a negative amount equal to the absolute value of such difference. The amount of the Net Working Assets European Adjustment and amount of the Net Working Assets NA Adjustment shall be aggregated, or netted, as the case may be, and such aggregate or net amount shall be the "***Net Working Assets Adjustment***."

(g) If the Net Working Assets Adjustment is a positive amount, (i) Orhan will pay the applicable Seller (as directed by Dana) the amount of the Net Working Assets Adjustment, together with interest thereon at the rate of 8.0% per annum from the Closing Date through the date of payment, such payment to be made within ten days after the final determination of the Net Working Assets Adjustment; *provided*, *however*, that, if payment is not made within such ten-day period, the applicable rate of interest shall be increased by 2% per month for the period from the day following such date through the date such payment is made.

(h) If the Net Working Assets Adjustment is a negative amount (i) Dana will pay Orhan the amount equal to the Net Working Assets Adjustment, together with interest thereon at the rate of 8.0% per annum from the Closing Date through the date of payment, such payment to be made within ten days after the final determination of the Net Working Assets Adjustment; *provided*, *however*, that, if any such payment is not made within such ten-day period, the applicable rate of interest shall be increased by 2% per month for the period from the day following such date through the date such payment is made.

Section 2.4. Allocation of Consideration.

Dana and Orhan have agreed to allocate the Initial Consideration (taking into account Assumed Liabilities to the extent they are included in the amount realized for income tax purposes) among the Sellers as set forth on Schedule 2.4(a) and in accordance with Code Section 1060. Prior to the Closing and consistent with Schedule 2.4(a) (including the allocation parameters set forth therein), Sellers and Orhan shall in good faith agree how to allocate the Initial Consideration (taking into account Assumed Liabilities to the extent they are included in the amount realized for income tax purposes) among the Purchased Shares and the Purchased Assets, and such agreement shall be set forth on a schedule to be attached to, and to become part of, this Agreement as Schedule 2.4(b). Orhan may initially propose the content of Schedule 2.4(b) and if Orhan does so, such proposal shall be subject to Sellers' review and reasonable objection, to be resolved by good-faith negotiations between Orhan and Sellers. Within 60 calendar days following the determination of the Final Consideration, Orhan and Sellers shall attempt in good faith to agree upon the allocation of the difference between the Initial Consideration and the Final Consideration among the Purchased Shares and the Purchased Assets (and among Dana and its Selling Affiliates that are selling Purchased Shares or Purchased Assets). The allocation of such difference shall take into account the item or items to which it is attributable and shall, to the extent such allocation is agreed by Orhan and Sellers, be reflected on a revised Schedule 2.4(b). In the event that Orhan and Sellers are unable to reach an agreement within such 60 calendar day period, the allocation of any disputed item or items shall be resolved within the next 30 calendar days by the Independent Auditors whose fees shall be borne equally by Orhan and Dana. Such determination by the Independent Auditors shall be binding on the parties and reflected on a revised Schedule 2.4(b). Except as otherwise required pursuant to a "determination" under Section 1313(a) of the Code (or any comparable provision of state, local or foreign Law), Orhan and Dana agree to act in accordance with the allocations contained in Schedule 2.4(b) for all Tax purposes and that neither of them will (or will permit its Affiliates to) take any position inconsistent therewith in any Tax Returns or similar filings (including IRS Form 8594 or any similar form required to be filed under state, local or foreign Law), any refund claim, litigation, or otherwise. Orhan and Dana agree to provide the others with any additional information reasonably required to complete IRS Form 8594 (or any similar form required to be filed under state, local or foreign Law) and with completed copies of such forms.

ARTICLE III

THE CLOSING

Section 3.1. Closing Date.

The closing of the transactions contemplated hereunder shall be considered part of a single closing (the "***Closing***") and shall take place at such places and times and on such date as may be mutually agreed upon by Orhan and Dana, but in no event later than the expiration of 30 days after all of the conditions precedent set forth in Article VIII and Article IX have been either satisfied or waived (such date, the "***Closing Date***"). No part of the Closing shall occur unless all other parts of the Closing occur concurrently. The Closing shall be deemed to have occurred a

of 12:01 a.m. (in each applicable time zone and jurisdiction) on the day immediately following the Closing Date.

Section 3.2. Deliveries by Sellers to Purchasers.

At the Closing, each Seller shall deliver, or cause to be delivered, to the Purchasers the following:

(a) duly executed counterparts of the Operative Documents to which it is or is to be a party;

(b) the documents and instruments set forth in Schedule 3.2 with respect to such Seller;

(c) a copy of the Approval Order;

(d) the updated Closing Claims Schedule in accordance with Section 1.7; and

(e) updated Schedules to this Agreement as applicable.

Section 3.3. Deliveries by Purchasers to Sellers.

At the Closing, Orhan shall, or shall cause each applicable Purchaser to, deliver, or cause to be delivered, to the applicable Sellers the following:

(a) the cash payment in the amount and manner provided in Section 2.2(b);

(b) duly executed counterparts of the Operative Documents to which it is or is to be a party; and

(c) the documents and instruments set forth in Schedule 3.3 with respect to such Purchaser.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLERS

As an inducement to Orhan and any other Purchasers to enter into this Agreement and to consummate the transactions contemplated hereby, Dana hereby represents and warrants to Orhan on the date hereof, and each Seller, severally and not jointly, hereby represents and warrants (with respect only to itself and to its Relevant ASE Business, Purchased Assets, Non-JV Acquired Company or Purchased Shares, as the case may be) to Orhan and any other Purchasers on the Closing Date, that:

Section 4.1. Organization and Qualification.

(a) Such Seller is an entity duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization and has the requisite entity power and authority to own or lease and operate its properties and to carry on, in all material

respects, its business as currently conducted. Such Seller is duly licensed or qualified to conduct its business and, if applicable, is in good standing under the laws of each jurisdiction in which the conduct of its business or the ownership of its properties requires such license or qualification, except where the failure to be so licensed or qualified or in good standing would not reasonably be expected to be material.

(b) The Non-JV Acquired Company being sold by such Seller is an entity duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization and has the requisite entity power and authority to own or lease and operate its properties and to carry on, in all material respects, its business as currently conducted. Such Non-JV Acquired Company is duly licensed or qualified to conduct its business and, if applicable, is in good standing under the laws of each jurisdiction in which the conduct of its business or the ownership of its properties requires such license or qualification, except where the failure to be so licensed or qualified or in good standing would not reasonably be expected to be material.

(c) No Non-JV Acquired Company has an interest in any corporation, partnership, limited liability company or other entity in which the liability of the members or partners is not limited to their ownership equity interest such as a *groupement d'intérêt économique*, a *société civile* or a *société en nom collectif*.

(d) With respect to Nobel and TPF:

(i) no order has been made and no resolution has been passed for the winding up of Nobel and TPF and no petition has been presented for the purposes of winding up of Nobel or TPF;

(ii) no administration order has been made and no petition or application for such an order has been made or presented and no administrator has been appointed and no procedure has been commenced with a view to the appointment of an administrator in respect of Nobel or TPF;

(iii) no receiver has been appointed in respect of TPF;

(iv) no request or declaration has been made with a view to the judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of Nobel or TPF, neither Nobel nor TPF is subject to any judicial or amicable procedure of bankruptcy, insolvency, receivership, winding-up or liquidation (whether voluntary or involuntary) or insolvent, or unable to pay its due debts with its available assets (*état de cessation des paiements*) nor has it stopped paying its debts as they fall due.

Section 4.2. Capital Structure of Non-JV Acquired Companies; Transferred JV Interests.

(a) The authorized capital stock or other equity interests of each of the Non-JV Acquired Companies and the number of shares of such capital stock or other equity interests that are issued and outstanding and any options or rights to acquire any such capital

stock as of the date hereof are as set forth on Schedule 4.2(a), and will be as set forth on Schedule 4.2(a) as updated as of the Closing Date, together with a statement of the corresponding Seller owning such shares or interests. Each such Seller directly owns and has good and valid title to all such Purchased Shares, free and clear of all Liens, other than Permitted Exceptions described in clause (a) of the definition thereof or set forth on Schedule 16.130 or Liens under the Seller Financing, and all such Purchased Shares have been duly and validly issued and are fully paid and non-assessable. Except as contemplated in connection with the assignment of intercompany receivables by Nobel to TPF as provided in Section 6.8, there are no contemplated operations on, or other planned changes to, the capital stock of the Non-Acquired Companies as of the date hereof.

(b) Schedule 4.2(b) sets forth the outstanding shares of capital stock or equity interests of each of the JV Acquired Companies held of record Dana and Nobel. Each of Dana and Nobel directly owns and has good and valid title to all the corresponding Transferred JV Interests, free and clear of all Liens, other than Permitted Exceptions described in clause (a) of the definition thereof or set forth on Schedule 16.130 or Liens under the Seller Financing.

Section 4.3. [Intentionally Omitted]

Section 4.4. Corporate Authorization.

(a) Each Seller that is not a Debtor has full entity power and authority to enter into, execute and deliver (or cause to be entered into, executed and delivered) this Agreement and each Operative Document and other document or instrument listed in Schedule 3.2 to which it is a party, and to perform (or cause to be performed) its obligations hereunder and thereunder.

(b) Each Seller that is a Debtor, upon entry of the Approval Order and subject to such Approval Order becoming a Final Order, will have full entity power and authority to enter into, execute and deliver (or cause to be entered into, executed and delivered) this Agreement and each Operative Document and other document or instrument listed in Schedule 3.2 to which it is a party, and to perform (or cause to be performed) its obligations hereunder and thereunder.

Section 4.5. Consents and Approvals.

Except as set forth in Schedule 4.5, and after giving effect to the entry of the Approval Order and subject to such Approval Order becoming a Final Order, no consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of any Seller or any Non-JV Acquired Company in connection with the execution and delivery of this Agreement and the other Operative Documents to which it is a party, the consummation of the transactions contemplated hereby and thereby or the compliance by each Seller with any of the provisions hereof or thereof applicable to it, except for (i) compliance with the applicable requirements of any competition or antitrust laws, including (x) the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder (the "***HSR Act***") and/or (y) Council Regulation (EC) No. 139/2004 of the European Union (the "***EC Regulation***"), and/or (z) such other antitrust authorities that may require notification and approval of the transaction, and (ii) other than those

described in clause (i) of this Section 4.5, such consents, waivers, approvals, Orders, Permits or authorizations of, or declarations or filings with, or notifications to, any Person or Governmental Body the failure of which to be received or made would not reasonably be expected to be material.

Section 4.6. Non-Contravention.

Upon entry of the Approval Order and subject to it becoming a Final Order, none of the execution and delivery by each Seller of this Agreement and the other Operative Documents to which it is a party, the consummation of the transactions contemplated hereby or thereby or compliance by such Seller with any of the provisions hereof or thereof will, subject to the receipt of the consents identified on Schedule 4.5: (i) result in the breach of any provision of the certificate or articles of incorporation, bylaws or similar organizational documents of such Seller or the applicable Non-JV Acquired Company; (ii) violate, result in the breach or termination of, or constitute (with or without notice or lapse of time or both) a default or give rise to any right of consent, cancellation, termination or acceleration or right to increase the obligations or otherwise modify the terms under any Contract the effect of which would materially adversely affect the Relevant ASE Business of such Seller or that portion of the FPG Business conducted by the applicable Non-JV Acquired Company; or (iii) constitute a violation of any Law applicable to such Seller or applicable Non-JV Acquired Company, except (A) for minor violations none of which are material individually or in the aggregate and (B) in the case of clause (ii), any violation, breach, termination, default, consent, cancellation or acceleration in any Contract disclosed in the Schedules hereto.

Section 4.7. Binding Effect.

Upon entry of the Approval Order and subject to it becoming a Final Order, this Agreement constitutes, and, when executed and delivered on the Closing Date, each of the and the other Operative Documents to which it is a party will constitute, a valid and legally binding obligation of each Seller, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether in equity or at law).

Section 4.8. Financial Statements.

Dana represents and warrants that Schedule 4.8 contains true and correct copies of the unaudited statement of net assets (the "***Statement of Net Assets***") of the FPG Business, as of December 31, 2006, and the unaudited statement of operating results of the FPG Business for the year ended December 31, 2006 (all such statements, collectively, the "***Financial Statements***"), that each of the Financial Statements has been prepared in accordance with Modified GAAP and that the Financial Statements were prepared on the basis of the books and records of the Asset Selling Entities and Stock Selling Entities, in each case, as the same relate to the FPG Business (in each case, as of the date of such Financial Statements) and present fairly, in all material respects, the financial condition of the FPG Business as of the dates thereof and the results of its operations for each of the periods then ended in conformity with Modified GAAP.

Section 4.9. Taxes.

Except as disclosed on Schedule 4.9:

(a) all Tax Returns required to be filed by or with respect to the Non-JV Acquired Companies and the Purchased Assets have been timely filed (taking into account extensions) and all such Tax Returns are complete and accurate, and more generally each Non-JV Acquired Company has complied with all Tax rules and regulations applicable to it;

(b) all Taxes shown to be due on such Tax Returns (or payable pursuant to any assessments with respect to such Tax Returns) have been or will be timely paid, except for any payments by the Debtors which have been stayed by the filing of the Cases under Section 362 of the Bankruptcy Code;

(c) there is no action, suit, investigation, audit, inquiry, claim or assessment current or pending with respect to Taxes of the Non-JV Acquired Companies, except for claims being pursued against the Debtors in the Cases. This representation refers only to actions, suits, investigations, audits, inquiries, claims or assessments of which the relevant Non-JV Acquired Company has been informed by the Tax authorities. To Seller's Knowledge, no such audits or inquiries are threatened. No Tax Liens (other than Permitted Exceptions) encumber the Non-JV Acquired Companies or the Purchased Assets;

(d) all amounts required to be withheld or collected for payment of Taxes by the Non-JV Acquired Companies, including from employee salaries, wages and other compensation, have been collected or withheld and, if due, paid to the appropriate taxing authorities;

(e) the Non-JV Acquired Companies are not bound by any Tax sharing or Tax allocation agreement or arrangement or Tax consolidation regime that will be effective after the Closing or that will have further effect after the Closing for any taxable year (other than any agreement exclusively between or among the Acquired Companies and other than the French Consolidated Tax Group Exit Agreement set forth in Exhibit L hereto);

(f) the profit-sharing (*contrats de participation et d'intéressement*), corporate savings (*plan d'épargne entreprise*), stock-options and other similar plans enjoyed by the employees of any Non-JV Acquired Company duly qualify for the purpose of the Tax and social exemptions normally applicable to them;

(g) no Non-JV Acquired Company shall incur any Tax burden as a result of the termination, subsequent to the Purchase and Sale of Shares, of any existing Tax sharing or Tax allocation agreement or arrangement or existing Tax consolidation regime applicable to it;

(h) no Non-JV Acquired Company has been made aware by its tax counsel (external or in-house) or auditors that a position it has taken on certain Tax matters is based on an interpretation of the Tax rules and regulations likely to be challenged by the Tax authorities; and

(i) no Non-JV Acquired Company has any obligation to hold any person harmless from or to indemnify any person against such person's Tax liabilities.

Section 4.10. Real Property.

(a) Each Asset Selling Entity and each Non-JV Acquired Company has good and marketable title to its respective Owned Real Properties as reflected on Schedule 4.10(a), free and clear of all Liens except Permitted Exceptions and Liens under the Seller Financing. Nobel has validly exercised its option to purchase the real property located in Vitry-le-François in accordance with the terms of the applicable finance lease (credit-bail), a deed of sale has been validly executed and all related costs and Taxes have been duly paid by Nobel;

(b) Each Asset Selling Entity and each Non-JV Acquired Company, has valid leasehold estates in each of the Leased Real Properties as reflected on Schedule 4.10(b) and, except as to the Leased Real Property located in Birmingham, U.K., has a valid and enforceable leasehold interest in such Leased Real Property, free and clear of all Liens encumbering such lessee's leasehold interest except Permitted Exceptions and Liens under the Seller Financing, but subject to all terms and conditions of the Real Property Leases and subject to any Liens encumbering the applicable lessor's title to the Leased Real Properties. As to the Leased Real Property located in Birmingham, U.K., Dana Automotive Limited has a valid leasehold estate in such Leased Real Property and has a valid and enforceable leasehold interest in such Leased Real Property and sole legal and beneficial title to such leasehold estate, free and clear of all Liens except Permitted Exceptions and Liens under the Seller Financing;

(c) Except for Permitted Exceptions and as otherwise set forth on Schedule 4.10(c), none of the Owned Real Properties, nor to Seller's Knowledge, the Leased Real Properties, is subject to any lease, sublease, license or other agreement granting to any other Person any right to the use or occupancy of such Owned Real Property or Leased Real Property or any part thereof;

(d) To Seller's Knowledge, each Real Property Lease is in full force and effect and is valid and enforceable against the applicable Asset Selling Entity or Non-JV Acquired Company and the lessor in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, whether in equity or at law), and there is no current default which cannot be cured under Section 365 of the Bankruptcy Code. No Non-JV Acquired Company that is party to a Real Property Lease has given notice in order to terminate any Real Property Lease. Article L.145-1 et seq. of the French Commercial Code applies to all Real Property Leases governed by French law entered into by Non-JV Acquired Companies and the Non-JV Acquired Companies have the right to renew such leases in accordance with article L.145-8 of the French Commercial Code. Each Non-JV Acquired Company that is a party to a Real Property Lease governed by French law has complied with all its obligations under the applicable Real Property Lease and holds a valid and enforceable right to the renewal of the Real Property Lease;

(e) To Seller's Knowledge, (i) each Non-JV Acquired Company and the Asset Selling Entities to the extent of the Relevant ASE Business, has all material Permits necessary

for the current use by it of each applicable Owned Real Property and Leased Real Property, and (ii) no material default or violation by the applicable Seller has occurred in the due observance of any such Permit;

(f) The real properties listed on Schedule 4.10(a) and Schedule 4.10(b), the real property owned by Sellers and leased to Purchasers following the Closing, and the real property located in Rochester Hills, Michigan, include all real properties owned or leased and currently used by each of the Non-JV Acquired Companies to carry out its business;

(g) To Seller's Knowledge, (i) there does not exist any actual or threatened condemnation or eminent domain proceedings or disputes, claims, actions or notices, that affect any Owned Real Property or Leased Real Property that is material to the FPG Business, and (ii) no Seller has received any written notice of breach of current or previous legislation or regulations that is material to the FPG Business or of the intention of any Governmental Body or other Person to take or use any Owned Real Property or Leased Real Property that is material to the FPG Business;

(h) The Sellers of the Owned Real Property located in the United States are not foreign persons within the meaning of Treasury regulation 1.1445-2(b)(2); and

(i) Each Asset Selling Entity has paid all sums due and has observed and performed the covenants and obligations on the part of the tenant and the conditions contained in the Real Property Leases.

Section 4.11. Tangible Personal Property.

(a) Each lease of personal property to which a Non-JV Acquired Company is a party or that is included in the Purchased Assets (i) requiring lease payments equal to or exceeding U.S.$100,000 per annum, or (ii) the loss of which would be material (all such leases collectively, the "***Personal Property Leases***") is in full force and effect and is valid and enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, whether in equity or at law). There is no default under any Personal Property Lease either by a Seller or, to Seller's Knowledge, by any other party thereto, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default by a Seller thereunder which cannot be cured under Section 365 of the Bankruptcy Code.

(b) The applicable Asset Selling Entity or Non-JV Acquired Company has good and valid title to each item of owned Purchased Equipment, free and clear of any and all Liens other than Permitted Exceptions or Liens under the Seller Financing.

Section 4.12. Intellectual Property.

(a) To Seller's Knowledge, there are no material Legal Proceedings instituted, commenced, pending or threatened in writing, that (i) challenge the rights of any Seller regarding the ownership of any of the Acquired Intellectual Property or are otherwise adverse to the use, registration, right to use, validity or enforceability of the Acquired Intellectual Property; or (ii)

assert that the operation of the FPG Business as conducted by any Seller is or was infringing or otherwise in violation of any Intellectual Property of any other Person;

(b) To Sellers Knowledge, the operation of the FPG Business does not infringe or misappropriate the Intellectual Property of any third party;

(c) After Closing, no Seller will own or control any Intellectual Property that is infringed by the operation of the FPG Business when operated by Purchasers in substantially the same manner as currently operated;

(d) To Seller's Knowledge, no Person is infringing or has misappropriated any of the Acquired Intellectual Property;

(e) Schedule 4.12(e) lists all licenses, Contracts, and other agreements pursuant to which any third party has licensed or granted to any Seller any rights or licenses to any Intellectual Property that is material to the operation of the FPG Business; except as identified on Schedule 4.12(e), no third party has any rights to any Acquired Intellectual Property, and all such licenses will survive the Closing and remain in full force and effect (in accordance with and subject to their terms) immediately following the Closing;

(f) Except as set forth in Schedule 4.12(f), no material breach or default by any Seller exists under any of the agreements listed on Schedule 4.12(e) and to Seller's Knowledge, no material breach or default by any other Party exists under any of the agreements listed on Schedule 4.12(e);

(g) At Closing, the Non-JV Acquired Companies will own free and clear of all Liens all the Acquired Company Intellectual Property. To Seller's Knowledge, none of the Persons who have worked internally or externally on the development of any Intellectual Property has infringed any third party rights on any Intellectual Property;

(h) All registration and/or renewal fees and taxes in respect of the registered Acquired Company Intellectual Property which are payable have been paid in the ordinary course of business in all jurisdictions where such Intellectual Property rights are registered;

(i) At Closing, the Non-JV Acquired Companies hold all necessary information to register the Patents and Trademarks of the Acquired Company Intellectual Property; and

(j) To Seller's Knowledge, (i) the Acquired Company Intellectual Property is valid and enforceable in each applicable jurisdiction; and (ii) no event has occurred which may result in its cancellation or avoidance.

Section 4.13. Contracts.

Schedule 4.13 sets forth a true, complete and correct list, as of the date hereof, of each of the following Contracts:

(a) any Non-JV Acquired Company Contract and any Asset Selling Entity Contract primarily related to the FPG Business not made in the ordinary course of business;

(b) any Non-JV Acquired Company Contract, and Asset Selling Entity Contract primarily related to the FPG Business or constitutes a binding commitment for, or sets forth any of the terms or conditions relating to, the employment or termination of employment of any officer or employee of any Non-JV Acquired Company or Asset Selling Entity employee with respect to the FPG Business whose basic annual compensation (excluding bonus on commission) is in excess of U.S.$50,000;

(c) any franchise, distributorship or sales agency agreement of any Non-JV Acquired Company or Asset Selling Entity with respect to the FPG Business involving annual payments in excess of U.S.$50,000;

(d) any Non-JV Acquired Company Contract and Asset Selling Entity Contract that is primarily related to the FPG Business for the purchase, or the sale, supply or provision, of materials, supplies, services, merchandise or equipment not capable of being fully performed or not terminable without penalty within a period of 60 calendar days and involving annual payments in excess of U.S.$50,000;

(e) any agreement for the purchase or sale of any shares of or interests in any Non-JV Acquired Company;

(f) any non-competition agreement of any Non-JV Acquired Company or Asset Selling Entity with respect to the FPG Business;

(g) any commitment of any Non-JV Acquired Company or Asset Selling Entity with respect to the FPG Business to make any capital expenditure or to purchase a capital asset in excess of U.S.$50,000;

(h) any Non-JV Acquired Company Contract for the creation or formation of a joint venture, partnership or limited liability company;

(i) any Non-JV Acquired Company Contract or any Asset Selling Entity Contract primarily related to the FPG Business relating to any indebtedness for borrowed money, guaranty, surety, line of credit or other loan or financing arrangement;

(j) any Non-JV Acquired Company Contract or any Asset Selling Entity Contract primarily related to the FPG Business setting forth terms and conditions of employment in a collective bargaining agreement;

(k) any Non-JV Acquired Company Contract or any Asset Selling Entity Contract primarily related to the FPG Business setting forth terms and conditions of employment in an agreement other than a collective bargaining agreement and providing for termination indemnities beyond mandatory provisions of applicable laws or of applicable collective bargaining agreements or similar instruments in the relevant jurisdictions; or

(l) any Non-JV Acquired Company Contract or any Asset Selling Entity Contract not otherwise described in clauses (a) through (k) above to which any Non-JV Acquired Company or any Asset Selling Entity is a party or is otherwise bound, which is material to such entity or the FPG Business;

in each case (a) through (l), material to the FPG Business (collectively, the "***Material Business Contracts***"). To Seller's Knowledge, (x) each Material Business Contract is in full force and effect and constitutes as of the date hereof the valid and legally binding obligation of each party thereto, enforceable in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether in equity or at law), and (y) there are no defaults under the Material Business Contracts on the part of any Non-JV Acquired Company or any Asset Selling Entity (and, with respect to TPF, there are no defaults that could constitute an invalid transfer from TPF to Nobel of the Material Business Contracts pertaining to the FPG Business pursuant to the contribution agreement dated in 2004 (*Apport Partiel d'Actifs*)) or any other party to the Material Business Contracts which cannot be cured under Section 365 of the Bankruptcy Code.

Section 4.14. Employee Benefits.

(a) Schedule 4.14(a) contains a complete and accurate list of each Seller Employee Benefit Plan maintained by any Asset Selling Entity with respect to the Transferred Employees or any Non-JV Acquired Company. Dana has made available to Orhan, to the extent applicable to any such Seller Employee Benefit Plan and within the responsibility of Dana, (i) a true and complete copy of the plan document (including all amendments and modifications thereto) and all related trust agreements, insurance contacts and other funding arrangements, (ii) the most recently filed United States Department of Labor Form 5500 series and all schedules thereto, (iii) the current summary plan description and all summary material modifications thereto as applicable, (iv) with respect to the Acquired Company Benefit Plans, to the extent applicable, the most recent actuarial reports, and (v) to the extent applicable, the most recent U.S. Internal Revenue Service determination letter with respect to each Seller Employee Benefit Plan.

(b) Each Acquired Company Benefit Plan has been maintained, operated and administered in compliance with its terms of applicable Law, except for any failure to comply that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Except as set forth in Schedule 4.14(c), there is no audit or investigation pending or, to Seller's Knowledge, threatened (other than routine qualification or registration determination filings) with respect to any Acquired Company Benefit Plan before any Governmental Body and no such audit or investigation has been threatened in writing.

(d) Other than claims by common law employees for benefits received in the ordinary course under an Acquired Company Benefit Plan, Sellers have no knowledge of any pending or threatened claim under an Acquired Company Benefit Plan made by any participating employee.

(e) With respect to any Acquired Company Benefit Plan, all contributions, premiums, expenses and other payments required to be made by any Asset Selling Entity with respect to the Transferred Employees or any Non-JV Acquired Company by the Closing Date have been made or will be made by the Closing Date.

(f) No Seller Employee Benefit Plan is a "multiemployer pension plan" as defined in Section 3(37) of ERISA, and no Asset Selling Entity or any of the Non-JV Acquired Companies is obligated to make contributions to a multiemployer pension plan on behalf of any Business Employee or Acquired Company Employee, except as described in Schedule 4.14(f). Neither any Asset Selling Entity nor any of the Non-JV Acquired Companies has incurred a complete withdrawal as this term is defined in Section 4203 of ERISA or a partial withdrawal as defined in ERISA Section 4205 from such multiemployer pension plan. To the Knowledge of Sellers, such multiemployer pension plan is not in reorganization status under ERISA Section 4241.

(g) No Asset Selling Entity or any of the Non-JV Acquired Companies is a party to any employment agreement, contract or other compensation or severance agreement with any FPG Business Employee providing for termination indemnities beyond mandatory provisions of applicable laws or of applicable collective bargaining agreements or similar instruments in the relevant jurisdictions, with the exception of the Retention Agreements or as described in Schedule 4.14(g).

(h) No payment of or benefit which will or may be made by any Asset Selling Entity or any of the Non-JV Acquired Companies with respect to any Business Employee who is a "disqualified individual" (as defined in Code Section 280G and the regulations thereunder) will be characterized as a "excess parachute payment," within the meaning of Section 280G(b) of the Code, there is no contract, agreement, plan or arrangement to which any Asset Selling Entity or any of the Non-JV Acquired Companies is a party or by which it is bound to compensate any Business Employee who is a disqualified individual for excise taxes paid pursuant to Section 4999 of the Code.

(i) Except as set forth on Schedule 4.14(i), no Asset Selling Entity or any of the Non-JV Acquired Companies are parties to any Contract, agreement or arrangement relating to or covering Business Employees that is a "nonqualified deferred compensation plan" subject to Section 409A of the Code. Each such nonqualified deferred compensation plan has been operated since January 1, 2005 in good faith compliance with Section 409A of the Code and IRS Notice 2005-1. No stock option or other right to acquire an Asset Selling Entity or any of the Non-JV Acquired Companies common stock or other equity of an Asset Selling Entity or any of the Non-JV Acquired Companies granted to any Business Employee (i) has an exercise price that has been or may be less than the fair market value of the underlying equity as of the date such option or right was granted, as determined by the boards of directors of the respective Asset Selling Entity or any of the Non-JV Acquired Companies in good faith (ii) has any feature for the deferral of compensation other than the deferral of recognition of income until the later of exercise or disposition of such option or rights, or (iii) has been granted after December 31, 2004, with respect to any class of stock of an Asset Selling Entity or any of the Non -JV Acquired Companies that is not "service recipient stock" (within the meaning of applicable regulations under Section 409A).

(j) To Seller's Knowledge, no Asset Selling Entity has direct or indirect liability with respect to any misclassification of any Person, who is primarily related to the FPG Business, as an independent contractor rather than as an employee, or with respect to any employee leased from another employer primarily in connection with the FPG Business, except as would not result in material harm to such Asset Selling Entity. Except as set forth on Schedule 4.14(j), to Seller's Knowledge, none of the Non-JV Acquired Companies have direct or indirect liability with respect to any misclassification of any Person as an independent contractor rather than as an employee, or with respect to any employee leased from another employer, except as would not result in material harm to such Non-JV Acquired Companies.

Section 4.15. Labor.

(a) Set forth on Schedule 4.15(a) is a true and complete list, as of the date hereof, of each labor or collective bargaining agreement to which any Asset Selling Entity or any Non-JV Acquired Company is a party that applies to Acquired Company Employees or Business Employees.

(b) Except as set forth in Schedule 4.15(b), no labor organization has made a written demand against any Asset Selling Entity or any Non-JV Acquired Company for recognition with respect to representation of any Business Employees or group of Business Employees; and there are no representation proceedings or written petitions seeking a representation proceeding presently pending against any Asset Selling Entity or Non-JV Acquired Companies involving any Business Employees or, to Seller's Knowledge, threatened in writing to be brought or filed against any Seller related to the Relevant ASE Business with the United States National Labor Relations Board or other Governmental Body. Except as set forth in Schedule 4.15(b), to Seller's Knowledge, there is no ongoing organizing activity involving Business Employees pending or threatened in writing by any labor organization or group of Business Employees.

(c) Except as set forth in Schedule 4.15(c), to Seller's Knowledge, there are no current or threatened material (i) strikes, work stoppages, slowdowns or lockouts involving any Business Employees, (ii) grievances, arbitrations or other material labor disputes or proceedings pending or threatened in writing against or involving any Business Employees, or (iii) unfair labor practice charges, grievances or complaints pending or threatened in writing by or on behalf of any Business Employees.

(d) To Seller's Knowledge, each Non JV Acquired Company and each Asset Selling Entity is in material compliance with all Laws applicable to the FPG Business relating to the employment of their respective employees, including all such Laws applicable to fixed-term employees, temporary employees and trainees, wages, hours, collective bargaining, employment discrimination (notably gender discrimination), immigration, disability, civil rights, occupational safety and health, workers' compensation, pay equity and the collection and payment of withholding and/or social contribution taxes and similar Taxes, and, as to those employed by Nobel or Nobel Iberica, no temporary employee is classified as a permanent employee due to continued employment by such company.

(e) To Seller's Knowledge (other than DSE), no Asset Selling Entity has incurred any material obligation or liability with respect to Business Employees under the WARN Act or any comparable United States state or local law or ordinance which remains unsatisfied.

Section 4.16. Litigation.

Except for the filing of the Cases, there is no material Legal Proceeding pending or, to Seller's Knowledge, threatened in writing against any Asset Selling Entity or any Non-JV Acquired Company that challenges, or questions the validity of, this Agreement, any other Operative Document or any action taken or to be taken by any of the Sellers in connection herewith or therewith, or which seeks to enjoin or obtain monetary damages in respect of, the consummation of the transactions contemplated hereby or thereby. Except for the filing of the Cases, Schedule 4.16 sets forth a true, complete and correct list, as of the date thereof, of all material pending or, to Seller's Knowledge, threatened Legal Proceedings primarily related to the FPG Business in which any Non-JV Acquired Company or Asset Selling Entity is or would be a party.

Section 4.17. Compliance with Laws.

Except with respect to Environmental Law matters which are addressed in Section 4.18, Laws relating to employee benefits matters, which are addressed in Section 4.14, and Laws relating to labor and employment matters, which are addressed in Section 4.15, each Asset Selling Entity, with respect to the Relevant ASE Business conducted by it, and each Non-JV Acquired Company's part of the FPG Business, is in compliance with all applicable Laws and all decrees (including but not limited to the EU Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data, by certifying to the Safe Harbor Principles of the US Department of Commerce), orders, judgments and Permits of or from Governmental Bodies, except for minor instances of noncompliance or possible noncompliance that would not reasonably be expected to be material, it being further acknowledged that any violation of Law that would reasonably be expected to force any of the manufacturing facilities listed on Schedule 16.70 (other than JV Acquired Entity facilities) to substantially cease operations by order of a Governmental Body and where such ordered cessation of operations is reasonably expected to last for 30 or more consecutive days, such cessation of operations will be deemed to be a Material Adverse Effect.

Section 4.18. Environmental Matters.

(a) Dana represents and warrants that it has provided Orhan copies of all:

(i) written notices of a currently pending charge, action, hearing, investigation, claim, demand or notice having been filed or commenced against any Asset Selling Entity or the Non-JV Acquired Companies alleging any failure of the FPG Business to comply with any Environmental Law concerning (A) the release or threatened release of hazardous material (B) pollution or (C) protection of the Environment;

(ii) all Permits held by any Asset Selling Entity and the Non-JV Acquired Companies in connection with the FPG Business and related to any Environmental Law; and

(iii) all material environmental reports with respect to the Owned Real Property and the Leased Real Property and the FPG Business set forth on Schedule 4.18(a).

(b) With respect to the Owned Real Property and any real property owned by Sellers and leased to Purchasers following the Closing except as set forth in Schedule 4.18(b):

(i) to Seller's Knowledge, the FPG Business and the Owned Real Property and any real property owned by Sellers and leased to Purchasers following the Closing are not in material violation of any Environmental Law.

(ii) (A) no Asset Selling Entity has transported or disposed, or to Seller's Knowledge allowed or arranged for any third parties to transport or dispose, of any Hazardous Substance or other waste to or at a site which, pursuant to CERCLA or any applicable state law, has been placed on the National Priorities List or its state, national or international equivalent, (B) each Asset Selling Entity has all material environmental permits necessary for the continued operation by it of the Relevant ASE Business, (C) no Asset Selling Entity has submitted or was required to submit any notice pursuant to Section 103(c) of CERCLA or received a request for information under Section 104(e) of CERCLA, and (D) no Asset Selling Entity has undertaken or has been ordered, directed or enjoined to undertake any response or remedial actions or clean-up actions of any kind by any Governmental Body at any Owned Real Property or any real property owned by Sellers and leased to Purchasers following the Closing.

Section 4.19. Ownership of Necessary Assets and Rights.

The Purchased Assets and the assets owned, leased or used, as the case may be, by the Non-JV Acquired Companies on the Closing Date, together with (i) those assets and services to be provided pursuant to the Transition Agreement, (ii) the Intellectual Property covered by Section 7.7 and the IP Licenses, and (iii) those assets and services listed on Schedule 4.19 provided in a similar manner as those provided to the FPG Business by Dana or its Affiliates prior to the Closing, are in all material respects sufficient for the conduct of the FPG Business immediately following the Closing in substantially the same manner as currently conducted.

Section 4.20. Brokers.

Except for Miller Buckfire & Co., LLC, (a) no Person has acted directly or indirectly as a broker, finder or financial advisor for Sellers in connection with the negotiations relating to the transactions contemplated hereby and (b) no Person is entitled to any fee or commission or like payment in respect thereof from Purchasers based in any way on any agreement, arrangement or understanding made by or on behalf of Sellers, and, further, Sellers are solely responsible for the

fees and expenses of Miller Buckfire & Co., LLC, payable in connection with the transactions contemplated hereby.

Section 4.21. Disclaimers of Sellers.

EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER OPERATIVE DOCUMENT, (A) SELLERS EXCLUDE AND DISCLAIM ALL WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE FPG BUSINESS OR THE PURCHASED ASSETS, (B) SELLERS MAKE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE CONFIDENTIAL INFORMATION MEMORANDUM, FINANCIAL SUPPLEMENT, PRESENTATIONS, REPORTS, OR ANY FINANCIAL FORECASTS OR PROJECTIONS OR OTHER INFORMATION FURNISHED BY SELLERS OR THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES, (C) SELLERS UNDERTAKE NO LIABILITY FOR ANY DAMAGE, LOSS, EXPENSE OR CLAIM OR OTHER MATTER RELATING TO ANY CAUSE WHATSOEVER ARISING UNDER OR PURSUANT HERETO (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, TORT OR OTHERWISE) AND IN NO EVENT SHALL SELLERS BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, INDIRECT OR PUNITIVE DAMAGES RESULTING FROM ANY SUCH CAUSE, (D) SELLERS SHALL NOT BE LIABLE FOR, AND PURCHASERS ASSUME LIABILITY FOR, ALL PERSONAL INJURY AND PROPERTY DAMAGE CONNECTED WITH PURCHASERS' INVESTIGATION AND EXAMINATION OF THE PURCHASED ASSETS, AND THE ACQUIRED COMPANIES, THE HANDLING, TRANSPORTATION, POSSESSION, PROCESSING, FURTHER MANUFACTURE OR OTHER USE OR RESALE OF ANY OF THE PURCHASED ASSETS OR THE ASSETS OF THE ACQUIRED COMPANIES AFTER THE CLOSING DATE, WHETHER SUCH PURCHASED ASSETS OR THE ASSETS OF THE ACQUIRED COMPANIES ARE USED OR RESOLD ALONE OR IN COMBINATION WITH OTHER ASSETS OR MATERIALS, AND (E) PURCHASERS ACKNOWLEDGE THAT THE PURCHASED ASSETS AND THE ACQUIRED COMPANIES ARE BEING SOLD IN THEIR PRESENT STATE AND CONDITION, "AS IS, WHERE IS," WITH ALL FAULTS, AND PURCHASER IS PURCHASING AND ACQUIRING SUCH PURCHASED ASSETS AND THE ACQUIRED COMPANIES ON THAT BASIS PURSUANT TO PURCHASERS' OWN INVESTIGATION AND EXAMINATION AFTER HAVING BEEN PROVIDED WITH AN ADEQUATE OPPORTUNITY AND ACCESS TO SUCH PURCHASED ASSETS AND THE ACQUIRED COMPANIES TO COMPLETE SUCH INVESTIGATION OR EXAMINATION.

Section 4.22. Information Systems.

All information technology hardware and software owned by a Non-JV Acquired Company will remain owned by the Non-JV Acquired Company immediately following the Closing, and all licenses to information technology hardware and software licensed to a Non-JV Acquired Company will survive the Closing and remain in full force and effect (in accordance with and subject to their terms) immediately following the Closing. All information technology hardware and software owned by an Asset Selling Entity and all licenses to information technology hardware and software licensed to an Asset Selling Entity, to the extent used

primarily in connection with the Relevant ASE Business, are included within the Purchased Assets, and all such licenses will survive the Closing and remain in full force and effect (in accordance with and subject to their terms) immediately following the Closing. To the extent such assets are used under license, the applicable Seller will cooperate with and assist the applicable Purchaser to obtain any necessary consents to the assignment and assumption of such license, or alternatively, to obtain a new or replacement license, provided that any associated license or transfer fees will be the obligation of the applicable Purchaser. Any information technology services currently supplied by Sellers to the FPG Business but not described above, will be the subject of and supplied under the terms of the Transition Agreement (i) in the case of services provided directly by Dana or its Affiliates, at the cost to Dana (or such Affiliate) of providing such services, and (ii) in the case of services provided by third parties, at the cost charged by such third party (or an allocable share of such cost, as appropriate), without increase by Dana, plus an allocable share of the costs to Dana (or its Affiliates) of administering such third-party provider and the provision of such services. The parties will work together prior to Closing to identify the specifics and scope of such information technology services to be provided under the terms of the Transition Agreement. Subject to the foregoing, immediately following the Closing, the applicable Purchaser will have ownership of and license rights to use all information technology hardware and software which is owned, held or used by the Non-JV Acquired Entities or used by any Asset Selling Entity primarily in connection with the Relevant ASE Business conducted in Europe.

Section 4.23. Insurance Coverage.

Schedule 4.23 sets forth a true and complete list of insurance policies maintained by the Non-JV Acquired Companies relating to the assets, business, operations, employees, officers or directors of the Non-JV Acquired Companies. To Seller's Knowledge, none of the Non-JV Acquired Companies has omitted or committed any act which would render null or inoperative such insurance policies or which might bring about their cancellation.

Section 4.24. Conveyance; Free and Clear.

The Purchased Shares will be conveyed to the applicable Purchaser hereunder free and clear of all Liens and other interests of all kinds, other than the Permitted Exceptions described in clause (a) of the definition thereof and set forth on Schedule 16.130. Except as otherwise contemplated by this Agreement, the Purchased Assets which are being sold by Debtor Asset Selling Entities will be conveyed to the applicable Purchaser hereunder free and clear of all Liens and other interests of all kinds, other than the Permitted Exceptions. To Seller's Knowledge, neither Nobel nor Nobel Iberica is a real estate company for tax purposes.

Section 4.25. No Material Misstatements.

To Seller's Knowledge, this Agreement does not, and, when executed and delivered at the Closing, the other Operative Documents to which such Seller is a party and the documents or instruments listed in Schedule 3.2 relating to such Seller will not, contain any material misstatement of fact, or omit to state any material fact necessary to make statements therein, in the light of the circumstances under which they were made, not misleading.

Section 4.26. No Other Representations or Warranties.

Except for the representations and warranties contained in this Article IV, no Seller, any Affiliate of such Seller or any other Person makes any representations or warranties, and each Seller hereby disclaims any other representations or warranties, whether made by such Seller or any Affiliate of such Seller, or any of their respective officers, directors, employees, agents or representatives, with respect to the execution and delivery of this Agreement or any other Operative Document, the transactions contemplated hereby or thereby or the FPG Business.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PURCHASERS

As an inducement to Dana and the other Sellers to enter into this Agreement and to consummate the transactions contemplated hereby, Orhan hereby represents and warrants to Dana on the date hereof, and, jointly and severally with the Purchasing Affiliates, hereby represents and warrants to Dana and the other Sellers on the Closing Date, and each Purchasing Affiliate, severally and not jointly, hereby represents and warrants (with respect only to itself) to Dana and the other Sellers on the Closing Date, that:

Section 5.1. Organization and Qualification.

(a) Orhan is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and has the requisite corporate or other power and authority to own or lease and operate its properties and to carry on, in all material respects, its business as currently conducted.

(b) At the Closing Date, each Purchaser will be a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and will have the requisite corporate or other power and authority to own or lease and operate its properties.

Section 5.2. Corporate Authorization.

(a) Orhan has full corporate power and authority to enter into, execute and deliver (or cause to be entered into, executed and delivered) this Agreement and each Operative Document to which it is a party and the documents or instrument listed in Schedule 3.3, and to perform or cause to be performed its obligations hereunder and thereunder. The execution, delivery and performance by Orhan of this Agreement and each Operative Document and other document or instrument listed in Schedule 3.3 to which it is a party has been or as of the Closing Date will be duly authorized by all requisite corporate action on the part of Orhan.

(b) At the Closing Date, each Purchaser will have full corporate power and authority to enter into, execute and deliver (or cause to be entered into, executed and delivered) this Agreement and each other Operative Document to which it is a party and the other documents or instruments listed in Schedule 3.3, and to perform or cause to be performed its obligations hereunder and thereunder. The execution, delivery and performance by each Purchaser of this Agreement and each Operative Document to which it is a party and other

document or instrument listed in Schedule 3.3 to which it is a party as of the Closing Date will be duly authorized by all requisite corporate action on the part of such Purchaser.

Section 5.3. Consents and Approvals.

Upon entry of the Approval Order and subject to it becoming a Final Order, no consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of any Purchaser in connection with the execution and delivery of this Agreement or any other Operative Document to which it is a party, the consummation of the transactions contemplated hereby and thereby or the compliance by such Purchaser with any of the provisions hereof or thereof, except for compliance with any applicable requirements of the HSR Act and/or the EC Regulation and other applicable merger control or similar Laws and the receipt of appropriate Permits by Orhan or the applicable Purchaser to conduct the applicable part of the FPG Business and operate the relevant portion of the Purchased Assets.

Section 5.4. Non-Contravention.

None of the execution and delivery by each of the Purchasers of this Agreement and the other applicable Operative Documents to which it is a party, the consummation of the transactions contemplated hereby or thereby or the compliance by the Purchasers with any of the provisions hereof or thereof will (a) result in the breach of, any provision of the certificate or articles of incorporation, bylaws or similar organizational documents of any of such Purchaser or (b) violate, result in the breach of, or constitute a material default under any Law or Order by which such Purchaser or any of its respective properties or assets is bound or subject.

Section 5.5. Binding Effect.

As of the date hereof, this Agreement, and the Deposit Agreement constitute and, when executed and delivered on the Closing Date, each of the other Operative Documents to which any of the Purchasers is a party executed on the Closing Date will constitute, a valid and legally binding obligation of Orhan and the applicable Purchaser parties thereto, as applicable, enforceable against Orhan and such applicable Purchasers in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether in equity or at law).

Section 5.6. Litigation.

There is no Legal Proceeding pending or, to Orhan's Knowledge, threatened in writing, against Orhan that challenges, or questions the validity of, this Agreement, the other Operative Documents to which Orhan or any other Purchaser is or is to be a party or any action taken or to be taken by Orhan or any other Purchaser in connection with, or that seeks to enjoin or obtain monetary damages in respect of, the consummation of the transactions contemplated hereby or thereby.

Section 5.7. Financing.

Orhan has, and has no Knowledge of any circumstance or condition that would reasonably be expected to prevent the availability at the Closing of, sufficient funds to consummate the transactions contemplated by this Agreement (including payment by Orhan of the Initial Cash Consideration). Orhan has incurred no commitment, restriction or Liability of any kind, absolute or contingent, present or future, which would impair or adversely affect its available resources and capabilities (financial or otherwise), or those of any of its Affiliates, to perform its or their obligations hereunder and under the Operative Documents to which it or any of them is a party. Schedule 5.7 sets forth evidence of the availability of funds or financing commitments to be used in connection with the transaction contemplated hereby.

Section 5.8. Brokers.

No Person has acted directly or indirectly as a broker, finder or financial advisor for Orhan or any of its Affiliates in connection with the negotiations relating to or the transactions contemplated hereby and no Person is entitled to any fee or commission or like payment in respect thereof from Sellers or any of their Subsidiaries or Affiliates based in any way on agreements, arrangements or understandings made by or on behalf of Orhan or any of its Affiliates.

Section 5.9. No Inducement or Reliance; Independent Assessment.

(a) With respect to the Purchased Shares, the Purchased Assets, the FPG Business or any other rights or obligations to be transferred hereunder or under the Operative Documents or pursuant hereto or thereto, no Purchaser has been induced by or has relied upon any representations, warranties or statements, whether express or implied, made by any Seller, any Affiliate of any Seller, or any agent, employee, attorney or other representative of any Seller representing or purporting to represent any Seller that are not expressly set forth herein or in the other Operative Documents, whether or not any such representations, warranties or statements were made in writing or orally, and no Seller, no Affiliate of Seller, nor any agent, employee, attorney, other representative of any Seller or other Person shall have or be subject to any liability to any Purchaser or any other Person resulting from the distribution to any Purchaser, or any Purchaser's use of, any such information, including the Confidential Information Memorandum prepared by Miller Buckfire & Co., LLC relating to the FPG Business and any information, documents or material made available in any "data rooms" or management presentations or in any other form in expectation of the transactions contemplated hereby.

(b) No Seller, no Affiliate of Seller, nor any agent, employee, attorney, other representative of any Seller shall have or be subject to any liability to Orhan or any Purchaser resulting from the distribution to or any Purchaser, or any Purchaser's use, of the Confidential Information Memorandum prepared by Miller Buckfire & Co., LLC.

(c) Each Purchaser acknowledges that it has made its own assessment of the present condition and the future prospects of the FPG Business and is sufficiently experienced to make an informed judgment with respect thereto. Each Purchaser acknowledges that, except as explicitly set forth herein, no Seller nor any of its Affiliates has made any warranty, express or

implied, as to the prospects of the FPG Business or its profitability for Orhan or applicable Purchasers, or with respect to any forecasts, projections or business plans prepared by or on behalf of Sellers and delivered to any Purchaser in connection with its review of the FPG Business and the negotiation and the execution of this Agreement and the other Operative Documents.

(d) The Purchasers are purchasing the Purchased Shares or the Purchased Assets, as the case may be, for investment and not with a view to any resale or distribution thereof, but subject, nevertheless, to any requirement of Law that the disposition of its property remain within its control at all times, and neither it nor anyone authorized by it to act on its behalf has directly or indirectly offered any interest in such Purchased Shares or Purchased Assets, as the case may be, or any similar security for sale to, or solicited any offer to acquire any of the same from, any Person.

ARTICLE VI

COVENANTS OF SELLERS

From and after the date hereof and until the Closing (except with respect to Section 6.9, which shall survive the Closing in accordance with its terms), Dana hereby covenants and agrees, and, effective as of the Closing (with respect to Section 6.9), each Seller, severally and not jointly, hereby covenants and agrees (with respect only to itself and to its Relevant ASE Business, Purchased Assets, Non-JV Acquired Company or Purchased Shares, as the case may be), that:

Section 6.1. Access, Further Actions.

(a) Dana shall, and shall cause (A) its Subsidiaries to, afford to representatives of the Purchasers reasonable access to senior management of the FPG Business to answer such Purchaser's questions concerning the business operations and affairs of the FPG Business, corporate records, books of accounts, Contracts, financial statements and all other documents (excluding confidential portions of personnel and medical records) related to the FPG Business reasonably requested by Purchasers and shall permit Purchasers and their representatives reasonable access to the Owned Real Property and the Leased Real Property (but excluding the Excluded Assets and subject to any limitations that are reasonably required to preserve any applicable attorney-client privilege or third-party confidentiality obligation); *provided*, *however*, that in each case, such access shall be given at reasonable times and upon reasonable prior notice and without undue interruption to any Seller's business or personnel as approved by Dana. All requests for access shall be made to such representatives of such Seller as Dana shall designate, who shall be solely responsible for coordinating all such requests and access thereunder.

(b) Before the Closing, Dana shall, and shall cause any applicable Selling Affiliate to, execute and deliver such instruments and take such other actions as may reasonably be required to (i) carry out the intent of this Agreement and the other Operative Documents and (ii) consummate the transactions contemplated hereby and thereby.

Section 6.2. Conduct of FPG Business.

Unless (1) ordered by the Bankruptcy Court, (2) required by this Section 6.2, to make any payment of any amount owed to creditors on the Petition Date, (3) such action would violate the Bankruptcy Code, (4) otherwise consented to by Orhan, which consent shall not be unreasonably withheld, conditioned or delayed, or (5) such action is otherwise expressly provided for or contemplated by or in this Agreement, until the Closing Date, Dana shall cause each Seller to use commercially reasonable efforts to, and to cause each Non-JV Acquired Company to:

(a) (i) operate the FPG Business, including managing levels of inventories, supplies, accounts receivable and accounts payable, in the ordinary course in all material respects consistent with past practice, (ii) to honor binding commitments for capital expenditures as to capital projects currently authorized, in the ordinary course in all material respects consistent with past practice, and (ii) preserve its present material business operations, organization and goodwill;

(b) not incur any Indebtedness in connection with the FPG Business, other than (i) Indebtedness incurred in the ordinary course of business, (ii) Indebtedness in an amount not in excess of $100,000 in the aggregate (excluding Indebtedness permitted by Section 6.2(b)(i)), and (iii) intercompany indebtedness between Affiliates;

(c) not acquire or dispose of any material property or assets used in the FPG Business or create or permit to exist any Lien (other than Permitted Exceptions or Liens securing obligations under Seller Financing) on any such property or assets except in the ordinary course of business or with respect to property or assets not in excess of U.S.$100,000 in the aggregate;

(d) not make, or enter into commitments for, capital expenditures connection with the FPG Business in excess of U.S.$50,000 individually or U.S.$100,000 in the aggregate;

(e) not enter into any Contracts in connection with the FPG Business, except for Contracts made in the ordinary course of business;

(f) not amend or terminate any Material Business Contract, except for amendments or terminations made in the ordinary course of business;

(g) not engage in any transactions with, or enter into any Material Business Contracts with, any Affiliate of any Seller in connection with the FPG Business, except for any such transactions or Material Business Contracts in the ordinary course of business on terms no less favorable than would be obtained in an arms' length third party transaction, and that are terminable on the Closing Date without penalty or for any such transactions;

(h) not enter into, adopt, amend or terminate any Contract relating to the compensation or severance entitlement of any employee employed in the FPG Business, except (i) in the ordinary course of business, (ii) to the extent required by Law or any existing Contracts, or (iii) as to Retention Agreements (except Assumed Retention Agreements);

(i) not accelerate the rate of collection of accounts receivable in connection with the FPG Business other than in the ordinary course of business;

(j) not amend the organizational documents of any Acquired Company; and

(k) not take any action or actions prohibited by any of the foregoing clauses (a) through (j).

Section 6.3. Bankruptcy Actions.

(a) Within five (5) Business Days after the execution of this Agreement, Dana shall file with the Bankruptcy Court a motion in substantially the form of Exhibit F hereto (the "***Sale Motion***") seeking, among other things, entry of (i) an order approving (A) the bidding protections including the Breakup Fee described and/or set forth in Article XIV of this Agreement or otherwise set forth in the Sale Motion, and (B) certain bidding procedures for alternative offers for the Purchased Shares and Purchased Assets, which proposed order shall be substantially in the form of Exhibit G hereto (collectively, the "***Bidding Procedures Order***"), and (ii) an order approving this Agreement and the transactions contemplated hereby (including the sale of the Purchased Assets to Purchasers free and clear of all Liens except Permitted Exceptions) should the purchase offer made by this Agreement constitute the highest and best offer for the Purchased Shares and Purchased Assets pursuant to the Bidding Procedures Order, which order shall be substantially in the form of Exhibit H hereto (the "***Approval Order***").

(b) Dana shall use commercially reasonable efforts to have the Bankruptcy Court (i) schedule a hearing on the Sale Motion, (ii) enter the Bidding Procedures Order as soon as practicable following the date hereof, but in any case no later than 30 days after the date hereof, and (iii) enter the Approval Order as and when contemplated by the Bidding Procedures Order, but in any case no later than 75 days after entry of the Bidding Procedures Order. Dana shall use commercially reasonable efforts to cause the Bidding Procedures Order and the Approval Order to become Final Orders as soon as possible after their entry. Furthermore, Dana shall seek any other approvals or consents from the Bankruptcy Court that may be reasonably necessary to consummate the transactions contemplated in this Agreement.

(c) Dana shall promptly provide Orhan with drafts of all documents, motions, orders, filings, or pleadings that Dana or any Affiliate propose to file with the Bankruptcy Court or any other court or tribunal which relate in any manner, directly or indirectly, to (i) this Agreement or the transactions contemplated hereby; (ii) the Sale Motion; or (iii) entry of the Bidding Procedures Order or the Approval Order, and, if practicable, will provide Orhan with a reasonable opportunity to review and comment upon such documents in advance of their service and filing. To the extent practicable, Dana shall consult and cooperate with Orhan, and consider in good faith the views of Orhan, with respect to all such filings.

(d) Dana shall comply with all notice requirements of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and any Order of the Bankruptcy Court in connection with the service of the Sale Motion and providing notice of the entry of the Bidding Procedures Order and the hearing on and notice of entry of the Approval Order.

Section 6.4. Regulatory Approvals.

(a) Dana shall, as promptly as practicable, use commercially reasonable efforts to assist and cooperate with Orhan in the making of all antitrust filings. Dana shall, as

promptly as practicable, use commercially reasonable efforts to make all other registrations and filings with, and obtain all necessary actions or non-actions, waivers, consents and approvals from, all applicable Governmental Bodies in connection with the transactions contemplated by this Agreement.

(b) Dana shall keep Orhan apprised of the status of all material matters referred to in Section 6.4(a), including promptly furnishing Orhan with copies of notices or other communications received by Dana or by any of its Subsidiaries from any Governmental Body with respect to the transactions contemplated hereby. Dana shall promptly furnish Orhan with such necessary information and reasonable assistance as Orhan may request from time to time and shall promptly provide Orhan's counsel with copies of all filings made by Dana or any of its Subsidiaries, and all correspondence between Dana or any of its Subsidiaries (and Dana's advisors) with any Governmental Body and any other information supplied by Dana and its Subsidiaries to a Governmental Body in connection therewith and the transactions contemplated hereby; *provided*, *however*, that Dana may, as it deems advisable and necessary, designate any competitively sensitive material provided to Orhan as "outside counsel only," and such materials may be redacted (i) to remove references concerning the valuation of the FPG Business and (ii) as necessary to comply with contractual arrangements. Materials designated as for "outside counsel only" and the information contained therein shall be given only to the outside legal counsel to Orhan and will not be disclosed by such outside counsel to employees, officers or directors of Orhan unless express permission is obtained in advance from Dana or its legal counsel. Dana shall, subject to applicable Law, permit counsel for Orhan reasonable opportunity to review in advance, and consider in good faith the views of Orhan in connection with, any proposed written communication to any Governmental Body in connection with the matters referred to in this Section 6.4. To the extent practicable, Dana agrees to consult with Orhan prior to participating or permitting its Subsidiaries to participate, in any substantive meeting or discussion, either in person or by telephone, with any Governmental Body in connection with the regulatory approvals and, to the extent not prohibited by such Governmental Body, and deemed advisable by the parties, agrees to give Orhan the opportunity to participate.

Section 6.5. Assignment of Contracts.

Dana shall use commercially reasonable efforts to include in the Approval Order an authorization for the applicable Debtor Asset Selling Entity to assume (within the meaning of the Bankruptcy Code) the relevant Debtor Contracts and assign to the applicable Purchaser such Debtor Contracts. Upon entry of the Approval Order and as of the Closing Date, the applicable Purchaser shall be exclusively responsible for any and all obligations of such Debtor Asset Selling Entity under such Debtor Contracts, including, without limitation, the cure of all monetary defaults with respect to such Debtor Contracts in accordance with Section 7.2 below.

Section 6.6. Updating of Information.

The parties agree that, if Orhan, or any Seller, obtain Knowledge prior to Closing of any facts or circumstances that result in, or, if in existence on the Closing Date, would result in, a material breach of any representation or warranty contained in Article IV, and such breach causes, or would reasonably be expected to cause, a Material Adverse Effect, (a) such party will notify the other parties in writing reasonably promptly after learning of such facts or

circumstances (but in any event before the Closing Date), and (b) Dana shall have 10 Business Days within which to cure such breach or potential breach or to notify Orhan that Dana does not intend to cure such breach or potential breach. If Dana notifies Orhan that it does not intend to cure such breach or potential breach or Dana has been unable to effect a cure within such 10 Business Day period and is ceasing to pursue a cure, the provisions of Section 14.1 will apply. If Orhan elects not exercise its termination rights under Section 14.1, this Agreement, and the schedules hereto shall be deemed amended as necessary to reflect the facts underlying such breach or potential breach and Orhan shall be deemed to have waived its rights hereunder or otherwise with respect to such breach or potential breach, except as to Known Claims as provided in Article XII.

Section 6.7. Intercompany Accounts.

On or prior to the Closing Date, but subject to the entry of the Approval Order, all intercompany receivables, payables, loans, notes and investments then existing between or among any Seller and/or any of its Subsidiaries that is not an Acquired Company, on the one hand, and any Non-JV Acquired Company, on the other hand (except and excluding the Transferred Intercompany Receivables), shall be paid, settled or otherwise extinguished and fully satisfied.

Section 6.8. Nobel Iberica and Nobel Receivables.

(a) On or prior to the Closing Date, TPF shall cause Nobel Iberica to dividend to Nobel, under the process described in Schedule 6.8, the intercompany receivables referred to in Schedule 6.8.

(b) On or prior to the Closing Date, TPF shall cause Nobel to assign to TPF, under the process described in Schedule 6.8, the intercompany receivables referred to in Schedule 6.8.

(c) The parties acknowledge and agree that the indebtedness from Orda Automotive, A.S. in the amount of approximately €1.2 million will be modified or restated to reduce the outstanding principal amount to €600,000 and extend the payment term by twelve months, and that the parties will prior to the Closing or, in accordance with Section 11.1, after the Closing, take any necessary steps to ensure that all right, title and interest in and to such note is vested in TPF or its designee.

Section 6.9. NMD Joint Venture Interest.

The disposition of Dana's joint venture interest in NMD will be determined and effected in accordance with Schedule 6.9.

Section 6.10. China FPG Initiative.

Dana and Orhan will cooperate and work together to identify a site, to lease suitable space and facilities, and to form the China Subsidiary to position the start up of the FPG Business in China.

ARTICLE VII

COVENANTS OF PURCHASERS

From and after the date hereof and until the Closing Date (except with respect to Section 7.7, which shall survive the Closing in accordance with its terms), Orhan hereby covenants and agrees, and, effective as of the Closing (with respect to Section 7.7), Orhan, jointly and severally with the Purchasing Affiliates, and each Purchasing Affiliate, severally and not jointly (with respect only to itself), hereby covenants and agrees, that:

Section 7.1. Contact with Customers, Suppliers and Employees.

Without the prior consent of Bill Riley or such other authorized representative designation in writing by Dana, Orhan shall not, either directly or through Affiliates or representatives, contact any suppliers to, or customers of, the Non-JV Acquired Companies or the FPG Business or any Business Employees or employees of any Non-JV Acquired Companies in connection with or pertaining to the disposition of the FPG Business or the terms or any subject matter of this Agreement or any other Operative Document.

Section 7.2. Cure of Defaults.

Subject to entry of the Approval Order and such Approval Order becoming a Final Order, including the authorization referred to in Section 6.4, at the Closing, Orhan shall, or shall cause the applicable Purchaser to, at its expense cure any and all monetary defaults with respect to the Contracts referred to in Section 6.5 that will be transferred to Orhan or the applicable Purchaser at Closing as and in the amounts required by the Bankruptcy Court to assume and assign such Contracts under Section 365 of the Bankruptcy Code (the ***"Cure Costs"***), such Cure Costs not to exceed $30,000.

Section 7.3. Bankruptcy Actions.

Orhan shall use commercially reasonable efforts to assist Seller in obtaining entry of the Bankruptcy Court Orders, including providing testimony, if any, as required at any hearing before the Bankruptcy Court.

Section 7.4. Consents, Conditions, Antitrust and Competition.

(a) Orhan shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, to consummate and make effective the transactions contemplated hereby and by the other Operative Documents as promptly as practicable, including, but not limited to: (i) obtaining all necessary consents, approvals or waivers from, and giving any necessary notifications to, third parties; (ii) making all registrations and filings with, and obtaining all necessary actions or non-actions, waivers, consents and approvals from, all Governmental Bodies (including but not limited to those in connection with the EC Regulation) and taking all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, a Governmental Body; and (iii) together with Sellers, defending any Legal Proceedings challenging this Agreement or the consummation of the transactions contemplated hereby, including seeking to have any stay or temporary

restraining order or preliminary or permanent injunction entered by any Governmental Body vacated or reversed. In furtherance of, and without in any way limiting, the foregoing, Orhan shall use commercially reasonable efforts to avoid the issuance of a Request for Additional Information and Documentary Material ("***Second Request***") under 15 U.S.C. § 18a(e)(2) or civil investigative demand or comparable request in the United States or the issuance of a decision under Article 6(1)(c) of the EC Regulation initiating a "Second Phase" investigation ("***Second Phase***") or the extension by any other Governmental Body of its clearance procedure beyond the initial waiting period or any steps by an Governmental Body prohibiting or delaying the parties' ability to consummate and make effective the transactions contemplated hereby and by the other Operative Documents. Without limiting the foregoing, if the staff of a competition authority indicates the intention to issue a Second Request in the U.S. or to initiate a Second Phase investigation in the EU or to extend the initial waiting period in any other jurisdiction, then Orhan may in its sole discretion offer undertakings acceptable to the relevant competition authority, provided that such undertakings do not result in a change to the terms of this Agreement, including the purchase price and the identification of assets and businesses to be transferred to the Purchasers, including proposing, negotiating, committing to and effecting, by consent decree, undertaking, hold separate order or otherwise, the sale, divestiture or disposition of, or the imposition of any limitation upon, such assets or businesses of Orhan (including its Subsidiaries) or the FPG Business (so long as conditioned upon, and not occurring prior to, the Closing and so long as none of the foregoing has any effect on the terms of the transactions contemplated hereby and by the other Operative Documents), along with any ancillary agreements (all such undertakings, the "***Remediations***"). In the case of the European Commission, Orhan shall make the offer no later than the end of the 20 working-day period provided by Law for the acceptance of undertakings after submission of a final notification on Form CO.

(b) In the event that a Second Request or civil investigative demand is issued, a Second Phase investigation is initiated or clearance from any Governmental Body having jurisdiction over the transaction is not obtained during the initial waiting period, Orhan may offer all Remediations and take any and all other steps necessary to obtain all necessary consents, approvals or waivers (so long as conditioned upon, and not occurring prior to, the Closing and so long as none of the foregoing has any effect on the terms of the transactions contemplated hereby and by the other Operative Documents) until the conclusion of any such antitrust investigation.

(c) Orhan shall keep Sellers apprised of the status of material matters relating to the completion of the transactions contemplated by this Agreement, including promptly furnishing Sellers with copies of notices or other communications received by Orhan or other Purchasers or by any of their Subsidiaries from any Governmental Body with respect to the transactions contemplated hereby. Orhan shall promptly furnish to Sellers such necessary information and reasonable assistance as Sellers may request from time to time and shall promptly provide counsel for Sellers with copies of all filings made by Orhan or any of its Subsidiaries, and all correspondence between Orhan and any of its Subsidiaries (and Orhan's advisors) with any Governmental Body and any other information supplied by Orhan and its Subsidiaries to a Governmental Body in connection therewith and the transactions contemplated hereby, *provided*, *however*, that Orhan may, as it deems advisable and necessary, designate any competitively sensitive material provided to Sellers as "outside counsel only," and materials may be redacted (i) to remove references concerning the valuation of the FPG Business and (ii) as

necessary to comply with contractual arrangements. Materials designated as for "outside counsel only" and the information contained therein shall be given only to the outside legal counsel of Sellers and will not be disclosed by such outside counsel to employees, officers or directors of Sellers unless express permission is obtained in advance from Orhan or its legal counsel. Orhan shall, subject to applicable Law, permit counsel for Sellers reasonable opportunity to review in advance, and consider in good faith the views of Sellers in connection with, any proposed written communication to any Governmental Body in connection with the matters referred to in this Section 7.4. To the extent practicable, Orhan agrees to consult with Sellers prior to participating, or permitting its Subsidiaries to participate, in any substantive meeting or discussion, either in person or by telephone, with any Governmental Body in connection herewith and the transactions contemplated hereby and, to the extent not prohibited by such Governmental Body, to give Sellers the opportunity to attend and participate.

Section 7.5. Further Actions.

(a) Before the Closing, Orhan shall, and shall cause any applicable Purchasers to, execute and deliver such instruments and take such other actions as may reasonably be required to (i) carry out the intent of this Agreement and the other Operative Documents and (ii) consummate the transactions contemplated hereby and thereby. From the execution hereof until the Closing, Orhan undertakes to promptly notify Sellers in writing of any known breach of any representation, warranty or covenant of any Seller or any circumstance or condition that could reasonably be expected to constitute such a breach.

(b) Orhan shall give any notices required by Law and shall take whatever other actions with respect to employee benefit plans of Orhan as may be necessary to effectuate the arrangements set forth in Section 10.1 through 10.4.

(c) Except as may otherwise be provided in Section 10.1 through 10.4, Orhan shall use commercially reasonable efforts to comply with any and all successorship requirements or obligations contained in any collective bargaining agreement set forth on Schedule 4.15(a).

Section 7.6. Guarantees; Letters of Credit.

Orhan shall, or shall cause the applicable Purchaser to, be substituted in all respects for a Stock Selling Entity, effective as of the Closing Date, in respect of all obligations of such Seller under each of the guarantees, letters of credit, letters of comfort, bid bonds and performance bonds set forth in Schedule 7.6 (the "***Guarantees***") obtained by such Seller for the benefit of an Acquired Company (and such Seller shall be released from any such obligations). As a result of the substitutions contemplated by this Section 7.6, the Stock Selling Entities shall have no, and shall be released from any, obligation arising from or in connection with the Guarantees from and after the Closing Date.

Section 7.7. Use of Seller's Name.

Orhan agrees that:

(a) within 90 days after the Closing Date, Orhan shall remove, or cause to be removed, "Dana", the "Dana diamond" logo and any other similar mark (the "***Seller Name***") and

any other Trademark, trade dress, design or logo previously or currently used by Seller or any of its Affiliates that is not part of the Acquired Intellectual Property from all domain names, web sites, buildings, signs and vehicles of the FPG Business;

(b) within 90 days after the Closing Date, Orhan shall, and shall cause the applicable Purchasers to, remove and cease using the Excluded Intellectual Property and the Seller Name and any other Trademark, trade dress, design or logo previously or currently used by Seller or any of its Affiliates that is not part of the Acquired Intellectual Property in all invoices, letterhead, packaging, advertising and promotional materials, office forms, business cards and other written and electronic materials;

(c) within 90 days after the Closing Date (i) Orhan shall, and shall cause the applicable Purchasers to, remove and cease using the "confetti design packaging" from the inventory of packaging materials and marketing materials of the FPG Business that is in existence as of the Closing Date ("***Existing Inventory***") and (ii) Orhan shall, and shall cause the applicable Purchasers to, remove and cease using the Seller Name and any other Trademark, trade dress, design or logo previously or currently used by any Seller or any of its Affiliates that is not part of the Acquired Intellectual Property from those assets of the FPG Business that are not Existing Inventory, including those assets (such as, but not limited to, tools, molds and machines) used in association with the manufacture of the products of the FPG Business or otherwise reasonably used in the conduct of the FPG Business after the Closing Date (such assets, "***Other Marked Assets***");

(d) In no event shall Orhan or any of its Affiliates advertise or hold itself out as any Seller or an Affiliate of any Seller at any time before, on or after the Closing Date; and

(e) As soon as reasonably practicable after the Closing Date, but in no event later than 60 days following the Closing Date, Orhan shall, and shall cause the applicable Purchasers to, change the names of the Acquired Companies and shall change all filings, licenses, and other items, to delete references to "Dana", if any, and the Excluded Intellectual Property.

ARTICLE VIII

CONDITIONS PRECEDENT TO PURCHASERS' OBLIGATIONS

The obligation of Orhan and each other Purchaser to consummate the transactions contemplated hereby and in the other Operative Documents to which it is a party is subject to the satisfaction (or, if permitted, waiver by Orhan in its sole discretion), on or before the Closing Date, of each of the following conditions:

Section 8.1. Accuracy of Representations and Warranties.

Each of the representations and warranties of Sellers contained herein shall be true and correct in all respects at and as of the Closing Date (except, in each case, to the extent any such representation or warranty speaks as of a specific date, in which case such representation or warranty shall be true and correct as of such specific date); *provided*, *however*, that, notwithstanding the breach of any such representation or warranty, the condition set forth in this

Section 8.1 shall be deemed satisfied unless such breach has resulted in, or would reasonably be expected to result in, a Material Adverse Effect.

Section 8.2. Performance of Covenants.

Sellers shall have performed and complied, in all material respects, with the covenants and provisions hereof required to be performed or complied with by them between the date hereof and the Closing Date.

Section 8.3. Antitrust and Competition Laws.

Any applicable waiting periods under the HSR Act, the EC Regulation or any similar regulation of any other Governmental Body relating to the transactions contemplated by this Agreement shall have expired or been terminated. Each such Governmental Body approval identified in Schedule 8.3 (other than Governmental Body approval in Brazil) shall have been obtained.

Section 8.4. No Injunctions.

No preliminary or permanent injunction or other order of any Governmental Body of competent jurisdiction restraining or prohibiting the consummation of the transactions contemplated hereby shall be in place on the Closing Date.

Section 8.5. Entry of Orders By Bankruptcy Court; Consents Obtained.

The Bankruptcy Court shall have entered the Bidding Procedures Order and the Approval Order, and the Bidding Procedures Order and the Approval Order shall have become Final Orders and shall not have been vacated, stayed, or reversed, or modified, amended, or supplemented in any material manner; *provided*, *however*, that it shall not be a condition to Orhan's obligation to consummate the transactions contemplated by this Agreement that the Bidding Procedures Order and the Approval Order be Final Orders if either the Bidding Procedures Order or the Approval Order is not a Final Order solely as a result of an appeal of the relief granted pursuant to such Order, which appeal (a) does not challenge Purchasers' good faith purchaser status under Section 363(m) of the Bankruptcy Code, (b) does not assert that the transactions contemplated by this Agreement are avoidable pursuant to, or otherwise violate, Section 363(n) of the Bankruptcy Code, and (c) has not resulted in a stay of such Order.

Section 8.6. Consents.

All consents set forth on Schedule 8.6 shall have been obtained.

Section 8.7. Officer's Certificate.

Orhan and the other Purchasers shall have received a certificate from each Seller to the effect set forth in Section 8.1 and 8.2, dated the Closing Date, signed by an authorized officer of such Seller.

Section 8.8. Material Adverse Effect.

Since the date of this Agreement no event shall have occurred that would constitute a Material Adverse Effect or reasonably would be expected to result in a Material Adverse Effect.

Section 8.9. Selling Affiliates.

Each of the Selling Affiliates shall have entered into and become a party to this Agreement as provided in Section 1.1(a).

Section 8.10. Other Deliveries.

Orhan shall have received the documents and instruments required by Section 3.2 and such other documents or instruments as Orhan may reasonably request consistent with Sellers' obligations under this Agreement and the other Operative Documents.

Section 8.11. Other Conditions.

Each of the other conditions described in Schedule 8.11 shall have been satisfied.

ARTICLE IX

CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

The obligation of Dana and each other Seller to consummate the transactions contemplated hereby and in the other Operative Documents to which it is a party is subject to the satisfaction (or, if permitted, waiver by Dana in its sole discretion), on or before the Closing Date, of each of the following conditions:

Section 9.1. Accuracy of Representations and Warranties.

Each of the representations and warranties of Orhan contained herein shall be true and correct in all respects at and as of the Closing Date (except, in each case, to the extent any such representation and warranty speaks as of a specific date, in which case such representation and warranty shall be true and correct, as of such specific date).

Section 9.2. Performance of Covenants.

Purchasers shall have performed and complied, in all material respects, with the covenants and provisions hereof required to be performed or complied with by them between the date hereof and the Closing Date and each Seller Authorization shall have been obtained.

Section 9.3. Antitrust and Competition Laws.

Any applicable waiting periods under the HSR Act, the EC Regulation or any similar regulation of any other Governmental Body relating to the transactions contemplated by this Agreement shall have expired or been terminated. Each such Governmental Body approval

identified in Schedule 9.3 (other than Governmental Body approval in Brazil) shall have been obtained.

Section 9.4. No Injunctions.

No preliminary or permanent injunction or other order of any Governmental Body of competent jurisdiction restraining or prohibiting the consummation of the transactions contemplated hereby shall be in place on the Closing Date.

Section 9.5. Entry of Orders By Bankruptcy Court.

The Bankruptcy Court shall have entered the Bidding Procedures Order and the Approval Order, and the Bidding Procedures Order and the Approval Order shall have become Final Orders and shall not have been vacated, stayed, or reversed, or modified, amended, or supplemented in any material manner; *provided*, *however*, that it shall not be a condition to Sellers' obligation to consummate the transactions contemplated by this Agreement that the Bidding Procedures Order and the Approval Order be Final Orders if either the Bidding Procedures Order or the Approval Order is not a Final Order solely as a result of an appeal of the relief granted pursuant to such Order, which appeal (a) does not challenge Purchasers' good faith purchaser status under Section 363(m) of the Bankruptcy Code, (b) does not assert that the transactions contemplated by this Agreement are avoidable pursuant to, or otherwise violate, Section 363(n) of the Bankruptcy Code, and (c) has not resulted in a stay of such Order.

Section 9.6. Officer's Certificate.

Dana and the other Sellers shall have received a certificate from Orhan and each other Purchaser, if any, to the effect set forth in Section 9.1 and 9.2, dated the Closing Date, signed by an authorized officer of Orhan.

Section 9.7. Other Deliveries.

Each Seller shall have received the documents and instruments required by Section 3.3 and such other documents or instruments as Dana may reasonably request consistent with Orhan's obligations under this Agreement and the other Operative Documents.

ARTICLE X

EMPLOYEES

Section 10.1. Transferred Employees.

(a) Prior to the Closing Date, Orhan shall, or shall cause each applicable Purchaser acquiring the Purchased Assets to, offer employment to each Business Employee in each case, who:

(i) is actively employed in the FPG Business on such date or is absent from employment due to vacation, holiday, or sickness other than short or long-term disability (the "***Current Employees***"); or

(ii) (A) is absent from work due to short or long-term disability, workers compensation or other work-related injury schemes, military leave or other authorized leave of absence or lay off and (B) has the right to return to employment with the FPG Business following such absence or expiration of such leave under applicable Law or any applicable agreement (including any collective bargaining agreement) (the "***Leave Employees***" and, together with the Current Employees, the "***Closing Date Employees***").

With regard to Business Employees located at Sellers' Rochester Hills, Michigan, facility and those located at Sellers' San Luis Potosi, Mexico, facility, only those individuals listed on Schedule 10.1 will be considered Closing Date Employees for purposes hereof. The Purchasers shall not be required under this Section 10.1 to offer employment to more than 83 Closing Date Employees located at Sellers' Paris, Tennessee, facility.

In addition, to the extent that any Purchaser is required by applicable Law to employ or offer employment to any Business Employees, Orhan shall cause the applicable Purchaser to employ or offer employment to such Business Employees in the manner described in Schedule 10.4.

All such offers of employment shall be made in accordance with the provisions of this Section 10.1 and, to the extent applicable, Schedule 10.4. Except as otherwise required by applicable Law or any applicable collective bargaining agreement, a Closing Date Employee, who is offered employment by Purchasers or one of their Affiliates, shall be deemed to have accepted such offer if he or she has presented himself or herself as available for active employment at his or her then applicable place of employment: (A) in the case of a Current Employee not absent from work on the Closing Date, on the first Business Day immediately following the Closing Date, or such subsequent date as Orhan in its sole discretion shall approve, or thereafter so long as such day is within 10 days following the Closing Date and, from such date and thru the tenth day following the Closing Date, such Current Employee continues to be actively at work, (B) in the case of a Current Employee who is absent from work on the Closing Date due to vacation, holiday, or sickness other than short or long-term disability, the first Business Day following the Closing Date that such Current Employee is scheduled to return to active employment, and (C) in case of a Leave Employee, on the first Business Day following the Closing Date that the Leave Employee is able to return to active employment, but in no event later than six months following the Closing Date. Each Closing Date Employee who accepts an offer of employment from such Purchaser (or one of their Affiliates), and each Closing Date Employee whose employment with such Purchaser continues by operation of law, shall be referred to herein as a ***"Transferred Employee."*** Except as otherwise provided in Schedule 10.4, a Closing Date Employee whose employment does not continue by operation of law must accept Purchasers' offer of employment within ten (10) days of such offer; otherwise said Closing Date Employee will be deemed never to have become a Transferred Employee. The applicable Asset Selling Entity will be responsible for those Current Employees and those Leave Employees who do not accept offers of employment from the applicable Purchaser. Sellers and their Affiliates shall have no responsibility for, and Orhan shall be responsible for and shall indemnify and hold Sellers and their Affiliates harmless from, all claims brought by Closing Date Employees relating to the payment of severance (including the reasonable actual out-of-pocket fees and expenses of counsel) or other liability whatsoever that arise as a result of Purchasers' failure to make an offer

of employment to such Closing Date Employees in accordance with the terms of this Section 10.1 or Purchasers' failure to employ any such Closing Date Employee who accepts such employment.

(b) Subject to any additional requirements specified in Schedule 10.4, each offer of employment extended to a Closing Date Employee (who is not represented by a union) by the applicable Purchaser pursuant to this Section 10.1 shall be at a base salary or wage at least equal to the base salary or wage paid to the Closing Date Employee, in the case of a Current Employee, immediately prior to the Closing Date and, in the case of a Leave Employee, immediately prior to the commencement of such Leave Employee's absence from work, in each case unless a higher wage is otherwise required by law. During the 6-month period immediately following the Closing Date, the applicable Purchaser shall continue to provide each Transferred Employee, for so long as it continues to employ such Transferred Employee during such 6-month period, with an annual salary or hourly wage rate, as applicable, at least equal to the rate contained in such offer of employment to such Transferred Employee.

(c) For Transferred Employees who are represented by a union or covered by any collective bargaining agreement with an Asset Selling Entity as of the date hereof or as of the Closing Date ("***Union Transferred Employees***"), Orhan shall, or shall cause the applicable Purchaser to, adopt such collective bargaining agreements and assume the collective bargaining obligations of each such Asset Selling Entity, provided that, with respect to the Archbold, Ohio facility, Orhan and the union shall bargain in good faith appropriate modifications to the terms of such collective bargaining agreement relating to benefit plans as would permit Orhan to establish, in lieu of the Seller employee benefit plans and arrangements specified in the collective bargaining agreements, plans sponsored solely by Orhan or the applicable Purchaser which provide substantially similar benefits to Union Transferred Employees as are provided under the plans specified in the collective bargaining agreement. Seller and Purchaser agree that the appropriate Asset Selling Entities will retain all liabilities under the Pension Plan For Dana Automotive Aftermarket Group Employees with respect to the Union Transferred Employees for benefits accrued prior to the Closing Date, and the Seller and Orhan agree that neither Orhan nor the applicable Purchaser shall provide benefits to the Union Transferred Employees under the Pension Plan For Dana Automotive Aftermarket Group Employees. For Union Transferred Employees and each group of Acquired Company Employees who are covered by a collective bargaining agreement between a union and an Acquired Company as of the date hereof or the Closing Date, Orhan agrees that such collective bargaining agreement shall remain in effect under its present terms until such time as the applicable Purchaser or Acquired Company may have a right to modify or terminate the collective bargaining agreement in accordance with its terms and applicable Law. Subject to any additional requirements specified in Schedule 10.4, each offer of employment to a Closing Date Employee who is represented by a union shall be consistent with the applicable Purchaser's obligations under this Section 10.1(c).

(d) Effective on and after the Closing Date, Orhan accepts any and all obligations under the WARN Act, and any comparable state or local law or ordinance including any comparable laws of the Mexico, with respect to all Transferred Employees.

(e) For the 6-month period immediately following the Closing Date, Orhan shall cause the applicable Purchaser to provide the Transferred Employees whose employment is

not governed by the terms of a collective bargaining agreement ("***Non-Union Transferred Employees***") and their respective eligible dependents, for so long as such Purchaser continues to employ such Transferred Employee during such 6-month period, with medical, dental, prescription drug and other welfare benefits (the "***Purchaser Welfare Plans***") under any Purchaser Welfare Plans that are substantially similar to the benefits and eligibility provided to the Purchasers' employees prior to Closing in comparable positions in comparable locations and, in the event there are no employees of Purchasers in comparable positions, benefits and eligibility that are substantially similar to the benefits provided to such Non-Union Transferred Employees immediately prior to the Closing Date.

(f) (i) The Purchaser Welfare Plans shall (i) treat the Non-Union Transferred Employees and their respective eligible dependents as eligible to participate in the Purchaser Welfare Plans immediately upon the Closing Date to the same extent such Non-Union Transferred Employees and their respective eligible dependents were eligible under the analogous Seller Benefit Plan immediately prior to the Closing Date and (ii) give to the Non-Union Transferred Employees and their respective eligible dependents credit under the Purchaser Welfare Plans for service with Sellers, the Acquired Companies, Sellers and their respective Affiliates prior to the Closing Date to the extent such credit was given under the analogous Seller Employee Benefit Plans immediately prior to the Closing Date. Such credit for service shall be given for purposes of eligibility to participate, eligibility for benefits and satisfaction of any waiting periods under the Purchaser Welfare Plans.

(ii) Each Non-Union Transferred Employee who was eligible under one of the Dana Defined Contribution Plans (as defined in Section 10.2(a) below) prior to the Closing Date shall be eligible to participate in the Purchaser Retirement Plans immediately upon the Closing Date. Each Non-Union Transferred Employee shall, except as provided below, be given credit under the Purchaser Defined Contribution Plans for all service prior to the Closing Date to the extent such credit was given under the analogous Dana Defined Contribution Plans immediately prior to the Closing Date. Such credit for service shall be given for purposes of eligibility to participate, vesting, eligibility for early retirement, and for all other purposes for which such service is either taken into account or recognized other than for benefit accrual purposes.

(g) Orhan agrees that (i) all accrued but unused vacation, personal days, floating holidays, sick pay and other leave or paid time off of the Non-Union Transferred Employees that, in the ordinary course of business, remains unpaid as of the Closing Date, shall be the applicable Purchaser's responsibility and shall be recognized by the applicable Purchaser under its vacation and other pay policies to the extent not paid by Sellers on or before the Closing Date and (ii) to the extent that any Asset Selling Entity is required by applicable Law or the terms of any Seller Employee Benefit Plan to make any payment to any Non-Union Transferred Employee for any vacation accrued but unused and unpaid as of the Closing Date in connection with the consummation of the transaction, Orhan agrees to cause the applicable Purchaser to promptly reimburse Sellers for the amount of such payment to the extent such Liability was properly reflected on the Closing Statement of Net Assets.

(h) The applicable Purchaser shall be solely responsible on and after the Closing Date for the terms and conditions of employment of all Transferred Employees. As to

any Transferred Employee that any Purchaser terminates after the Closing Date, Purchasers shall be solely responsible for satisfying any requirements under any applicable Laws and, with respect to each Transferred Employee, Purchasers shall be solely responsible for (i) any liabilities, obligations or claims arising under any Acquired Company Benefit Plan; (ii) any obligations arising on or after the Closing Date under any contract of employment, including, but not limited to, any Assumed Retention Agreement, (iii) any grievances, arbitrations or unfair labor practice charges, arising from events that occur on or after the Closing Date, and any non-monetary relief granted on or after the Closing Date pursuant to grievances, arbitrations or unfair labor practice charges arising from events that occur on or after the Closing Date (or prior to the Closing Date in the case of non-monetary relief as to which, because of its nature, the applicable Seller is incapable of performing), and (iv) any alleged violation of Law (including, but not limited to, all Law pertaining to employment, discrimination, workers' compensation, occupational safety and health, unfair labor practices, WARN Act violations and similar laws) but only to the extent such alleged violation occurred after the Closing Date.

(i) Subject to limitation on privacy as required by applicable Law, each Asset Selling Entity and Orhan agree to furnish to each other such information as may be reasonably required with respect to one or more Transferred Employees promptly following receipt of any reasonable written request from the other.

Section 10.2. Seller Benefits Plans.

(a) Effective as of the Closing Date, other than with respect to the Acquired Company Benefit Plans the Transferred Employees shall cease to be credited with service and to accrue any benefits under any Seller Employee Benefit Plan which are pension benefit plans (as defined in Section 3(2) of ERISA) whether or not such plan is subject to ERISA, including, but not limited to (for U.S. employees) the Dana Corporation Retirement Plan or the Pension Plan for Dana Automotive Aftermarket Group Employees (the "***Dana Retirement Plans***") and the Dana Corporation Savings and Investment Plan, Employee Incentive Savings and Investment Plan or the Savings Works Plan (the "***Dana Defined Contribution Plans***"). Each Non-Union Transferred Employee participating in a Dana Retirement Plan shall be eligible to receive a distribution of his or her vested accrued benefits under such Dana Retirement Plan in accordance with the terms of such Dana Retirement Plan. Orhan shall arrange to have the Defined Contribution Plans sponsored by Purchasers accept direct rollovers of eligible rollover distributions from the Dana Defined Contribution Plans and the Dana Retirement Plans in the form of cash, or in the case of Transferred Employees who have an outstanding participant loan under one of the Dana Defined Contribution Plans at the Closing Date, in the form of a promissory note.

(b) Coverage for all Transferred Employees and their respective eligible dependents under the Seller Employee Benefit Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) whether or not such plan is subject to ERISA (other than the Acquired Company Benefit Plans) (the "***Seller Welfare Plans***") shall terminate, as of 12:01 a.m. (EST) on the day following the Closing Date. Except as otherwise required by Law (including the Bankruptcy Code for Seller Employee Benefit Plans which are maintained in the United States), the Seller Welfare Plans shall be liable only for claims incurred and benefits earned by the Transferred Employees prior to the Closing Date. The Purchaser Welfare Plans shall be liable

for claims incurred and benefits earned by Transferred Employees (and the eligible dependents of such Transferred Employees) that are properly payable under the Purchaser Welfare Plans on or after the Closing Date. For purposes of this Section 10.2, a claim is "incurred" on the date that the event giving rise to the claim occurred (for purposes of life insurance, sickness and disability programs) or on the date the applicable medical or dental services are rendered, drugs or medical equipment is purchased or, in the case of a continuous period of hospitalization or confinement, the date of commencement of such period of hospitalization or confinement.

(c) Seller will continue to administer the flexible spending accounts of any Transferred Employees who have such flexible spending accounts under any Seller Welfare Plan maintained in the United States as of the Closing Date, for the remainder of the applicable plan year, in accordance with the terms of the applicable Seller Welfare Plan.

(d) Seller will offer and provide group health plan continuation coverage pursuant to the requirements of COBRA to all the current and former employees of the FPG Business resident in the United States to whom they are required to offer the same under applicable law.

Section 10.3. Acquired Company Benefit Plans.

Orhan shall, and shall cause each of the applicable Purchasers to, cause each Acquired Company to continue any and all Seller Employee Benefit Plans it maintained immediately prior to the Closing Date, as listed in Schedule 10.3 (the "***Acquired Company Benefit Plans***").

Section 10.4. Non-U.S. Employee Matters.

Acquired Company Employees and Closing Date Employees located outside the United States shall be treated, to the extent practicable under local law, in accordance with the provisions of Sections 10.1, 10.2, and 10.3, subject to the provisions set forth on Schedule 10.4.

ARTICLE XI

POST CLOSING COVENANTS

Section 11.1. Further Assurances; Further Conveyances and Assumptions; Consent of Third Parties.

(a) From time to time after the Closing Date, Dana and Orhan shall, and shall cause their respective Subsidiaries and Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and acquittances and such other instruments, and shall take such further actions, as may be necessary or appropriate to assure any Purchaser and such Purchaser's respective successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Purchasers under this Agreement and the other Operative Documents and to assure fully to Sellers and their successors and assigns, the assumption by the Purchasers of the Assumed Liabilities, and to otherwise make effective the transactions contemplated hereby and thereby (including (i) transferring back to the applicable Seller any Excluded Asset, (ii) transferring back to the applicable Seller any asset or Liability of any Asset Selling Entity not related to the FPG

Business and (iii) transferring to the applicable Purchaser any asset or Liability contemplated by this Agreement to be a Purchased Asset or an Assumed Liability, respectively, which was not transferred to the applicable Purchaser at the Closing).

(b) Nothing in this Agreement or any other Operative Document nor the consummation of the transactions contemplated hereby or thereby shall be construed as an attempt or agreement to assign any Purchased Asset, which by its terms or by Law is nonassignable without the consent of a third party or a Governmental Body ("***Nonassignable Assets***") unless and until such consent shall have been obtained.

(c) Unless and until any required consent for any Nonassignable Asset is obtained, such Nonassignable Asset shall not constitute a Purchased Asset and any Liability associated exclusively with such Nonassignable Asset shall not constitute an Assumed Liability for any purpose under this Agreement. Pursuant to Section 11.1(a), as to any Material Contract that constitutes a Nonassignable Asset because a requisite third-party consent has not been obtained, the applicable Seller will use commercially reasonable efforts to promptly obtain such consent or approval, and, prior to obtaining such consent or approval, will use commercially reasonable efforts to provide to the applicable Purchaser realization of the practical benefits intended to be provided by such Material Contract.

(d) Once such consent or approval is obtained with respect to a Nonassignable Asset, each Asset Selling Entity shall promptly assign, transfer, convey and deliver such Nonassignable Asset to the applicable Purchaser, and the applicable Purchaser shall assume any Assumed Liability associated exclusively with such Nonassignable Asset, for no additional consideration.

(e) In the event and for so long as any Purchaser actively is contesting or defending against any action, investigation, charge, claim, or demand by a third party in connection with (i) any transaction contemplated under this Agreement or the other Operative Documents or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction involving the FPG Business, each Seller will cooperate with such Purchaser and their counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books, records and other materials as shall be reasonably necessary in connection with the contest or defense, all at the sole cost and expense of Purchasers (unless Purchasers are entitled to indemnification therefor under Article XII).

(f) In the event and for so long as any Seller actively is contesting or defending against any action, investigation, charge, claim, or demand by a third party in connection with (i) any transaction contemplated under this Agreement or the other Operative Documents or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the FPG Business, Orhan will, and will cause each other Purchaser to, cooperate with Seller and its counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books, records and other materials as shall be reasonably necessary in connection with the contest or defense, all at the sole cost and expense of Sellers (unless Sellers are entitled to indemnification therefor under Article XII).

Section 11.2. Record Retention, Access to Documents and Cooperation.

(a) Dana shall, and shall cause its Affiliates to, afford to Orhan's representatives, upon reasonable notice and without undue interruption to Dana's or the Sellers' business and at Orhan's expense, access during normal business hours to the books and records (including any such books and records in electronic format) of Dana and such Affiliate pertaining to the operations of the FPG Business prior to the Closing Date for that period of time required by Law or by Dana's document retention policy in connection with (i) the preparation of financial statements, (ii) U.S. Securities and Exchange Commission reporting obligations, (iii) Excluded Assets and Liabilities, (iv) the contest or defense of Legal Proceedings and investigations, (v) the Bankruptcy Cases (including, without limitation, with respect to reconciliation of claims in connection with the Cases), and (vi) other reasonable business purposes. Orhan shall have the right to receive and retain copies of all such books and records.

(b) Orhan shall, and shall cause its Affiliates to, afford to Dana's representatives, upon reasonable notice and without undue interruption to Orhan's or the Purchasers' business and at Dana's expense, access during normal business hours to the books and records (including any such books and records in electronic format) of Orhan and such Affiliate (including the Acquired Companies) pertaining to the operations of the FPG Business prior to the Closing Date for that period of time required by Law or by Orhan's document retention policy in connection with (i) the preparation of financial statements, (ii) U.S. Securities and Exchange Commission reporting obligations, (iii) Excluded Assets and Liabilities, (iv) the contest or defense of Legal Proceedings and investigations, (v) the Bankruptcy Cases (including, without limitation, with respect to reconciliation of claims in connection with the Cases), and (vi) other reasonable business purposes. Dana shall have the right to receive and retain copies of all such books and records.

(c) Orhan agrees to hold all of the books and records of the FPG Business (other than records relating to Taxes, which shall be governed by Section 15.5) existing on the Closing Date or included in the Purchased Assets for a period of time required by Law; *provided*, *however*, that Orhan shall not destroy, alter or dispose of any of such books and records for a period of ten years from the Closing Date.

(d) Orhan shall, and shall cause its Subsidiaries to, provide (at Dana's sole risk, cost and expense) such assistance to Dana as Dana may reasonably request with respect to (i) the preparation of Sellers' financial statements and U.S. Securities and Exchange Commission reporting obligations, (ii) the preparation of Sellers' Department of Labor reports, and (iii) Sellers' reporting obligations pursuant to the Losses, in each case, relating to the operation of the FPG Business prior to the Closing Date.

Section 11.3. Noncompetition.

Each Seller covenants and agrees as set forth on Schedule 11.3.

Section 11.4. Transition Services.

The Transition Agreement shall specify the services to be provided, the scope and duration of such services, and the pricing and payment provisions relating thereto. Such services

will include, without limitation (i) the provision of information technology services as described in Section 4.22; (ii) the applicable Purchaser's use of and access to the applicable Seller's Rochester Hills facility to transition the Purchased Assets and Transferred Employees from such facility in a reasonable manner and within a reasonable time period following the Closing; (iii) the applicable Seller's use of and access to the San Luis Potosi II, Mexico facility to transition the Excluded Assets and non-Transferred Employees from such facility in a reasonable manner and within a reasonable time period following the Closing as provided in accordance with Section 6.9; and (iv) other normal and customary transition services, such as accounts receivable collections and HR services. Charges for services provided by Dana or its Affiliates under the Transition Agreement shall equal (i) in the case of services provided directly by Dana or its Affiliates, the cost to Dana (or such Affiliate) of providing such services, and (ii) in the case of services provided by third parties, the cost charged by such third party (or an allocable share of such cost, as appropriate), without increase by Dana, plus an allocable share of the costs to Dana (or its Affiliates) of administering such third-party provider and the provision of such services.

ARTICLE XII

SURVIVAL, INDEMNIFICATION AND RELATED MATTERS

Section 12.1. Survival.

(a) Except as to Known Claims, all representations and warranties contained herein other than those contained in Sections 4.5, 4.9, 4.10, 4.12, 4.13, 4.14, 4.18, 4.24, and 4.25 shall terminate at the Closing. Section 4.5 shall survive the Closing indefinitely with respect to FPG Business operations in Europe (excluding the JV Acquired Companies) only. Each of Section 4.9, 4.10, 4.12, 4.13, 4.14, 4.18, 4.24, and 4.25 shall survive the Closing for the applicable period and to the extent provided as follows, and, at the expiration of such applicable period, shall terminate: Section 4.9 as provided in Section 15.1(d); Sections 4.10, 4.12, 4.13, 4.14, until the 18 months anniversary of the Closing Date with respect to FPG Business operations in Europe and Mexico (excluding the JV Acquired Companies) only; Section 4.24 until the one year anniversary of the Closing Date with respect to FPG Business operations in Europe (excluding the JV Acquired Companies) only; Section 4.18 until the one year anniversary of the Closing Date with respect to all FPG Business operations; Section 4.25 until the one-year anniversary of the Closing with respect to all FPG Business operations. For purposes hereof, "***Known Claims***" means those claims for breaches of representations and warranties contained in Article IV as to which Orhan has given written notice to Dana on or before the Closing Date. Notwithstanding the foregoing, the representations and warranties as to which the Known Claims relate will survive Closing, as to the Known Claims only, for three months following the Closing Date, and, at the expiration of such of three month period, shall terminate. Upon the termination of representations and warranties as provided herein, the right to commence any claim with respect thereto shall also terminate and thereafter neither the Purchasers nor the Sellers shall have any Liability whatsoever with respect to such representations and warranties.

(b) Each Person entitled to indemnification hereunder shall use commercially reasonable efforts to mitigate Losses for which it seeks indemnification hereunder. Except as described in the Closing Claims Schedule and as expressly provided in Section 12.2, no Person shall be entitled to indemnification for Losses hereunder for breaches of representations and

warranties if, on the Closing Date, such Person had knowledge of the existence of the breach with respect to which such Person is seeking indemnification hereunder.

(c) In calculating the amount of Losses recoverable pursuant to this Article XII, the amount of such Losses shall be reduced by: (i) any insurance proceeds actually received by the party seeking indemnification from any unaffiliated insurance carrier offsetting the amount of such Loss, net of any expenses incurred by such party in obtaining such insurance proceeds (*provided* that such party shall be obligated to reasonably seek any such proceeds to which it may be entitled); (ii) the amount of such Losses shall be reduced by any recoveries from third parties pursuant to indemnification (or otherwise) with respect thereto, net of any expenses incurred by the Indemnified Party in obtaining such third party payment; and (iii) the amount of the Loss shall be adjusted by an amount such that the Indemnified Party shall be, after having been paid the indemnity from the Sellers and taking into account the Tax consequences of such payment and the Loss, in the same position as it would have been, had the Loss not occurred. Where the Indemnified Party cannot effectively enjoy a saving of Tax paid in respect of the year in which the Loss is accounted for, no reduction of the amount of the Loss attributable to such lack of Tax saving will be made, and where the Indemnified Party is not effectively subject to a payment of Tax in respect of the indemnity paid in the year in which the Purchasers account for such indemnity, no increase of the amount of the Loss will be made in respect of the indemnity payment. If any Losses for which indemnification is provided hereunder are subsequently reduced by any insurance payment or other recovery from a third party, the Indemnified Party shall promptly remit the amount of such reduction to the Indemnifying Party.

(d) No party shall be liable to any Indemnified Party for special, incidental, indirect, consequential, punitive or exemplary Losses.

Section 12.2. Indemnification.

(a) From and after the Closing, each Seller, severally and not jointly, hereby agrees to indemnify and hold the Purchaser Indemnified Group harmless from and against any and all claims, judgments, causes of action, liabilities, obligations, damages, losses, deficiencies, costs, penalties, interest and expenses (including the reasonable actual out-of-pocket fees and expenses of counsel) (collectively, "***Losses***") suffered or incurred by the Purchaser Indemnified Group arising out of or resulting from:

(i) any breach of any representation or warranty of such Seller set forth in Article IV (excluding Section 4.9)that survives the Closing pursuant to Section 12.1;

(ii) any breach of, or default in the performance by such Seller of, any covenant or agreement on the part of such Seller herein that is to be performed by its terms after the date hereof, subject to the limitations and conditions contained herein;

(iii) any Excluded Liability; and

(iv) matters described in the Closing Claims Schedule.

(b) Orhan hereby agrees, jointly and severally with the Purchasing Affiliates, and each Purchasing Affiliate hereby agrees, severally and not jointly, to indemnify and hold the Seller Indemnified Group harmless from and against, any and all Losses suffered or incurred by the Seller Indemnified Group arising out of or resulting from:

(i) any breach of, or default in the performance by such Purchaser of, any covenant or agreement that is to be performed after the date hereof, subject to the limitations and conditions contained herein;

(ii) a Purchaser's and any of its Subsidiaries' ownership or operation of the FPG Business from and after the Closing Date, except for any matters described in the Closing Claims Schedule; and

(iii) any Assumed Liabilities or the failure of any of the Acquired Companies (or their successors or assigns) to pay, perform and discharge when due any of their respective Liabilities from and after the Closing Date.

(c) From and after the Closing, for a period of five years following the Closing Date, TPF shall indemnify and hold the Purchaser Indemnified Group harmless from and against (i) 50 percent of the first $500,000 of Losses incurred during such five-year period, and (ii) 100 percent of up to an additional $500,000 of Losses incurred during such five-year period, in each case suffered or incurred by the Purchaser Indemnified Group, arising out of or resulting from any pre-Closing violation of Environmental Law and that are directly related to the property located in Barcelona, Spain where Nobel Iberica currently operates the FPG Business.

(d) Indemnification for any and all Tax matters and the procedures with respect thereto shall be governed exclusively by Article XV.

(e) Except as otherwise required pursuant to a "determination" under Section 1313(a) of the Code (or any comparable provision of state, local, or foreign Law), Sellers, Purchasers, the Acquired Companies and their respective Affiliates shall treat any and all payments under this Article XII as an adjustment to the purchase price for all Tax purposes.

Section 12.3. Limitations on Amount – Seller.

Sellers will have no liability (for indemnification or otherwise) with respect to the matters governed by Section 12.2(a)(i), (i) unless the aggregate monetary value of any Losses with respect to a particular matter or set of facts or circumstances, exceeds $25,000.00, and (ii) until the total monetary value of all Losses with respect to such matters exceeds $250,000.00, in which case Sellers shall be liable for just the excess *provided*, *however*, that Sellers will have no liability (for indemnification or otherwise) for the amount by which the total monetary value of all Losses for breaches of representations and warranties exceeds 15% of the Final Cash Consideration.

Section 12.4. Procedures for Indemnification.

Whenever a claim shall arise for indemnification under this Article XII, the party entitled to indemnification (the "***Indemnified Party***") shall promptly notify the party from which

indemnification is sought (the "***Indemnifying Party***") of such claim and, when known, the facts constituting the basis for such claim; *provided*, *however*, that in the event of any claim for indemnification hereunder resulting from or in connection with any claim or Legal Proceeding by a third party, the Indemnified Party shall give such notice thereof to the Indemnifying Party not later than ten (10) Business Days prior to the time any response to the asserted claim is required, if possible, and in any event within five (5) Business Days following receipt of notice thereof; *provided*, *further*, that no delay or failure to give such notice by the Indemnified Party to the Indemnifying Party shall adversely affect any of the other rights or remedies which the Indemnified Party has under this Agreement or the other Operative Documents, or alter or relieve the Indemnifying Party of its obligation to indemnify the Indemnified Party, except to the extent that such delay or failure has materially prejudiced the Indemnifying Party. In the event of any such claim for indemnification resulting from or in connection with a claim or Legal Proceeding by a third party, the Indemnifying Party may, at its sole cost and expense, assume the defense thereof by written notice within 30 calendar days, using counsel that is reasonably satisfactory to the Indemnified Party. If an Indemnifying Party assumes the defense of any such claim or Legal Proceeding, the Indemnifying Party shall be entitled to take all steps necessary in the defense thereof including the settlement of any case that involves solely monetary damages without the consent of the Indemnified Party; *provided*, *however*, that the Indemnified Party may, at its own expense, participate in any such proceeding with the counsel of its choice without any right of control thereof. The Indemnifying Party, if it has assumed the defense of any claim or Legal Proceeding by a third party as provided herein, shall not consent to, or enter into, any compromise or settlement of (which settlement (i) commits the Indemnified Party to take, or to forbear to take, any action or (ii) does not provide for a full and complete written release by such third party of the Indemnified Party), or consent to the entry of any judgment that does not relate solely to monetary damages arising from, any such claim or Legal Proceeding by a third party without the Indemnified Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. The Indemnifying Party and the Indemnified Party shall cooperate fully in all aspects of any investigation, defense, pre-trial activities, trial, compromise, settlement or discharge of any claim in respect of which indemnity is sought pursuant to this Article XII, including, but not limited to, by providing the other party with reasonable access to employees and officers (including as witnesses) and other information. So long as the Indemnifying Party is in good faith defending such claim or proceeding, the Indemnified Party shall not compromise or settle such claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed. If the Indemnifying Party does not assume the defense of any such claim or litigation in accordance with the terms hereof, the Indemnified Party may defend against such claim or litigation in such manner as it may deem appropriate, including settling such claim or litigation (after giving prior written notice of the same to the Indemnifying Party and obtaining the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed) on such terms as the Indemnified Party may reasonably deem appropriate, and the Indemnifying Party will promptly indemnify the Indemnified Party in accordance with the provisions of this Section 12.4.

Section 12.5. Certain North American Real Property Environmental Matters.

(a) For the period from and after the Closing Date until the first anniversary of the Closing Date (the ***"Environmental Testing Period"***), the Purchasers shall have the right to

conduct such environmental assessments, including, without limitation, physical inspections, sampling activities and installation of monitoring wells (collectively, ***"Environmental Assessments"***), as Purchasers deem advisable at the North American Real Property.

(b) If, during the Environmental Testing Period, any Purchaser discovers the presence of Hazardous Materials relating to the conduct of the FPG Business at the North American Real Property prior to the Closing Date in concentrations exceeding the Trigger Levels, as defined below, where the presence of such Hazardous Materials above Trigger Levels was not identified on Schedule 4.18(b), the presence of any such Hazardous Materials at concentrations exceeding the Trigger Levels shall be deemed a breach of the representation set forth in Section 4.18(b) and the Losses resulting therefrom shall be subject to indemnification by Sellers in accordance with the provisions of Section 12.2(a)(i) and Section 12.3; *provided*, *however*, that Sellers shall not be obligated to indemnify Purchaser Indemnified Group for any increase in any such Losses to the extent due to acts or omissions of the Purchasers or their employees, contractors, subcontractors, agents or invitees that exacerbate existing conditions. Purchasers shall be responsible for all costs incurred by Purchasers in conducting any such Environmental Assessments up to a determination that Trigger Levels have been exceeded.

(c) "Trigger Levels" shall mean such standards for industrial properties in effect as of the Closing Date that have been promulgated or adopted or are used in the ordinary course by the applicable Governmental Body.

(d) Sellers and Purchasers mutually agree to cooperate in connection with any matters subject to indemnification under this Section 12.5. Upon request, Orhan shall cause Purchasers to provide Sellers with (i) any material correspondence, report, technical data or other material information generated as a result of a remedial action by Purchasers, (ii) reasonable access upon reasonable notice to the North American Real Property in a manner that will not disrupt the applicable Purchaser's operations, and (iii) the right to take split samples in each case for the purpose of verifying the performance of any remedial action, correction of noncompliance or other action, the costs for which any Seller is required to indemnify pursuant to this Article XII. Sellers and Orhan agree that they each shall maintain in strict confidence any information concerning any matters subject to indemnification under this Section 12.5; *provided*, *however*, that Sellers and Purchasers may disclose such information to the extent reasonably necessary to communicate with appropriate Governmental Bodies. If any Law requires any party or its Affiliates to disclose such information, such party will promptly notify the other party and will give such other party the opportunity to review and comment in advance upon the content and timing of any such disclosure. Orhan shall submit or cause to be submitted any reimbursement requests for which any Purchaser is seeking indemnification pursuant to this Section 12.5 to the applicable Seller and, as promptly as practicable after receipt of such reimbursement requests, Sellers shall pay any such reimbursement requests in accordance with, and subject to, the terms and conditions of Section 12.2.

(e) During the survival period referred to in Section 12.1(a) and in respect of any Legal Proceedings arising during such survival period, Sellers shall retain exclusive control of and be solely responsible for the matters subject to indemnification under this Section 12.5, including, without limitation, the sole control of all aspects of any Legal Proceedings. Following the Closing and during such survival period, Sellers shall use reasonable efforts to consult with

Purchasers prior to, and on a periodic basis while, conducting any remedial action, correction of non-compliance, or engaging in any Legal Proceeding involving the North American Real Property and shall give the Purchasers the reasonable opportunity to review and comment on any material governmental filings or other material governmental correspondence relating thereto made by any Seller or its Affiliates. Sellers agree to use commercially reasonable efforts to consider Purchaser's comments and to minimize the disruption of the FPG Business in connection with the foregoing.

Section 12.6. Exclusive Remedy.

Except in the case of intentional fraud by any party, or any acts by Purchaser in violation of Section 363(n) of the Bankruptcy Code, and except as provided in Article XIV with respect to the Breakup Fee and the Deposit Amount and in Article XV with respect to Taxes, and in the French Tax Consolidated Group Exit Agreement, each Purchaser and each Seller agrees that the provisions set forth in this Article XII and the Deposit Agreement shall be their sole and exclusive remedy for any claims or causes of action for money damages arising out of, based upon or resulting from the provisions of this Agreement and the transactions contemplated hereby and waive to the fullest extent permitted by applicable law any and all such other claims or causes of action for money damages, whether sounding in contract, tort or otherwise, and whether asserted at law or in equity. Nothing in this Agreement shall impair or limit any remedy Sellers may have for any breach by Purchasers of Section 363(n) of the Bankruptcy Code.

ARTICLE XIII

NONSOLICITATION; STANDSTILL

Section 13.1. Nonsolicitation of Purchaser Employees.

Each Seller covenants and agrees that for a period of two years following the Closing Date or termination of this Agreement pursuant to Section 14.1 it shall not, and shall cause its Subsidiaries not to, solicit any Acquired Company Employee or Transferred Employee (at a time when such person is an employee of any Purchaser or any of its Subsidiaries) or to terminate his or her employment relationship with any Purchaser or any of its Subsidiaries; *provided*, *however*, that nothing herein shall prohibit any Seller or any of its Subsidiaries from advertising publicly or from employing persons who respond to any such advertising whether or not such persons are then employed by any Purchaser.

Section 13.2. Nonsolicitation of Seller Employees.

Orhan covenants and agrees that for a period of two years following the Closing Date or termination of this Agreement pursuant to Section 14.1 it shall not, and shall cause its Subsidiaries not to, solicit any employee of any Seller or any of its Subsidiaries (at a time when such person is an employee of any Seller or any of its Subsidiaries) or to terminate his or her employment relationship with any Seller or any of its Subsidiaries; *provided*, *however*, that nothing herein shall prohibit Orhan or any of its Subsidiaries from advertising publicly or from employing persons who respond to any such advertising whether or not such persons are then employed by any Seller.

Section 13.3. Standstill.

Orhan agrees that, for a period of five years from the Closing Date or termination of this Agreement pursuant to Section 14.1, neither Orhan nor any of its affiliates (as such term is defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended) will (and neither Orhan nor they will assist or encourage others to), without the prior written consent of Dana or its Board of Directors: (i) acquire or agree, offer, seek or propose to acquire, or cause to be acquired, directly or indirectly, by purchase or otherwise, ownership (including, without limitation, beneficial ownership as defined in Rule 13d-3 of the Exchange Act) of any voting securities or direct or indirect rights or options to acquire any voting securities of Dana or any of its Subsidiaries, or of any successor to or person in control of Dana, any of the assets or businesses of Dana or any of its Subsidiaries or divisions thereof or of any such successor or controlling person or any bank debt, claims or other obligations of Dana or any rights or options to acquire (other than those currently owned) such ownership (including from a third party); (ii) seek or propose to influence or control the management or policies of Dana or to obtain representation on Dana's Board of Directors, or solicit, or participate in the solicitation of, any proxies or consents with respect to any securities of Dana, or make any public announcement with respect to any of the foregoing or request permission to do any of the foregoing; (iii) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transaction involving Seller or its securities or assets; (iv) enter into any discussions, negotiations, arrangements or understandings with any third party with respect to any of the foregoing, or otherwise form, join or in any way participate in a "group" (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) in connection with any of the foregoing; (v) seek or request permission or participate in any effort to do any of the foregoing or make or seek permission to make any public announcement with respect to the foregoing; or (vi) request Seller or any of its representatives, directly or indirectly, to amend or waive any provision of this Section 13.3. Each Purchaser agrees to promptly advise Dana of any inquiry or proposal made to any Purchaser with respect to any of the foregoing.

Section 13.4. Remedies.

Orhan and Sellers acknowledge and agree that the other remedies provided for in this Agreement cannot fully compensate either party for a violation of the terms of this Article XIII or of the terms of Section 11.3 and Schedule 11.3, and that either party shall be entitled to injunctive relief to prevent any such violation or continuing violation of such obligations and provisions by the other party.

ARTICLE XIV

TERMINATION

Section 14.1. Termination.

This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) upon the written agreement of Orhan and Dana;

(b) (i) by Orhan if (A) there is a material breach of any representation or warranty contained in Article IV, and such breach results in, or would reasonably be expected to result in, a Material Adverse Effect, and such breach has not been cured within 10 Business Days of notice thereof (given in accordance with Section 17.1) or been waived by Orhan, or (B) a breach of any material covenant contained in this Agreement or the Deposit Agreement has been committed by Dana and such breach has not been cured within 10 Business Days of notice thereof (given in accordance with Section 17.1) or been waived by Orhan; or (ii) by Dana if (A) there is a material breach of any representation or warranty contained in Article V, and such breach results in, or would reasonably be expected to result in, a material adverse effect to the enforceability of this Agreement or any other Operative Documents against Orhan or any Purchasing Affiliate that is party thereto or the ability of Orhan or the Purchasing Affiliates to perform their obligations hereunder or thereunder, and such breach has not been cured within 10 Business Days of notice thereof (given in accordance with Section 17.1) or been waived by Dana, or (B) a breach of any material covenant contained in this Agreement or the Deposit Agreement has been committed by Orhan and such breach has not been cured within 10 Business Days of notice thereof (given in accordance with Section 17.1) or been waived by Dana;

(c) by Orhan, if the Closing Date has not occurred on or before November 1, 2007, and the failure to consummate the transactions contemplated by this Agreement on or before such date did not result from the failure by Orhan or any Purchaser to fulfill any undertaking or commitment required to be fulfilled by Orhan or such other Purchaser prior to the Closing;

(d) by Dana, if the Closing Date has not occurred on or before November 1, 2007, and the failure to consummate the transactions contemplated by this Agreement on or before such date did not result from the failure by Dana or any Seller to fulfill any undertaking or commitment required to be fulfilled by Dana or such other Seller prior to the Closing Date;

(e) by Dana, if Dana accepts or the Bankruptcy Court approves an alternative bid for any of the Purchased Shares or Purchased Assets pursuant to the terms of the Bidding Procedures Order;

(f) by Orhan, if any of the conditions set forth in Sections 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.8, 8.9, 8.10 or 8.11 becomes incapable of being satisfied;

(g) by Dana, (i) if any of the conditions set forth in Sections 9.3, 9.4 or 9.5 becomes incapable of being satisfied, or (ii) if any of the conditions set forth in Sections 9.1, 9.2, 9.6 or 9.7 becomes incapable of being satisfied;

(h) by either Orhan or Dana if any Law prohibits Closing or if the Closing would violate any non-appealable final order, decree or judgment of any Governmental Body having competent jurisdiction.

Section 14.2. Effect of Termination.

(a) Effect. Termination under Sections 14.1(b), 14.1(c), 14.1(d), 14.1(e), 14.1(f), 14.1(g), or 14.1(h) shall be effected by giving written notice to the other party, whereupon this Agreement shall terminate and the transactions contemplated hereby shall be

abandoned, without further action by either party, except that Article XIII and Sections 17.8, 17.9, 17.10, 17.11, 17.13, 17.14, 17.15, 17.16 and 17.17 shall survive such termination. Upon any termination hereof pursuant to Section 14.1, no party shall thereafter have any further liability or obligation hereunder or under any other Operative Document (except as expressly provided herein or therein);

(b) Breakup Fee. If (i) this Agreement is terminated by Dana pursuant to Section 14.1(e) and (ii) an Alternative Transaction(s) is consummated no later than 24 months after such termination, then, upon the closing of such Alternative Transaction, Dana shall pay to Orhan a fee (the "***Breakup Fee***") equal to U.S.$2,100,000. Payment of the Breakup Fee will be made by wire transfer in immediately available funds to an account designated by Orhan, and Orhan shall have the right to be paid the Breakup Fee from the first proceeds of any Alternative Transaction. Subject to the approval of the Bankruptcy Court, the obligations of Dana to pay the Breakup Fee (to the extent the Breakup Fee is not paid in full as required from the first proceeds of an Alternative Transaction or otherwise) shall be entitled to superpriority administrative expense claim status in the Cases, senior to all other superpriority administrative expense claims in the Cases, other than those arising out of the Seller Financing and the Carveout, and payable without further order of the Bankruptcy Court pursuant to the terms of this Agreement and the Bidding Procedures Order. The obligation to pay the Breakup Fee in full in immediately available funds when due shall not be discharged, modified, or otherwise affected by any plan of reorganization or liquidation for Dana or any of its Affiliates.

(c) Reimbursement of Expenses. In the event that this Agreement is terminated in circumstances in which the Breakup Fee is payable to Orhan, Seller shall pay or reimburse Orhan for all of Purchasers' actual out-of-pocket costs, fees, expenses (including, without limitation, the reasonable fees and expenses of consultants, financial advisors, accountants and attorneys), incurred by Purchasers in connection with the transactions contemplated by this Agreement, whether or not incurred before or after the date of this Agreement, in an amount not to exceed U.S.$525,000 (the "***Expense Reimbursement***"). Orhan shall present reasonable supporting documentation for the Expense Reimbursement

(d) Release of Deposit.

(i) If this Agreement is terminated pursuant to Sections 14.1(a), 14.1(b)(i), 14.1(c), 14.1(d), 14.1(e), 14.1(f), 14.1(g)(i) or 14.1(h), the Deposit Agent will wire transfer the Deposit Amount to an account designated by Orhan.

(ii) In the event this Agreement is terminated pursuant to Sections 14.1(b)(ii) or 14.1(g)(ii), the Deposit Agent will wire transfer the Deposit Amount to an account designated by Dana.

(iii) In the event the terms of this Section 14.2(d) conflict with the terms of the Deposit Agreement, the terms of the Deposit Agreement shall govern.

(e) If this Agreement is terminated as permitted by Section 14.1, the return of the Deposit Amount pursuant to the terms of the Deposit Agreement and the payment of the Breakup Fee and the Expenses Reimbursement, if any, pursuant to the terms of this Section 14.2,

shall be the sole and exclusive remedy of Purchasers, whether at law or in equity, for any breach by Sellers or any of their Affiliates of the terms and conditions of this Agreement or the Deposit Agreement. If this Agreement is terminated by Dana, the forfeiture of the entire Deposit Amount pursuant to Section 14.2(d)(ii) hereof, shall be the sole and exclusive remedy of Sellers or their bankruptcy estates, whether at law or in equity, for any breach, other than a breach of Section 363(n) of the Bankruptcy Code, by Purchasers or any of their Affiliates of the terms and conditions of this Agreement. The parties agree that the payment to Orhan of the Breakup Fee or the forfeiture by Orhan of the Deposit Amount, as the case may be, pursuant to this Section 14.2 shall be in the nature of liquidated damages. In the event of a breach by Purchasers or any of their Affiliates of Section 363(n) of the Bankruptcy Code, Dana shall be entitled to keep the Deposit Account and to pursue any other remedies available under Section 363(n) of the Bankruptcy Code. The entry of the Bidding Procedures Order by the Bankruptcy Court is a condition precedent to Sellers' obligation to pay, and payment of, the Breakup Fee as otherwise required by this Section 14.2.

ARTICLE XV

TAX MATTERS

Section 15.1. Tax Indemnification

(a) To the extent neither paid (including the payment of estimated Taxes) before the Closing Date nor reflected on the Closing Statement of Net Assets, each Seller severally and not jointly shall indemnify the Purchaser Indemnified Group and defend and hold it harmless from and against all Losses arising out of or resulting from (A) Excluded Taxes, (B) Taxes arising from or in connection with any breach by any Seller of any covenant contained in this Article, and (C) Taxes arising from any breach of any representation or warranty set forth in , Section 4.10(h) or Section 4.14.

(b) Orhan hereby agrees, jointly and severally with the Purchasing Affiliates, and each Purchasing Affiliate, agrees, severally and not jointly, to indemnify the Seller Indemnified Group and defend and hold it harmless from and against all Losses arising out of or resulting from (A) any and all Taxes imposed on or payable with respect to the Acquired Companies, other than Excluded Taxes, (B) Transfer Taxes required to be borne by any Purchaser pursuant to Section 15.8, and (C) Taxes arising from or in connection with any breach by any Purchaser of any covenant contained in this Article XV.

(c) Any indemnity payment to be made pursuant to this Section 15.1 shall be paid no later than the latest of (i) ten (10) days after the indemnified party makes written demand upon the indemnifying party, (ii) five (5) days prior to the date on which the underlying amount is required to be paid by the indemnified party, and (iii) five (5) days after any dispute about the liability for or amount of such indemnity payment is resolved.

(d) The indemnification provisions in this Section 15.1 shall survive the Closing until 90 days after the expiration of the applicable statute of limitations for the Tax giving rise to the claim for indemnification including any extensions of time for assessment granted to the relevant Tax authorities.

(e) The Closing Statement of Net Assets is to reflect (i) prepaid Property Taxes as an asset and (ii) accrued Property Taxes as a liability. The parties agree that all Property Taxes imposed on or with respect to the Purchased Assets or the Acquired Companies will be pro-rated as of the Closing Date and that, notwithstanding any other provision of this Agreement, the economic burden of any such Property Tax will be borne by Sellers for all Pre-Closing Tax Periods (including the portion of a Straddle Period through the Closing Date) and by Purchasers for all Post-Closing Tax Periods (including the portion of a Straddle Period after the Closing Date). Accordingly, notwithstanding any other provision of this Agreement, (i) if any Seller or any of its Affiliates pays (either before or after Closing) any such Property Tax with respect to a Post-Closing Tax Period, such Purchaser will reimburse the applicable Seller upon demand for the amount of such Property Tax to the extent it is not reflected as an asset on the Closing Statement of Net Assets; and (ii) if any Purchaser or any of its Affiliates pays (after Closing) any such Property Tax with respect to a Pre-Closing Tax Period, such Seller will reimburse the applicable Purchaser upon demand for the amount of such Property Tax to the extent it is not reflected as a liability on the Closing Statement of Net Assets.

Section 15.2. Preparation and Filing of Tax Returns.

(a) Sellers shall timely prepare and file or shall cause to be timely prepared and filed: (i) any combined, consolidated, unitary or similar Tax Return that includes any Acquired Company and a Seller or any of its Affiliates; (ii) any other Tax Return for any Income Tax of the Acquired Companies for any Pre-Closing Tax Period other than a Pre-Closing Tax Period which is included within a Straddle Period; and (iii) any other Tax Returns with respect to the FPG Business which are due prior to the Closing Date (taking into account valid extensions of the time to file). Purchaser shall not (and shall not cause any Acquired Company to) amend or revoke such Tax Returns (or any notification or election relating thereto) without the prior written consent of Seller.

(b) For any Tax Return of the Acquired Companies that relates to a Straddle Period or to a Pre-Closing Tax Period and that is not the responsibility of Sellers under Section 15.2(a), Purchasers shall, and shall cause its Affiliates to, timely prepare and file such Tax Return in a manner consistent with past practices of the Acquired Companies and with respect to the Purchased Assets and in the case of any Income Tax or Property Tax, Purchasers shall deliver to Dana for its review, comment and approval (which approval shall not be unreasonably withheld) a copy of such proposed Tax Return (accompanied, in the case of a Straddle Period Tax Return, by an allocation between the Pre-Closing Tax Period and the Post-Closing Tax Period of the Taxes shown to be due on such Tax Return) at least 30 Business Days prior to the due date (giving effect to any validly obtained extensions) thereof. Purchasers shall reflect in good faith any comments received from Dana within ten (10) Business Days following Dana's receipt of such Tax Return. Purchasers shall not amend or revoke any Straddle Period Tax Return (or any notification or election relating thereto) without Dana's prior written consent. Purchasers shall promptly reimburse Sellers for any overpayment of Taxes with respect to a Pre-Closing Tax Period, including by reason of the payment of any estimated Taxes by any Seller or its Affiliates.

(c) The parties shall provide each other with such powers of attorney or other authorizing documentation as are reasonably necessary to authorize them to execute and file Tax

Returns they are responsible for under this Agreement, file refund and equivalent claims for Taxes they are responsible for under this Agreement, and contest, settle, and resolve any audits and disputes over which they have control under this Article XV.

Section 15.3. Refunds, Credits and Carrybacks.

(a) The applicable Seller shall be entitled to any refunds of Excluded Taxes, whether any such refund is realized as a payment by a Governmental Body or by a credit against a Tax liability. The applicable Purchaser shall, at such Seller's reasonable request and at such Seller's expense, cause the relevant entity to file for and use commercially reasonable efforts to obtain any refund to which such Seller is entitled by virtue of this Section 15.3. Except as provided in this Section 15.3, and subject to Section 15.3(c), Purchasers shall be entitled to any refunds of any Taxes of the Acquired Companies.

(b) The applicable Purchaser shall, or shall cause the Acquired Companies to, promptly forward to the applicable Seller an amount equal to any refunds due such Seller pursuant to the terms of Section 15.3(a) after receipt thereof (including use of such refund as a credit against a Tax liability), and the applicable Seller shall, or shall cause its Affiliates to, promptly forward to such Purchaser an amount equal to any refunds of Taxes due such Purchaser pursuant to the terms of Section 15.3(a) after receipt thereof (including use of such refund as a credit against a Tax liability).

(c) Without the prior written consent of Dana, no Purchaser shall cause or permit any of the Acquired Companies to carry back to any Pre-Closing Tax Period any item of loss, deduction or credit which arises in or is attributable to any taxable period ending after the Closing Date.

(d) In any case where a credit is described in both this Section 15.3 and in Section 15.6, only Section 15.6 shall apply with respect to such credit.

Section 15.4. Tax Contests.

(a) If any taxing authority asserts a Tax Claim in respect of the Acquired Companies, then the party hereto first receiving notice of such Tax Claim shall provide written notice thereof to the other party or parties hereto within fourteen (14) calendar days; provided, however, that the failure of such party to give timely notice shall not relieve the other party of any of its obligations under this Article XV, except to the extent that the other party is actually prejudiced thereby. Such notice shall specify in reasonable detail the basis for such Tax Claim and shall include a copy of the relevant portion of any correspondence received from the taxing authority.

(b) Dana shall have the right to control any audit, examination, contest, litigation or other proceeding by or against any taxing authority (a "***Tax Proceeding***") of the Acquired Companies for any taxable period that ends on or before the Closing Date or for any taxable period of such Seller or any of its Affiliates during which any combined, consolidated or unitary Tax Return includes any Acquired Company and any Seller or any of its Affiliates; provided, however, that with respect to any Tax Proceeding solely in respect of the Acquired Companies that would reasonably be expected to have an adverse impact on any Purchaser and

its Affiliates (i.e., one for which Purchasers and their Affiliates are not entitled to indemnification under this Article XV), (i) such Seller shall provide the applicable Purchaser with a timely and reasonably detailed account of each phase of such Tax Proceeding, (ii) such Seller shall consult with the applicable Purchaser before taking any significant action in connection with such Tax Proceeding, (iii) such Seller shall consult with such Purchaser and offer such Purchaser an opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Proceeding, (iv) such Seller shall defend such Tax Proceeding diligently and in good faith as if it were the only party in interest in connection with such Tax Proceeding, (v) the applicable Purchaser shall be entitled to participate in such Tax Proceeding, at its own expense, if such Tax Proceeding could have an adverse impact on such Seller or any of its Affiliates and (vi) such Seller shall not settle, compromise or abandon any such Tax Proceeding without obtaining the prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, of Orhan if such settlement, compromise or abandonment would have an adverse impact on such Purchaser or any of its Affiliates.

(c) In the case of a Tax Proceeding for a Straddle Period of the Acquired Companies, the applicable Purchaser shall have the right to control such Tax Proceeding; provided, however, that (i) such Purchaser shall provide the applicable Seller with a timely and reasonably detailed account of each phase of such Tax Proceeding, (ii) such Purchaser shall consult with such Seller before taking any significant action in connection with such Tax Proceeding, (iii) such Purchaser shall consult with such Seller and offer such Seller an opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Proceeding, (iv) such Purchaser shall defend such Tax Proceeding diligently and in good faith as if it were the only party in interest in connection with such Tax Proceeding, (v) such Seller shall be entitled to participate in such Tax Proceeding, at its own expense, if such Tax Proceeding could have an adverse impact on such Seller or any of its Affiliates and (vi) such Purchaser shall not settle, compromise or abandon any such Tax Proceeding without obtaining the prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, of Dana if such settlement, compromise or abandonment would have an adverse impact on such Seller or any of its Affiliates.

(d) The applicable Purchaser shall have the right to control any Tax Proceeding involving the Acquired Companies other than a Tax Proceeding described in Sections 15.4(b) or 15.4(c); provided, however, that the applicable Purchaser shall not settle, compromise or abandon any such Tax Proceeding, if such action would reasonably be expected to have a significant adverse impact on any Seller or any Affiliate of any Seller, without obtaining the prior written consent of Dana, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 15.5. Cooperation.

Each party hereto shall, and shall cause its Affiliates to, provide the other party hereto with such cooperation, documentation and information as either of them reasonably may request in (a) filing any Tax Return, amended Tax Return or claim for refund, (b) determining a liability for Taxes or an indemnity obligation under this Article XV or a right to refund of Taxes, (c) conducting any Tax Proceeding or (d) determining an allocation of Taxes between a Pre-Closing Tax Period and Post-Closing Tax Period. Such cooperation and information shall include

providing copies of all relevant portions of relevant Tax Returns, together with all relevant accompanying schedules and work papers (or portions thereof) and other supporting documentation, relevant documents relating to rulings or other determinations by taxing authorities and relevant records concerning the ownership and Tax basis of property and any other relevant information, which any such party may possess. Each party will retain all Tax Returns, schedules and work papers, and all material records and other documents relating to Tax matters, of the relevant entities for their respective Tax periods ending on or prior to or including the Closing Date until the later of (x) the expiration of the statute of limitations (taking into account any extensions) for the Tax periods to which the Tax Returns and other documents relate or (y) eight years following the due date (without extension) for such Tax Returns. Thereafter, the party holding such Tax Returns or other documents may dispose of them after offering the other party reasonable notice and opportunity to take possession of such Tax Returns and other documents at such other party's own expense. Each party shall make its employees reasonably available on a mutually convenient basis at its cost to provide explanation of any documents or information so provided.

Section 15.6. Timing Differences.

(a) The applicable Purchaser agrees that if, as a result of any adjustment pursuant to a Tax Proceeding with respect to any Tax Item that relates to any Excluded Tax, such Purchaser or any of its Affiliates, including the Acquired Companies, realizes a Tax benefit in the form of a loss, credit or an increase in depreciation, amortization or other deductions, then such Purchaser shall pay to the appropriate Seller an amount equal to the value of such Tax benefit promptly after filing the Tax Return in which such Tax benefit is utilized. For purposes of this Section 15.6, the value of a Tax benefit shall be the related tax savings experienced by the Purchaser or any of its Affiliates, including the Acquired Companies, as the case may be, for each year to which such a Tax Return relates. The applicable Purchaser shall notify Dana of the receipt of any such Tax benefit and shall provide documentation in reasonable detail supporting such notice, certified by the Purchaser to be consistent with all relevant Tax Returns.

(b) This Section 15.6 shall not apply to any Tax benefits that may result directly or indirectly from the sale of Nobel on or before June 29, 2007.

(c) If a particular Tax benefit for which payment is to be made to a Seller under Section 15.6 (a) is realized by more than one Purchaser (or by an Affiliate and one or more Purchasers), only one such Purchaser shall be required to make the payment required under Section 15.6 (a), provided that such Seller shall be entitled to receive an amount equal to (but not more than) the entire value of such Tax benefit.

Section 15.7. Tax Treatment of Indemnification Payments.

Except as otherwise required pursuant to a "determination" under Section 1313(a) of the Code (or any comparable provision of state, local, or foreign Law), Sellers, Purchasers, the Acquired Companies and their respective Affiliates shall treat any and all payments under this Article XV as an adjustment to the purchase price for all Tax purposes. Sellers and Purchasers agree, for all Tax purposes, to allocate any such adjustment among the Acquired Companies and/or the Purchased Assets based upon the item or items to which such adjustment is principally

attributable. In any case, the amount that will be paid pursuant to this Article shall be adjusted by an amount such that the Indemnified Party shall be, after having been paid the indemnity from the Sellers and taking into account the Tax consequences of such payment and of the indemnified Loss, in the same position as it would have been, had the Loss not occurred. Where the Indemnified Party cannot effectively enjoy a saving of Tax paid in respect of the year in which the Loss is accounted for, no reduction of the amount of the Loss attributable to such lack of Tax saving will be made, and where the Indemnified Party is not effectively subject to a payment of Tax in respect of the indemnity paid in the year in which the Purchasers account for such indemnity, no increase of the amount of the Loss will be made in respect of the indemnity payment.

Section 15.8. Additional Tax Covenants.

(a) Purchasers shall not make, and shall cause its Affiliates not to make, an election under Section 338(g) of the Code and the Treasury Regulations promulgated thereunder (or any comparable election applicable Tax Law) with respect to any of the Acquired Companies without the prior written consent of Dana.

(b) With respect to any of the Acquired Companies that is characterized as a foreign corporation for United States federal income Tax purposes, from the date of the Closing through the end of the taxable period of such entity that includes the Closing Date, without the prior written consent of Dana, Purchasers shall not, and shall cause their Affiliates (including the Acquired Companies) not to, (i) except for the payment of cash dividends, take any action or enter into any transaction outside the ordinary course of business that would be considered under the Code to constitute the payment of an actual or deemed dividend by such Acquired Company, including pursuant to Section 304 of the Code, or that would otherwise result in a diminution of foreign tax credits that, absent such transaction, may be claimed by Sellers or any of their Affiliates, or (ii) take any action or enter into any transaction outside the ordinary course of business that would increase the amount includable in the income of a Seller or its Affiliates under Section 951 of the Code.

(c) No new elections with respect to Taxes, or any changes in current elections with respect to Taxes, or any revocations or amendments to Tax Returns relating to a Pre-Closing Tax Period, in each case affecting the FPG Business after the date of this Agreement shall be made after the date of this Agreement without prior written consent of Orhan, which shall not be unreasonably withheld or delayed.

Section 15.9. Transfer Taxes.

Orhan, jointly and severally with the Purchasing Affiliates, and each Purchasing Affiliate, severally and not jointly, shall be responsible for any and all sales, use, registration, transfer (including all stock transfer and all real estate transfer and conveyance and recording fees, if any), stamp, stamp duty reserve, stamp duty land tax, VAT, or other similar Taxes and all notarial fees (collectively, “Transfer Taxes”) that may be imposed upon, payable, collectible or incurred in connection herewith and the transactions contemplated hereby, regardless of the Person liable for such Taxes under applicable Law. Sellers and Purchasers shall cooperate in the execution and filing of any Tax Returns, affidavits or other documents relating to any Transfer

Taxes. Dana acknowledges that it will seek from the Bankruptcy Court as part of the Approval Order a waiver of transfer taxes under section 1146 of the Bankruptcy Code. Dana shall use commercially reasonable efforts to obtain such relief as part of the Approval Order.

Section 15.10. Other Agreements.

(a) After the Closing, this Article XV shall supersede any and all Tax-sharing or similar agreements to which (i) any of the Acquired Companies and (ii) Seller or any of its Affiliates (excluding the Acquired Companies) are parties. Neither the Acquired Companies nor Seller (and/or such Affiliates) shall have any obligation or right with respect to each other under any such prior agreement after the Closing.

(b) Except as otherwise expressly provided in the Foreign Country Tax Agreements (including the French Consolidated Tax Group Exit Agreement), the rights and obligations of the Parties with respect to indemnification for any and all Tax matters shall be governed solely by this Article XV; provided , however, that the provisions of Section 12.3 shall apply to Sellers' obligations under this Article XV to indemnify each Purchaser and its Affiliates and defend and hold them harmless from and against all Losses arising out of or resulting from) Taxes arising from any breach of any representation or warranty set forth in Section 4.9, Section 4.10(h) or Section 4.14. For purposes of applying each of Section 12.3 and the immediately preceding proviso, Losses with respect to matters governed by Section 12.2(a)(i) and Losses arising out of or resulting from Taxes arising from any breach of any representation or warranty set forth in Section 4.9, Section 4.10(h) or Section 4.14 shall be aggregated in determining the applicability of (i) the threshold of $250,000 and (ii) the limit of 15% of the Final Cash Consideration.

ARTICLE XVI

DEFINITIONS AND TERMS

As used in this Agreement, the following terms shall have the meanings set forth below:

Section 16.1. Acquired Companies.

"Acquired Companies" has the meaning set forth in the Recitals.

Section 16.2. Acquired Company Benefit Plans.

"Acquired Company Benefit Plans" has the meaning set forth in Section 10.3.

Section 16.3. Acquired Company Employee.

"Acquired Company Employee" means any individual who is employed by an Acquired Company immediately before the Closing, including any individual who is absent due to vacation, holiday, sickness, layoff or other approved leave of absence.

Section 16.4. Acquired Company Intellectual Property.

“Acquired Company Intellectual Property” means the Intellectual Property that is owned, in whole or in part, by any Non-JV Acquired Company.

Section 16.5. Acquired Intellectual Property.

“Acquired Intellectual Property” means (a) the Purchased Intellectual Property and (b) the Acquired Company Intellectual Property.

Section 16.6. Affiliate.

“Affiliate” means, as to any Person, (a) any Subsidiary of such Person and (b) any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For the purposes of this definition, “control” means the possession of the power to direct or cause the direction of management and policies of Person, whether through the ownership of voting securities, by contract or otherwise.

Section 16.7. Agreement.

“Agreement” has the meaning set forth in the preamble to this document.

Section 16.8. Alternative Transaction.

“Alternative Transaction” has the meaning ascribed to it in the Bidding Procedures Order.

Section 16.9. Approval Order.

“Approval Order” has the meaning set forth in Section 6.3(a).

Section 16.10. Asset Selling Entity.

“Asset Selling Entity” has the meaning set forth in the Recitals.

Section 16.11. Assignment and Assumption Agreement.

“Assignment and Assumption Agreement” means one or more assignment and assumption agreements or other comparable instruments of assignment and assumption, substantially in the form of Exhibit E hereto, evidencing the assignment of the Contracts and the assumption of the Assumed Liabilities.

Section 16.12. Assumed Liabilities.

“Assumed Liabilities” has the meaning set forth in Section 1.5.

Section 16.13. Assumed Retention Agreements.

“Assumed Retention Agreements” has the meaning set forth in Section 1.3(f).

Section 16.14. Bankruptcy Code.

“Bankruptcy Code” means 11 U.S.C. Section 101, et. seq., as it may be amended during the Cases.

Section 16.15. Bankruptcy Court.

“Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York, or any other court having jurisdiction over the Cases from time to time.

Section 16.16. Bankruptcy Court Orders.

“Bankruptcy Court Orders” means the Bid Procedures Order and the Approval Order.

Section 16.17. Bidding Procedures Order.

“Bidding Procedures Order” has the meaning set forth in Section 6.3(a).

Section 16.18. Bill of Sale.

“Bill of Sale” means one or more bills of sale, substantially in the form of Exhibit C hereto, transferring to the applicable Purchaser by the relevant Asset Selling Entity all of such Asset Selling Entity’s right, title and interest in the Purchased Assets.

Section 16.19. Breakup Fee.

“Breakup Fee” has the meaning set forth in Section 14.2(b).

Section 16.20. Business Day.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or obligated by Law to close; *provided*, *however*, that for the purpose of any notice to be delivered hereunder, Business Day shall also exclude any day on which banks are authorized or obligated by Law to close for business in the jurisdictions of each of the person giving and the person receiving such notice.

Section 16.21. Business Employee.

“Business Employee” means any individual who is employed by an Asset Selling Entity immediately before the Closing, including any individual who is absent due to vacation, holiday, sickness, layoff, short or long term disability, workers’ compensation or other work-related injury or military leave, or other authorized leave of absence.

Section 16.22. Carveout.

“Carveout” has the meaning ascribed to it in paragraph 16 of the Final Order (I) Authorizing Debtors to (A) Obtain Postpetition Secured Financing Pursuant to 11 U.S.C. §§ 105(a), 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) and 507 and Fed. R. Bankr. P. 2002, 4001 and 9014 and (B) Utilize Cash Collateral Pursuant to 11 U.S.C. § 363, and (II) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363 AND 364 of the Bankruptcy Court dated March 29, 2006.

Section 16.23. Case.

“Case” has the meaning set forth in the Recitals.

Section 16.24. CERCLA.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq.

Section 16.25. Chapter 11 Expenses.

“Chapter 11 Expenses” means the costs incurred and expenses paid or payable by the Seller or any Affiliate in connection with the administration of the Cases, including, without limitation: (a) fees and expenses related to any debtor-in-possession financing, (b) obligations to pay professional and other fees and expenses in connection with the Cases (including, without limitation, fees of attorneys, accountants, investment bankers, financial advisors, noticing agents, and consultants retained by the Seller or any Affiliate, any creditors’ or equity committee, or any debtor-in-possession or pre-petition lender, and any compensation for making a substantial contribution to the Cases), (c) fees and expenses payable to the United States Trustee under Section 1930 of title 28, United States Code, and (d) expenses of members of any creditors’ or equity holders’ committee.

Section 16.26. China Subsidiary.

“China Subsidiary” has the meaning set forth in the Recitals.

Section 16.27. Chosen Court.

“Chosen Court” has the meaning set forth in Section 17.14.

Section 16.28. Closing.

“Closing” has the meaning set forth in Section 3.1.

Section 16.29. Closing Claims Schedule.

“Closing Claims Schedule” has the meaning set forth in Section 1.7(a).

Section 16.30. Closing Date.

“Closing Date” has the meaning set forth in Section 3.1.

Section 16.31. Closing Date Employees.

“Closing Date Employees” has the meaning set forth in Section 10.1(a)(ii).

Section 16.32. Closing European Net Working Assets.

“Closing European Net Working Assets” has the meaning set forth in Section 2.3(e).

Section 16.33. Closing NA Net Working Assets.

“Closing NA Net Working Assets” has the meaning set forth in Section 2.3(e).

Section 16.34. Closing Statement of European Net Assets.

“Closing Statement of European Net Assets” has the meaning set forth in Section 2.3(b).

Section 16.35. Closing Statement of NA Net Assets.

“Closing Statement of NA Net Assets” has the meaning set forth in Section 2.3(b).

Section 16.36. Closing Statement of Net Assets.

“Closing Statement of Net Assets” has the meaning set forth in Section 2.3(b).

Section 16.37. COBRA.

“COBRA” means the provisions of Code Section 4980B and Part 6 of Title I of ERISA, as amended, any implementing regulations, and any applicable similar state law.

Section 16.38. Code.

“Code” means the Internal Revenue Code of 1986, as amended.

Section 16.39. Contract.

“Contract” means any contract or agreement, including without limitation any indenture, note, bond, loan, instrument, lease (including real property leases), conditional sale contract, purchase or sales orders or mortgage, whether written or oral.

Section 16.40. Cure Costs.

“Cure Costs” has the meaning set forth in Section 7.2.

Section 16.41. Current Employees.

“Current Employees” has the meaning set forth in Section 10.1(a)(i).

Section 16.42. Dana.

“Dana” has the meaning set forth in the introductory paragraph of this Agreement.

Section 16.43. Dana Defined Contribution Plan.

“Dana Defined Contribution Plan” has the meaning set forth in Section 10.2.

Section 16.44. Dana Retirement Plan.

“Dana Retirement Plan” has the meaning set forth in Section 10.2.

Section 16.45. Debtor Asset Selling Entities.

“Debtor Asset Selling Entities” means those Asset Selling Entities that are Debtors.

Section 16.46. Debtor Contracts.

“Debtor Contracts” has the meaning set forth in Section 1.3(e).

Section 16.47. Debtors.

“Debtors” means Dana and those of its Subsidiaries listed on Exhibit A hereto.

Section 16.48. Deposit Agent.

“Deposit Agent” has the meaning set forth in Section 2.2(a).

Section 16.49. Deposit Agreement.

“Deposit Agreement” has the meaning set forth in Section 2.2(a).

Section 16.50. Deposit Amount.

“Deposit Amount” has the meaning set forth in Section 2.2(a).

Section 16.51. DSE.

“DSE” means Dana Spicer Europe Limited, a “limited by shares” company (limited liability company) with its registered office located at “Newsome Vaughan, Greyfriars House, Greyfriars Lane, West Midlands, CV1 2GW, UK” registered with the Registry of Commerce in England under number “00467474.”

Section 16.52. EC Regulation.

“EC Regulation” has the meaning set forth in Section 4.5.

Section 16.53. EFMG

“EFMG” shall have the meaning set forth in the introductory paragraph of this Agreement.

Section 16.54. Employee Benefit Plans.

“Employee Benefit Plan” means any “employee benefit plan” as defined by Section 3(3) of ERISA, whether or not subject to ERISA and whether or not maintained in the United States, and any other employee stock option, stock appreciation, stock purchase, phantom stock, or other equity-based performance, deferred compensation, profit-sharing, pension, retirement, retiree benefit, termination or severance pay plan, change of control, vacation, medical, life, health, dental, sick pay or disability, accident, group or individual insurance, vacation pay, holiday pay, or other welfare or fringe benefit. Employee Benefit Plan shall not include Social Security, Medicare, workers compensation, or any similar mandated social welfare benefit or scheme administered by any federal, state or local government.

Section 16.55. Environment.

“Environment” means any surface water, groundwater, land surface, subsurface strata, man made structure or building, sediment, plant or animal life, natural resources, indoor or outdoor air and soil.

Section 16.56. Environmental Assessments.

“Environmental Assessments” has the meaning set forth in Section 12.5(a).

Section 16.57. Environmental Law.

“Environmental Law” means any Law concerning: (a) the Environment, including pollution, contamination, cleanup, preservation, protection, and reclamation of the Environment; (b) health or safety, including occupational safety and the exposure of employees and other persons to any Hazardous Material or dangerous condition; (c) any Release or threatened Release of any Hazardous Material, including investigation, monitoring, clean up, removal, treatment, or any other action to address such Release or threatened Release; (d) chemical management under the REACH legislation; and (e) the management of any Hazardous Material, including the manufacture, generation, formulation, processing, labeling, distribution, introduction into commerce, registration, use, treatment, handling, storage, disposal, transportation, re-use, recycling or reclamation of any Hazardous Material, including, but not limited to, CERCLA, RCRA, the Hazardous Materials Transportation Act, 49 U.S.C. 1802 et. seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et. seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251 et. seq., the Clean Air Act, 42 U.S.C. 7401 et. seq., Occupational Safety and Health Act, 29 U.S.C. 651 et. seq., Waste Electrical, Electronic Equipment (WEEE), Integrated Pollution Prevention Program (IPPC), End of Life Vehicle (ELV) directive.

Section 16.58. ERISA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

Section 16.59. European Lower Range.

"European Lower Range" has the meaning set forth in Section 2.3(d).

Section 16.60. European Upper Range.

"European Upper Range" has the meaning set forth in Section 2.3(d).

Section 16.61. Excluded Assets.

"Excluded Assets" has the meaning set forth in Section 1.4.

Section 16.62. Excluded Intellectual Property.

"Excluded Intellectual Property" has the meaning set forth in Section 1.4(d)

Section 16.63. Excluded Liabilities.

"Excluded Liabilities" has the meaning set forth in Section 1.6.

Section 16.64. Excluded Taxes.

"Excluded Taxes" means (a) any Taxes imposed on or payable with respect to any of the Non-JV Acquired Companies or the FPG Business for any Pre-Closing Tax Period (other than Taxes resulting from any act or transaction taken by Purchaser or its Affiliates after the Closing without Dana's prior written consent, which shall not be unreasonably withheld or delayed), including any liability for the payment of any amounts of Tax due by a person other than the Non-JV Acquired Company and for which any Non-JV Acquired Company would be liable, in particular as a result of any joint or several obligation with such person, any secondary liability of such person, any obligation to hold harmless and indemnify such person, any obligation to bear the Taxes of such person; but in each case excluding any Taxes for a Straddle Period, which Taxes are allocated as explained below, and (b) any Taxes of any Seller or any of its Affiliates (other than the Acquired Companies) for which the Acquired Companies may be liable under Section 1.1502 6 of the Treasury Regulations (or any similar provision of state, local, or foreign Tax Law). For purposes of this Agreement, in the case of any Straddle Period, (i) Property Taxes or other Taxes that are calculated based on a flat rate per year of the Acquired Companies or the FPG Business allocable to the Pre-Closing Tax Period shall be equal to the amount of such Taxes for the entire period multiplied by a fraction, the numerator of which is the number of calendar days during such period that are in the Pre-Closing Period and the denominator of which is the number of calendar days in the entire period, and (ii) Taxes (other than Property Taxes or other Taxes that are calculated based on a flat rate per year) of the Acquired Companies or the FPG Business allocable to the Pre-Closing Tax Period shall be computed as if such taxable period ended as of the Closing, *provided* that exemptions, allowances or deductions that are

calculated on an annual basis (including, but not limited to, depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period beginning after the Closing Date in proportion to the number of days in each period

Section 16.65. Existing Inventory.

"Existing Inventory" has the meaning set forth in Section 7.7(c).

Section 16.66. Final Cash Consideration.

"Final Cash Consideration" has the meaning set forth in Section 2.1(a).

Section 16.67. Final Consideration.

"Final Consideration" means the sum of the Final Cash Consideration and the Assumed Liabilities.

Section 16.68. Final Order.

"Final Order" means an order of the Bankruptcy Court or other court of competent jurisdiction: (a) as to which no appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or motion for new trial, request for stay, motion or petition for reconsideration, application or request for review, or other similar motion, application, notice or request (collectively, a "***Challenge***") has been timely filed, or, if any of the foregoing has been timely filed, it has been disposed of in a manner that upholds and affirms the subject order in all respects without the possibility for further Challenge thereon; (b) as to which the time for instituting or filing a Challenge shall have expired; and (c) as to which no stay is in effect.

Section 16.69. Financial Statements.

"Financial Statements" has the meaning set forth in Section 4.8.

Section 16.70. FPG Business.

"FPG Business" has the meaning set forth on Schedule 16.70.

Section 16.71. French Consolidated Tax Group Exit Agreement.

"French Consolidated Tax Group Exit Agreement" has the meaning set forth in Section 4.9(e).

Section 16.72. GAAP.

"GAAP" means generally accepted accounting principles in the United States of America, which are applicable to the circumstances as of the date of determination.

Section 16.73. Governmental Body.

"Governmental Body" means any government or governmental or regulatory body thereof, or political subdivision thereof, of any country or subdivision thereof, whether national, federal, state or local, or any agency or instrumentality thereof, or any court or arbitrator (public or private), other than the Bankruptcy Court or any other court of competent jurisdiction over the Cases or over any appeal of an Order entered in the Cases.

Section 16.74. Guarantees.

"Guarantees" has the meaning set forth in Section 7.6.

Section 16.75. Hazardous Material.

"Hazardous Material" means collectively, any material defined as, or considered to be, a "hazardous waste," "hazardous substance," regulated substance, pollutant or contaminant under any Environmental Law including asbestos, PCBs, oil, petroleum or any fraction thereof.

Section 16.76. HSR Act.

"HSR Act" has the meaning set forth in Section 4.5.

Section 16.77. H&T.

"H&T" means Hose & Tubing Products, Inc., a corporation organized under the laws of the Commonwealth of Virginia.

Section 16.78. Income Tax.

"Income Tax" means any Tax imposed on or measured by net income.

Section 16.79. Indebtedness.

"Indebtedness" of any Person means, without duplication:

(a) any obligation of such Person for borrowed money, including any obligation of such Person evidenced by bonds, debentures, notes, reimbursement obligations under any letter of credit or other similar debt instruments;

(b) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person, regardless of whether any personal liability exists in respect thereof;

(c) any obligation of such Person for the deferred purchase price of any property or services, regardless of whether any personal liability exists in respect thereof;

(d) obligations in respect of capital leases of such Person;

(e) all guarantees by such Person, *provided, however*, that a guarantee will not be considered Indebtedness if the underlying obligation secured by such guarantee would not constitute Indebtedness under this Agreement;

(f) any Indebtedness of another Person secured by a Lien on any asset of such first Person, whether or not such Indebtedness is assumed by such first Person;

(g) any Indebtedness consisting of preferred stock of a Person having a mandatory redemption prior to the Closing Date; and

(h) any cash liability with respect to hedging agreements.

For purposes of this definition the term "Indebtedness" shall not include the following direct and/or contingent obligations: (i) check guarantee letters for payment of sales tax, title, license and other taxes or fees; and (ii) direct or contingent obligations for risk products associated with FPG Business' depository, treasury, merchant processing and other similar products and services incurred in the ordinary course of business.

Section 16.80. Indemnified Party.

"Indemnified Party" has the meaning set forth in Section 12.4.

Section 16.81. Indemnifying Party.

"Indemnifying Party" has the meaning set forth in Section 12.4.

Section 16.82. Independent Auditors.

"Independent Auditors" has the meaning set forth in Section 2.3(c).

Section 16.83. Initial Cash Consideration.

"Initial Cash Consideration" has the meaning set forth in Section 2.1(a).

Section 16.84. Initial Consideration.

"Initial Consideration" means the sum of the Initial Cash Consideration and the Assumed Liabilities (other than liabilities or obligations of the Acquired Companies).

Section 16.85. Intellectual Property.

"Intellectual Property" means all transferable intellectual or industrial property rights or other similar proprietary rights in any jurisdiction, including such rights in and to: (a) Trademarks; (b) copyrights and copyrightable works including software source code, object code, data and documentation; (c) Patents; (d) invention disclosures, discoveries and improvements, whether or not patentable; (e) Trade Secrets; (f) internet domain names; and (g) the goodwill associated with each of the foregoing.

Section 16.86. Intellectual Property Assignment.

“Intellectual Property Assignment” means one or more instruments of assignment or transfer of the Purchased Intellectual Property, substantially in the form of Exhibit D hereto.

Section 16.87. IP License.

“IP License” means one or more agreements or instruments of license and assignment, substantially in the form of Exhibit M hereto, granting licenses and rights to the applicable Purchaser in connection with Purchased Intellectual Property.

Section 16.88. Joint Venture Agreements.

“Joint Venture Agreements” means, collectively, (i) the shareholders agreement, dated as of December 8, 1999, by and between Orhan and Nobel Plastiques, SAS, and (ii) the Joint Venture Agreement, dated as of March 1, 2002, by and between Orhan and Dana, in each case as the same has been amended from time to time.

Section 16.89. Joint Venture Interest Transfer Agreement.

“Joint Venture Interest Transfer Agreement” means assignments or other instruments of transfer, substantially in the form of Exhibit N hereto, transferring to the applicable Purchaser by the relevant Seller all of such Seller’s right, title and interest in and to the JV Acquired Companies.

Section 16.90. JV Acquired Companies.

“JV Acquired Companies” means Orda Automotive A.S., Nobel Teknik A.S. and Nobel Teknik France SAS.

Section 16.91. Knowledge.

“Knowledge,” as such term relates to Sellers, means the actual knowledge, after due inquiry, of the individuals designated for Sellers as set forth on Schedule 16.91, and, as such term relates to Orhan or other Purchasers, means the actual knowledge, after due inquiry, of the individuals designated for Orhan as set forth on Schedule 16.91.

Section 16.92. Known Claims.

“Known Claims” has the meaning set forth in Section 12.1(a).

Section 16.93. Law.

“Law” means any international, national, European Union, federal, state or local law (including common law), treaty, statute, constitutional provision, code, ordinance, rule, regulation, directive, concession, Order or other requirement or guideline of any country or subdivision thereof.

Section 16.94. Lease Agreement/Paris.

"Lease Agreement/Paris" means a lease agreement, substantially in the form of Exhibit P hereto, by which the applicable Purchaser will lease real property located in Paris, Tennessee.

Section 16.95. Leased Real Properties.

"Leased Real Properties" means the real property leased pursuant to, and subject to, the Real Property Leases.

Section 16.96. Leave Employees.

"Leave Employees" has the meaning set forth in Section 10.1(a)(ii).

Section 16.97. Legal Proceeding.

"Legal Proceeding" means any judicial, administrative or arbitral action, suit, proceeding (public or private) or governmental proceeding.

Section 16.98. Liabilities.

"Liabilities" means any indebtedness, obligations or liabilities of any kind (whether accrued, absolute, contingent or otherwise, and whether or not due or to become due or asserted or unasserted).

Section 16.99. Lien.

"Lien" means any lien (statutory or otherwise), pledge, mortgage, deed of trust, security interest, charge, option, right of first refusal, easement, covenant, condition, restriction, servitude, transfer restriction or encumbrance.

Section 16.100. Local Asset Transfer Agreements.

"Local Asset Transfer Agreements" means one or more agreements or instruments of transfer, assignment and assumption, substantially in the form of Exhibit K hereto, transferring to the applicable Purchaser by the relevant Asset Selling Entity all of such Asset Selling Entity's right, title and interest in the Purchase Assets and evidencing the assignment of the Contracts and the assumption of the Assumed Liabilities to and by the applicable Purchaser.

Section 16.101. Local Stock Transfer Documents.

"Local Stock Transfer Documents" means stock powers or other instruments of transfer, substantially in the form of Exhibit J hereto, transferring to the applicable Purchaser by the relevant Seller all of such Seller's right, title and interest in the Purchased Shares.

Section 16.102. Losses.

"Losses" has the meaning set forth in Section 12.2(a).

Section 16.103. Material Adverse Effect.

"Material Adverse Effect" means, any change, event, impairment or effect between the date hereof and the Closing, that (i) is materially adverse to the financial condition, business, operations or assets of the FPG Business taken as a whole, (ii) constitutes a material impairment of the ability of the Sellers to perform their obligations under this Agreement; or (iii) constitutes a material impairment of the validity or enforceability of this Agreement, except for, in the case of each of clauses (i), (ii) and (iii), any such change, event, impairment or effect resulting from or arising out of (a) changes or developments in financial or securities markets (including currency exchange or interest rates); (b) general economic conditions affecting industries in which the FPG Business operates; (c) the fact that the Debtors are in bankruptcy proceedings under the Cases before the Bankruptcy Court, or (d) the effect of the announcement of the transactions contemplated by this Agreement.

Section 16.104. Material Business Contracts.

"Material Business Contracts" has the meaning set forth in Section 4.13.

Section 16.105. Modified GAAP.

"Modified GAAP" means GAAP as modified by the principles, methods and examples set forth in Schedule 16.105.

Section 16.106. NA Lower Range.

"NA Lower Range" has the meaning set forth in Section 2.3(d).

Section 16.107. NA Upper Range.

"NA Upper Range" has the meaning set forth in Section 2.3(d).

Section 16.108. Net Working Assets Adjustment.

"Net Working Assets Adjustment" has the meaning set forth in Section 2.3(f).

Section 16.109. Net Working Assets European Adjustment.

"Net Working Assets European Adjustment" has the meaning set forth in Section 2.3(f).

Section 16.110. Net Working Assets NA Adjustment.

"Net Working Assets Adjustment" has the meaning set forth in Section 2.3(f).

Section 16.111. Net Working Assets of the European Business

"Net Working Assets of the European Business" has the meaning set forth in Section 2.3(a).

Section 16.112. Net Working Assets of the NA Business.

“Net Working Assets of the NA Business” has the meaning set forth in Section 2.3(a).

Section 16.113. NMD.

“NMD” means NMD Fuel Systems S. de R.L. de C.V., a limited liability company organized under the laws of Mexico.

Section 16.114. Nobel.

“Nobel” has the meaning set forth in the Recitals.

Section 16.115. Nobel Iberica.

“Nobel Iberica” has the meaning set forth in the Recitals.

Section 16.116. Nonassignable Assets.

“Nonassignable Assets” has the meaning set forth in Section 11.1(b).

Section 16.117. Non-Debtor Asset Selling Entities.

“Non-Debtor Asset Selling Entities” means those Asset Selling Entities that are not Debtors.

Section 16.118. Non-Debtor Contracts.

“Non-Debtor Contracts” means those Contracts of the Non-Debtor Asset Selling Entities primarily related to the ASE Business, including without limitation those set forth on Schedule 16.118.

Section 16.119. Non-JV Acquired Companies.

“Non-JV Acquired Companies” means Nobel Plastiques SAS, Nobel Plastiques Iberica S.A. and Dana Fluid Products Slovakia S.R.O.

Section 16.120. Non-JV Acquired Company Contract.

“Non-JV Acquired Company Contract” means all Contracts to which any Non-JV Acquired Company is a party (including, but not limited to, any Contract that is an unexpired lease), but excluding any Contract that is included in the Excluded Assets.

Section 16.121. Non-Union Transferred Employees.

“Non-Union Transferred Employees” has the meaning set forth in Section 10.1(e).

Section 16.122. North American Real Property.

“North American Real Property” means real property that is the subject of any of the Real Property Leases and located in the United States.

Section 16.123. Operative Documents.

“Operative Documents” means collectively, this Agreement, the Deposit Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Intellectual Property Assignment, the Transition Agreement, the Local Stock Transfer Documents, the Local Asset Transfer Agreements, the French Tax Consolidated Group Exit Agreement, the IP Licenses, the Joint Venture Interest Transfer Agreements, the Satisfactions and Releases and the Lease Agreement/Paris.

Section 16.124. Order.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of (i) any Governmental Body or (ii) the Bankruptcy Court or any other court of competent jurisdiction over the Cases or over any appeal of an Order entered in the Cases.

Section 16.125. Other Marked Assets.

“Other Marked Assets” has the meaning set forth in Section 7.7(c).

Section 16.126. Owned Real Property.

“Owned Real Property” means the real property listed on Schedule 4.10(a) together with any and all buildings, structures, improvements and fixtures located on such real property owned by (A) the Non-JV Acquired Companies and (B) the Asset Selling Entities exclusively related to the ASE Business.

Section 16.127. Orhan.

“Orhan” has the meaning set forth in the introductory paragraph of this Agreement.

Section 16.128. Patents.

“Patents” means patents, including design patents and utility patents, reissues, divisions, continuations, continuations-in-part, reexaminations and extensions thereof, in each case including all applications therefor.

Section 16.129. Permit.

“Permit” means any approval, authorization, consent, franchise, license, permit or certificate by any Governmental Body.

Section 16.130. Permitted Exceptions.

"Permitted Exceptions" means the items shown on Schedule 16.130 and (a) liens for current Taxes, assessments or other claims by a Governmental Body not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings or for which an appropriate reserve or security deposit is established; (b) except as to the sale and transfer of Purchased Assets hereunder by Debtor Asset Selling Entities, mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business; (c) zoning, subdivision, building code, entitlement and other land use, construction, and environmental regulations by Governmental Bodies; (d) matters that would be shown or otherwise reflected by an accurate survey of real property; (e) easements, rights-of-way, licenses, utility agreements, restrictions, and other similar encumbrances of record; and (f) such other imperfections in title, charges, easements, restrictions and encumbrances which do not materially diminish the value of, or materially interfere with, the continued use of such property (real or personal) or asset used in the FPG Business consistent with past practice.

Section 16.131. Person.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, representative office, branch, Governmental Body or other similar entity.

Section 16.132. Personal Property Leases.

"Personal Property Leases" has the meaning set forth in Section 4.11(a).

Section 16.133. Petition Date.

"Petition Date" means March 3, 2006.

Section 16.134. Post-Closing Tax Period.

"Post-Closing Tax Period" means any taxable period (or portion thereof) beginning after the Closing Date.

Section 16.135. Pre-Closing Tax Period.

"Pre-Closing Tax Period" means any taxable period (or portion thereof) ending on or before the Closing Date.

Section 16.136. Property Taxes.

"Property Taxes" means real, personal, and intangible ad valorem property Taxes.

Section 16.137. PTG Mexico.

"PTG" Mexico" has the meaning set forth in the introductory paragraph of this Agreement.

Section 16.138. PTG Servicios.

“PTG Servicios” has the meaning set forth in the introductory paragraph of this Agreement..

Section 16.139. Purchased Assets.

“Purchased Assets” has the meaning set forth in Section 1.3.

Section 16.140. Purchased Equipment.

“Purchased Equipment” has the meaning set forth in Section 1.3(b).

Section 16.141. Purchased Intellectual Property.

“Purchased Intellectual Property” has the meaning set forth in Section 1.3(h).

Section 16.142. Purchased Shares.

“Purchased Shares” has the meaning set forth in Section 1.2.

Section 16.143. Purchasers.

“Purchasers” has the meaning set forth in the introductory paragraph of this Agreement.

Section 16.144. Purchaser Indemnified Group.

“Purchaser Indemnified Group” means Orhan, each Purchaser, their respective Subsidiaries and Affiliates (including, after the Closing Date and the Non-JV Acquired Companies but excluding the JV Acquired Companies), together with their successors and assigns, and their officers, directors, employees and agents.

Section 16.145. Purchaser Welfare Plans.

“Purchaser Welfare Plans” has the meaning set forth in Section 10.1(e).

Section 16.146. Purchasing Affiliate.

“Purchasing Affiliate” has the meaning set forth in the introductory paragraph of this Agreement.

Section 16.147. RCRA.

“RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C. 6901 *et. seq*.

Section 16.148. Real Property Leases.

“Real Property Leases” means the real property leases listed on Schedule 4.10(b) of (A) the Non-JV Acquired Companies, and (B) the Asset Selling Entities exclusively related to the ASE Business.

Section 16.149. Release.

“Release” means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching, or migration at, or from, into or onto the Environment, including movement or migration through or in the air, soil, surface water or groundwater, whether sudden or non-sudden and whether accidental or non-accidental, or any release, emission or discharge as those terms are defined in any applicable Environmental Law.

Section 16.150. Relevant ASE Business.

“Relevant ASE Business” has the meaning set forth in Section 1.3.

Section 16.151. Remedial Action.

“Remedial Action” shall mean any action to investigate, evaluate, assess, test, monitor, remove, respond to, treat, abate, remedy, correct, clean-up or otherwise remediate the release or presence of any Hazardous Material.

Section 16.152. Remediations.

“Remediations” has the meaning set forth in Section 7.4(a).

Section 16.153. Retention Agreements.

“Retention Agreements” shall mean the retention agreements and replacements or renewals thereof between Sellers, or Affiliates of Sellers, and the Business Employees and Acquired Company Employees as set forth in the agreements listed on Schedule 16.153.

Section 16.154. Review Period.

“Review Period” has the meaning set forth in Section 2.3(c).

Section 16.155. Sale Motion.

“Sale Motion” has the meaning set forth in Section 6.3(a).

Section 16.156. Satisfaction and Releases.

“Satisfaction and Releases” means one or more satisfaction and releases, substantially in the form of Exhibit O hereto, in connection with the transfer and assignment of Sellers’ right, title and interest in and to the JV Acquired Companies.

Section 16.157. Second Phase.

“Second Phase” has the meaning set forth in Section 7.4(a).

Section 16.158. Second Request.

“Second Request” has the meaning set forth in Section 7.4(a).

Section 16.159. Seller.

“Seller” has the meaning set forth in the preamble.

Section 16.160. Seller Authorization.

“Seller Authorization” has the meaning set forth in Section 1.1(a).

Section 16.161. Seller Employee Benefit Plan.

“Seller Employee Benefit Plan” means (i) any Employee Benefit Plan established, sponsored or maintained by any Asset Selling Entity in which any Business Employee is eligible to participate or receive benefits and (ii) each Employee Benefit Plan sponsored or maintained by any Acquired Company.

Section 16.162. Seller Financing.

“Seller Financing” means (i) the postpetition financing facilities or arrangements of the Debtors and (ii) any financing facilities or arrangements of the Sellers or their Subsidiaries.

Section 16.163. Seller Indemnified Group.

“Seller Indemnified Group” means Sellers and their Subsidiaries, together with their successors and assigns, and their officers, directors, employees and agents.

Section 16.164. Seller Name.

“Seller Name” has the meaning set forth in Section 7.7(a).

Section 16.165. Seller Welfare Plans.

“Seller Welfare Plans” has the meaning set forth in Section 10.2(b).

Section 16.166. Statement of Net Assets.

“Statement of Net Assets” has the meaning set forth in Section 4.8.

Section 16.167. Stock Selling Entities.

“Stock Selling Entities” has the meaning set forth in the Recitals.

Section 16.168. Straddle Period.

“Straddle Period” means any taxable period beginning on or prior to and ending after the Closing Date.

Section 16.169. Subsidiary.

“Subsidiary” means, with respect to any Person, any other Person of which or in which any other Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, a majority of the outstanding equity securities, capital interests or securities carrying a majority of the voting power in the election of the board of directors or other governing body of such Person.

Section 16.170. Tax or Taxes.

“Tax” or “Taxes” means all federal, state, local or foreign taxes (including French local business taxes), corporate income taxes, charges, fees, imposts, levies or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, VAT, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, disability, death and retirement, excise, severance, stamp, occupation, property, rollback and estimated taxes, customs duties, fees, assessments and other governmental charges of any kind whatsoever, together with all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority with respect to such amounts.

Section 16.171. Tax Claim.

“Tax Claim” means any claim with respect to Taxes made by any taxing authority that, if pursued successfully, would reasonably be expected to serve as the basis for a claim for indemnification under Article XV.

Section 16.172. Tax Item.

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit or any other item which increases or decreases Taxes paid or payable.

Section 16.173. Tax Proceeding.

“Tax Proceeding” has the meaning set forth in Section 15.4(b).

Section 16.174. Tax Return.

“Tax Return” means a report, return or other information required to be supplied to a governmental entity with respect to Taxes (including any amendments and schedules thereto).

Section 16.175. TPF.

“TPF” means Thermal Products France, a “société par actions simplifiée with its registered office located at ZI de Guiscard, rue du Lieutenant Gabriel Lalanne, 60640 Guiscard,

registered with the Registry of Commerce and Companies of Compiégne under the number 341 206 183.

Section 16.176. Trade Secrets.

“Trade Secrets” means trade secret business information including ideas, formulas, compositions, technical documentation, operating manuals and guides, plans, designs, sketches, inventions, production molds, product specifications, equipment lists, engineering reports and drawings, architectural and engineering plans, manufacturing and production processes and techniques; drawings, specifications, plans, proposals, research records, inspection processes invention records and technical data; financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, licensing records, advertising and promotional materials, service and parts records, warranty records, maintenance records that have been and are maintained in confidence and that provide a competitive business advantage.

Section 16.177. Trademarks.

“Trademarks” means trademarks, service marks, brand names, logos, certification marks, trade dress, assumed names and trade names, including all applications for registration therefor, registrations and all renewals, modifications and extensions thereof and the goodwill associated with each of the foregoing.

Section 16.178. Transfer Taxes.

“Transfer Taxes” has the meaning set forth in Section 15.9.

Section 16.179. Transferred Employee.

“Transferred Employee” has the meaning set forth in Section 10.1.

Section 16.180. Transferred Intercompany Receivables.

“Transferred Intercompany Receivables” means all intercompany receivables, payables, loans and investments, in each case, arising after the filing by the Debtors of the Cases, between any Asset Selling Entity (as relates to the Relevant ASE Business) or Non-JV Acquired Company, on the one hand, and any other Asset Selling Entity (as relates to the Relevant ASE Business) or Non-JV Acquired Company, on the other hand.

Section 16.181. Transferred JV Interests.

“Transferred JV Interests” means the shares of capital stock or equity interests in each JV Acquired Company owned by Sellers.

Section 16.182. Transition Agreement.

“Transition Agreement” means one or more transition services agreements, in form and substance reasonably acceptable to the parties, providing for the provision of services as among Sellers and Purchasers following the Closing.

Section 16.183. Trigger Levels.

“Trigger Levels” has the meaning set forth in Section 12.5(c).

Section 16.184. Union Transferred Employees.

“Union Transferred Employees” has the meaning set forth in Section 10.1(c).

Section 16.185. VAT.

“VAT” means any value added Tax, goods and services Tax, sales or turnover Tax or similar Tax, including such Tax as may be imposed by the Sixth Council Directive of the European Communities and national legislation implementing or supplemental to that directive.

Section 16.186. WARN ACT.

“WARN ACT” means the Worker Adjustment and Retraining Notification Act.

Section 16.187. Other Definitional and Interpretive Provisions.

(a) Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

(b) Unless otherwise specified, the terms “hereof,” “herein,” “hereunder,” “herewith” and similar terms refer to this Agreement as a whole (including the exhibits, and schedules to this Agreement), and references herein to Sections and Articles refer to sections and articles of this Agreement.

(c) Whenever used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders, and the terms “include” and “including” shall be inclusive and not exclusive and shall be deemed to be followed by the following phrase “without limitation.”

(d) The terms “Dollars” and “$” shall mean United States dollars.

(e) Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

ARTICLE XVII

MISCELLANEOUS

Section 17.1. Notices.

Any notice or demand to be given hereunder shall be in writing and deemed given when personally delivered, or two business days after it is sent by express courier and addressed as set forth below or to such other address as any party shall have previously designated by such a notice. Any notice so delivered personally shall be deemed to be received on the date of delivery; any notice so sent by express courier shall be deemed to be received on the date received (rejection or other refusal to accept or inability to deliver because of a change of address of which no notice was given shall be deemed to be receipt of the notice); provided however, that notices or communications described in Article 20/III of the Turkish Commercial Law (consisting principally of notices of default or termination) shall be sufficiently given only if delivered via a Turkish Notary or by registered mail, return receipt requested, and shall be deemed to have been given as of the date of proper service in accordance with Turkish Law.

If to Orhan or Purchasers:

Orhan Holdings A.S.
Yalova Yolu 15 Km
16285 Ovaakca-Bursa Turkey
Attention: Murat Orhan, Chairman and CEO
Telephone No.: +90 (224) 280 4900

With a copy to:

Gide Loyrette Nouel LLP
120 West 45th Street
New York, NY 10036
Attention: Marianne Rosenberg, Esq.
Telephone No.: (212) 403-6700

If to Dana or Sellers:

Dana Corporation
4500 Dorr Street
Toledo, OH 43615
Attention: General Counsel
Telephone No.: (419) 535-4500

With a copy to:

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, VA 23219-4074
Attention: Robert Acosta-Lewis and Cyane B. Crump
Telephone No.: (804) 788-8200

Section 17.2. Amendment; Waiver.

Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the parties hereto, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law, except as otherwise expressly provided herein.

Section 17.3. Assignment.

No party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other parties hereto and any purported assignment or delegation without such consent shall be void and of no effect.

Section 17.4. Entire Agreement.

The Schedules and Exhibits attached to this Agreement are an integral part of this Agreement. This Agreement (together with the Schedules, Exhibits and other agreements referenced herein) and the other Operative Documents contain, and are intended as, a complete statement of all of the terms and the arrangements between the parties hereto with respect to the matters provided for herein, and supersede any previous agreements and understandings between the parties hereto with respect to those matters. It shall be expressly understood that this Agreement and the other Operative Documents shall govern the transactions contemplated hereby as a whole and that any local agreements, instruments, certificates or other documents entered into or delivered in connection with this Agreement and the other Operative Documents with respect to a particular jurisdiction shall not be construed as amendments or novations of this Agreement and the other Operative Documents but rather shall be complemented by and interpreted in light of this Agreement and the other Operative Documents. Notwithstanding any provision of this Agreement to the contrary, unless and until the Closing occurs as contemplated hereby, nothing herein shall be deemed to amend, alter or affect the rights or responsibilities of the parties under or pursuant to the Joint Venture Agreements, and all rights of Orhan and Dana or TPF, as the case may be, pursuant to the Joint Venture Agreements are expressly reserved.

Section 17.5. Fulfillment of Obligations.

Any obligation of any party to any other party under this Agreement, which obligation is performed, satisfied or fulfilled by an Affiliate of such party, shall be deemed to have been performed, satisfied or fulfilled by such party.

Section 17.6. Parties in Interest.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 17.7. No Third-Party Rights.

Except as otherwise provided in Sections 10.1, 10.2, 10.3 and 10.4, nothing in this Agreement, express or implied, is intended to confer on any Person not a party hereto, any rights or remedies by reason of this Agreement.

Section 17.8. Public Disclosure.

Each of the parties to this Agreement and the other Operative Documents hereby agrees with the other party or parties hereto that the parties shall agree in advance as to the contents of any press release or other public statement or disclosure with respect to the transactions contemplated by this Agreement issued prior to Closing, except as may be required to comply with the requirements of any applicable Laws and the rules and regulations of any stock exchange upon which the securities of any of the parties (or its Affiliate) is listed, in which case such party shall use its reasonable best efforts to consult with the other parties before releasing such information.

Section 17.9. Confidentiality.

This Section 17.9 and Section 17.10 shall not apply to the JV Acquired Companies if the Closing shall not occur for any reason, and in such event any applicable confidentiality provisions of any Joint Venture Agreement shall instead apply to any information respecting the JV Acquired Companies. Subject to Section 17.8, the transactions contemplated by this Agreement and the other Operative Documents shall be kept confidential by Sellers, Purchasers and their respective representatives. In the event that the transactions contemplated by this Agreement are not consummated, each Purchaser and Seller (a "***Receiving Party***") shall, for a period of five years following the termination of this Agreement, hold any information obtained by it from the other party (a "***Disclosing Party***") or its Subsidiaries or representatives in strict confidence and, without the prior written consent of the Disclosing Party, shall not use any of such information for any purpose (except as required by applicable law, regulation or legal process or to enforce the rights of the Receiving Party hereunder), unless such information (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party or its officers, employees or agents in breach of this Agreement, (ii) was available to the Receiving Party or its officers, employees or agents on a non-confidential basis prior to its disclosure to the Receiving Party by or at the request of the Disclosing Party or its Subsidiaries, or (iii) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or its Subsidiaries; *provided*, *however*, that such source is

not bound by a confidentiality agreement with the Disclosing Party or its Subsidiaries or otherwise prohibited from disclosing such information to the Receiving Party by a contractual, legal or fiduciary obligation. In the event that a Receiving Party, or any of its Affiliates or representatives, is required by applicable law, regulation or legal process to disclose any of such information, the Receiving Party will notify the Disclosing Party promptly (unless prohibited by law) so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained or the Disclosing Party does not waive compliance with this Section 17.9 and the Receiving Party or any of its representatives are nonetheless legally compelled to disclose such information, the Receiving Party or its representatives, as the case may be, will furnish only that portion of the information which the Receiving Party is, or such representatives are, advised by counsel is required by Law to be furnished and will give the Disclosing Party written notice (unless prohibited by law) of the information to be disclosed as far in advance as practicable and exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the information.

Section 17.10. Return of Information.

If for any reason whatsoever the transactions contemplated by this Agreement are not consummated, Orhan shall, and shall cause Purchasers to, promptly return to Sellers all books, records and other materials furnished by Sellers or any of its agents, employees or representatives pursuant to this Agreement (including all copies, if any, thereof), and shall not use or disclose the information contained in such books, records and other materials or make such information available to any other entity or person.

Section 17.11. Expenses.

Subject to Section 7.2, each of the parties hereto shall bear its own expenses (including fees and disbursements of its counsel, accountants and other experts) incurred by it in connection with the preparation, negotiation, execution, delivery and performance hereof, each of the other documents and instruments executed in connection herewith or contemplated hereby and the consummation of the transactions contemplated hereby and thereby. In addition, Purchasers shall be solely responsible for all expenses incurred in connection with its due diligence review of the FPG Business, including without limitation surveys, title work, title searches, environmental testing or inspections, building inspections, UCC lien and other searches.

Section 17.12. Bulk Sales Laws.

Purchasers hereby waive compliance by Sellers and their Subsidiaries with any applicable bulk sales law. Each of the Asset Selling Entities, severally and not jointly, agrees to indemnify Purchasers and hold Purchasers harmless from and against any and all liability under any bulk sales law for the sale of assets by such Asset Selling Entity under this Agreement, *provided*, *however*, that this indemnity shall not affect the obligation of Purchasers to pay and discharge the Assumed Liabilities and no indemnity is made under this Section 17.12 with respect to the Assumed Liabilities.

Section 17.13. Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, including all matters of construction, validity and performance (including sections 5-1401 and 5-1402 of the New York General Obligations Law but excluding all other choice of law and conflicts of law rules).

Section 17.14. Submission to Jurisdiction; Selection of Forum.

Each party hereto agrees that any action or proceeding for any claim arising out of or related to this Agreement or the transactions contained in or contemplated by this Agreement and the other Operative Documents, whether in tort or contract or at law or in equity, shall be brought (i) in the case of a proceeding involving Debtors, in the Bankruptcy Court, while the Debtors' Cases are pending, or thereafter, in any other New York federal court sitting in the City of New York, or (ii) in the case of a proceeding solely involving non-Debtors, in any federal court sitting in the City of New York, or, if such court indicated in (i) or (ii) does not have jurisdiction, the relevant New York State court sitting in the Borough of Manhattan (each such court, a "***Chosen Court***"), and each party irrevocably (a) submits to the jurisdiction of the Chosen Courts (and of their appropriate appellate courts), (b) waives any objection to laying venue in any such action or proceeding in either Chosen Court, (c) waives any objection that such Chosen Court is an inconvenient forum for the action or proceeding, and (d) agrees that, in addition to other methods of service provided by law, to the full extent provided by applicable law service of process in any such action or proceeding shall be effective if provided in accordance with Section 17.1 of this Agreement, and the effective date of such service of process shall be as set forth in Section 17.1.

Section 17.15. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same Agreement.

Section 17.16. Headings.

The heading references herein and the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 17.17. Severability.

Except for Article II, the provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement other than Article II, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such

invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

Orhan Holding, A.S.,
an *anonim sirket* organized under the laws of the Republic of Turkey

By: /s/ Murat Orhan
Name: Murat Orhan
Title: Chairman & CEO

Dana Corporation,
a corporation organized under the laws of the Commonwealth of Virginia

By: /s/ Bill Riley
Name: Bill Riley
Title: Director – Corporate Development

IN WITNESS WHEREOF, the additional Persons made parties hereto in accordance with Section 1.1(a) have executed this Agreement effective as of the Closing Date.

Dana Spicer Europe Ltd.,
a limited company organized under the laws of England and Wales

By: _____
Name:
Title:
Date:

Thermal Products France, SAS,
a société par actions simplifiée organized under the laws of France

By: _____
Name:
Title:
Date:

EFMG, LLC,
a limited liability company organized under the laws of the Commonwealth of Virginia

By: _____
Name:
Title:
Date:

PTG Mexico S. de R.L. de C.V.,
a corporation organized under the laws of Mexico

By: _____
Name:
Title:
Date:

PTG Servicios S. de R.L. de C.V.,
a corporation organized under the laws of Mexico

By: _____
Name:
Title:
Date:

Hose & Tubing Products, Inc.,
a corporation organized under the laws of the Commonwealth of Virginia

By: _____
Name:
Title:
Date:

FIRST AMENDMENT TO AGREEMENT TO PURCHASE ASSETS AND STOCK

THIS FIRST AMENDMENT TO AGREEMENT TO PURCHASE ASSETS AND STOCK (this "Amendment"), dated as of June 5, 2007, by and between ORHAN HOLDING, A.S., an *anonim sirket* organized under the laws of the Republic of Turkey ("Orhan"), and DANA CORPORATION, a corporation organized under the laws of the Commonwealth of Virginia ("Dana").

RECITALS

A. Orhan and Dana are parties to that certain Agreement to Purchase Assets and Stock, dated as of March 28, 2007 (the "Agreement").

B. The parties desire to amend the Agreement on the terms and conditions set forth in this Amendment.

AGREEMENT

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Amendment to Section 2.1(a). Section 2.1(a) is amended to delete the dollar figure "$70 million" and replace it with "$85 million."

2. Amendment to Section 4.19. Section 4.19 is amended to add at the end thereof the following sentence: "All of the assets specifically identified on Schedules as Purchased Assets are primarily related to the Business."

3. Amendment to Section 5.1(b). Section 5.1(b) is amended to insert the words "or other entity" after the word "corporation" in the first line thereof.

4. Amendment to Section 6.6. The first sentence of Section 6.6 is amended to insert the parenthetical phrase "(together with all other breaches which have not been cured)" after the word "breach" and before the word "causes" at the end of the third line thereof.

5. Amendment to Subsection 7.4(a)(ii). Subsection 7.4(a)(ii) is amended to insert the word "reasonable" after the word "all" and before the word "steps" in the fourth line thereof.

6. Amendments to Section 7.5(a). Section 7.5(a) is amended to delete the last sentence thereof in its entirety.

7. Continuance of Agreement; Single Document. Except as expressly amended by this Amendment, all provisions of the Agreement remain in full force and effect. The Agreement, as amended by this Amendment, will hereinafter be read as a single, integrated document, incorporating the changes effected by this Amendment.

8. Counterparts. This Amendment may be executed by the parties hereto in counterparts, each of which shall be deemed to be an original, but all such counterparts taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Agreement to Purchase and Assets and Stock to be executed as of the date set forth above.

ORHAN HOLDING, A.S., *an anonim sirket*
organized under the laws of the Republic of Turkey

By: /s/ Murat Orhan
Name:
Title:

DANA CORPORATION, a corporation organized under the laws of the Commonwealth of Virginia

By: /s/ Bill Riley
Name: Bill Riley
Title Director – Corporate Development

Exhibit 10-X

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

COUPLED PRODUCTS ACQUISITION LLC

AND

DANA CORPORATION

Dated as of May 28, 2007

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of May 28, 2007 (this "Agreement"), by and between Coupled Products Acquisition LLC, a limited liability company organized under the laws of Delaware ("Purchaser"), and Dana Corporation, a corporation organized under the laws of the Commonwealth of Virginia ("Seller").

RECITALS

WHEREAS, Seller and the Subsidiaries listed on Exhibit A-1 hereto (the "Selling Subsidiaries" and each, individually, a "Selling Subsidiary") are, among other things, engaged through Seller's Fluid Products Group in the Business;

WHEREAS, upon the terms and subject to the conditions hereinafter set forth, the parties desire that Seller and the Selling Subsidiaries sell, assign and transfer to Purchaser, and that Purchaser purchase and acquire from Seller and the Selling Subsidiaries, all of the right, title and interest of Seller and its Selling Subsidiaries in and to the Purchased Assets, free and clear of all Liabilities and Liens and that Purchaser assume the Assumed Liabilities;

WHEREAS, Seller and certain of the Selling Subsidiaries, as identified on Exhibit A-2 attached hereto (collectively, the "Debtors"), have filed voluntary petitions initiating cases under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (each, a "Case" and together, the "Cases");

WHEREAS, on March 28, 2007, the Debtors filed a motion seeking, among other things, the establishment of bidding procedures for the Debtors' Fluid Products Group and the approval of the sale of the assets of the Fluid Products Group to the highest bidder or bidders for those assets; and

WHEREAS, on April 12, 2007, the Bankruptcy Court entered an order (the "Bidding Procedures Order"), among other things, approving bidding procedures for the Fluid Products Group (the "Bidding Procedures") and a $250,000 expense reimbursement payable to Purchaser in certain circumstances (the "Expense Reimbursement").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

THE PURCHASE AND SALE

Section 1.1 Purchase and Sale of the Purchased Assets.

On the terms and subject to the conditions hereof, and subject to the exclusions set forth in Section 1.2, at the Closing, Seller shall sell, assign, transfer, convey and deliver, or cause one

or more of the Selling Subsidiaries to sell, assign, transfer, convey and deliver to Purchaser or a designee appointed pursuant to Section 16.3, and Purchaser shall purchase, acquire and accept from Seller, or the applicable Selling Subsidiary or Selling Subsidiaries, all of the right, title and interest of Seller, or the applicable Selling Subsidiary or Selling Subsidiaries, in, to and under the following assets, properties, rights, Contracts and claims of Seller, or such Selling Subsidiary or Selling Subsidiaries, wherever located, whether tangible or intangible, real, personal or mixed (collectively, and excluding the Excluded Assets, the "Purchased Assets"), as such exist on the Closing Date, free and clear of all Liabilities and Liens, other than Assumed Liabilities and Permitted Exceptions:

(a) the Owned Real Property and the SLP I Real Property Leases;

(b) all machinery, equipment, furniture, vehicles, tools, tooling and other tangible personal property Related to the Business, including, without limitation, the items set forth on Schedule 1.1(b) (the "Purchased Equipment");

(c) all inventories and supplies of raw materials, works-in-process, finished goods, spare parts, supplies, storeroom contents and other inventoried items Related to the Business;

(d) all trade accounts and other receivables arising out of the sale or other disposition of goods or services by the Business;

(e) subject to Section 6.7, all rights in, to and under all Contracts of the Debtors Related to the Business listed on Schedule 1.1(e) (collectively, the "Debtor Contracts" and each, individually, a "Debtor Contract");

(f) subject to Section 6.7, all rights in, to and under the Contracts of the Non-Debtor Selling Subsidiaries Related to the Business listed on Schedule 1.1(f) (collectively, the "Non-Debtor Contracts" and each, individually, a "Non-Debtor Contract");

(g) all Intellectual Property identified on Schedule 1.1(g), including all rights to enforce and to past and future damages for the infringement of any such Intellectual Property (the "Purchased Intellectual Property");

(h) subject to Section 10.6, all books and records (other than Tax Returns and related work papers and items set forth in Section 1.2(h)), files, papers, disks, manuals, keys, reports, plans, catalogs, sales and promotional materials, and all other printed and written materials, to the extent Related to the Business, to the extent available;

(i) all Permits Related to the Business to the extent permitted by applicable Law to be transferred and subject to the required consent of any third party, including any Governmental Body;

(j) all deferred and prepaid charges, to the extent Related to the Business, other than those that relate to any Excluded Asset;

(k) all rights under or pursuant to all warranties, representations and guarantees, whether express or implied, made by suppliers, manufacturers, contractors and other third parties, to the extent Related to the Business, other than any of the foregoing that exclusively relate to any Excluded Asset or Excluded Liability;

(l) all claims, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment, to the extent Related to the Business, including those listed on Schedule 1.1(l);

(m) the IT Assets; provided, however that Seller and its Subsidiaries shall not be required to make any payment to obtain any consent from any third party in connection with such transfer; and

(n) to the extent provided in Section 10.3, all rights under the trusts, or other assets held pursuant to, or set aside to fund the obligations of the Seller or its Subsidiaries under any Assumed Benefit Plan, and any data and records (or copies thereof) required to administer the benefits of the Transferred Employees under any Assumed Benefit Plan.

Section 1.2 Excluded Assets.

Notwithstanding anything to the contrary contained in Section 1.1, the parties expressly understand and agree that the Purchased Assets shall not include, and neither Seller nor any of the Selling Subsidiaries is hereunder selling, assigning, transferring or conveying to Purchaser, any right or title to or interest in, any of the following assets, properties, rights, Contracts and claims, whether tangible or intangible, real, personal or mixed (collectively, the "Excluded Assets"):

(a) all cash, cash equivalents, bank deposits, investment accounts, lockboxes, certificates of deposit, marketable securities or similar cash items, of Seller or any Subsidiary;

(b) with the exception of direct roll-overs as provided for in Section 10.2(a), any assets under any Seller Employee Benefit Plan which is not an Assumed Benefit Plan, including without limitation, any trusts, insurance arrangements or other assets held pursuant to, or set aside to fund the obligations of Seller or its Subsidiaries under, any such Seller Employee Benefit Plan and any data and records (or copies thereof) required to administer the benefits of Business Employees under any such Seller Employee Benefit Plan;

(c) any and all insurance policies, binders and claims and rights thereunder and the proceeds thereof and all prepaid insurance premiums;

(d) subject to Section 7.6, the Intellectual Property and those Intellectual Property Contracts listed on Schedule 1.2(d) (the "Excluded Intellectual Property");

(e) all tangible personal property disposed of or consumed prior to Closing Date in the ordinary course of business as permitted by this Agreement;

(f) the assets, Real Property Leases and other Contracts of the Seller and Selling Subsidiaries listed on Schedule 1.2(f), as the same may be amended by Purchaser prior to the Closing pursuant to Section 6.7;

(g) all Contracts of Seller or any of its Affiliates (other than the Assumed Collective Bargaining Agreements and the Assumed Benefit Plans and except as provided in Section 10.4) with any of the Transferred Employees, any other Business Employees, or any other current or former employee or agent of the Seller or any of its Affiliates, including the Retention Agreements;

(h) subject to Section 10.6, any books, records and other materials that Seller or any of its Subsidiaries is required by Law to retain, all Tax Returns and related work papers and, subject to Section 7.6, all "Dana" marked sales and promotional materials and brochures;

(i) all claims, defenses, causes of action, choses in action or claims of any kind relating to either Excluded Assets or Excluded Liabilities;

(j) all assets, business lines, properties, rights, Contracts and claims of Seller or any Subsidiary not Related to the Business, wherever located, whether tangible or intangible, real, personal or mixed, including without limitation all assets, business lines, properties, rights, Contracts and claims of Seller or any Subsidiary related to the business of Seller's Hose and Tubing Group as set forth on Schedule 1.2(j) (the "Hose and Tubing Business");

(k) all assets associated with facilities Related to the Business which have ceased operations prior to the date hereof;

(l) all refunds, credits, prepayments or deferrals of or against any Taxes;

(m) all intercompany receivables, loans and investments between or among Seller, or its Subsidiaries;

(n) all Contracts of the Seller and the Selling Subsidiaries not listed or referenced on Schedule 1.1(e) or Schedule 1.1(f).

(o) any and all notes receivable listed on Schedule 1.2(o);

(p) any and all avoidance or other causes of action arising under Sections 510, 544 through 550 and 553 of the Bankruptcy Code or under similar state laws (collectively, the "Bankruptcy Avoidance Actions"); and

(q) all claims, defenses, causes of actions, choses in action, rights of recovery, rights of set off and rights of recoupment listed on Schedule 1.2(q).

Section 1.3 Assumed Liabilities.

Simultaneously with the Closing, Purchaser shall assume and be liable for, and shall pay, perform and discharge, the following obligations and Liabilities of the Seller and the Selling Subsidiaries, whether occurring or accruing before, on or after the Closing Date, whether known or unknown, fixed or contingent, asserted or unasserted, and not satisfied or extinguished as of the Closing Date (collectively, and excluding the Excluded Liabilities, the "Assumed Liabilities"):

(a) all Liabilities relating solely to any Purchased Asset (other than the Debtor Contracts and Non-Debtor Contracts) and arising exclusively on or after the Closing;

(b) all Liabilities under the Debtor Contracts and the Non-Debtor Contracts arising exclusively on or after the Closing, excluding any such Liabilities to the extent caused by or resulting from a breach or default by Seller or any Selling Subsidiary prior to the Closing under such Debtor Contracts or Non-Debtor Contracts;

(c) (i) all Liabilities arising under the Assumed Collective Bargaining Agreements out of the employment of the Union Transferred Employees prior to the Closing, subject to Sections 1.4 and 10.1 through 10.4 and applicable Law; (ii) accrued unpaid base wages payable by Seller or its Affiliates to the Transferred Employees for any payroll period preceding the Closing, to the extent reflected as a liability in the calculation of the Net Working Assets of the Business at the Closing Date (it being understood that Seller and its Affiliates shall not also be required to indemnify Purchaser or its Affiliates for such amounts pursuant to Section 11.2), (iii) except as set forth in Sections 10.1 through 10.4, all Liabilities to the Transferred Employees and their dependents and beneficiaries arising exclusively out of their employment by the Purchaser after the Closing, including obligations for any applicable salaries, wages and any other form of compensation accruing exclusively after the Closing Date as a result of such employment; and (iv) Liabilities to the Union Transferred Employees for accrued but not used vacation, personal days and floating holidays, sick pay and any other leave of the Union Transferred Employees, whether accrued prior to or after the Closing Date, if used or payable after the Closing Date, to the extent provided in Section 10.1(g) (it being understood that Seller and its Affiliates shall not also be required to indemnify Purchaser or its Affiliates for such amounts pursuant to Section 11.2);

(d) all Liabilities with respect to benefits payable after the Closing Date under any Assumed Benefit Plan;

(e) all Liabilities arising on or after the Closing with respect to the Union Transferred Employees under the Assumed Collective Bargaining Agreements, subject to Sections 10.1 through 10.4 and without limiting any right Purchaser may have under applicable Law;

(f) all Liabilities of the Business (including without limitation accounts and trade payables) reflected on the Closing Statement of Net Assets;

(g) all Liabilities that Purchaser or any of its Subsidiaries has expressly assumed or agreed to pay for or be responsible for pursuant to the terms of the Transition Agreements;

(h) all Liabilities for claims made on or after the Closing Date for any return, rebate, recall, warranty or similar claims with respect to products (or any part or component thereof) designed, manufactured, serviced or sold by the Business and all Liabilities incurred after the Closing Date in connection with the matter described in Item 2 of Schedule 4.24(b);

(i) all Liabilities for claims made on or after the Closing Date for death, personal injury, other injury to persons or property damage relating to, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products (or any part or component thereof) designed, manufactured, serviced or sold by the Business (including asbestos and any such Liabilities for negligence, strict liability, design or manufacturing defect, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose or use);

(j) except as provided in Section 11.5, all Liabilities arising under Environmental Laws or relating to the presence, handling, use or Release of Hazardous Materials, but only to the extent they would be imposed upon Purchaser as an owner/operator by operation of law after the Closing Date in connection with the operation of the Business as currently conducted at any Owned Real Property, including Liabilities relating to the Release or threatened Release of any Hazardous Material on, at or from any Owned Real Property arising prior to the Closing Date, but excluding any Liabilities which relate to Excluded Assets;

(k) Liabilities to Transferred Employees related to, resulting from, or arising out of workers' compensation, occupational health and safety, occupational disease, injury or similar workplace injury to the extent provided in Section 10.1(k) below; and

(l) all Taxes imposed on or payable with respect to the Business for which Purchaser is responsible pursuant to Section 14.1(b).

Section 1.4 Excluded Liabilities.

Except as set forth in Section 1.3, Purchaser shall not assume any Liabilities of Seller and its Selling Subsidiaries and, notwithstanding the provisions of Section 1.3, it is expressly understood and agreed that there shall be excluded from the Liabilities being assumed by Purchaser hereunder the following Liabilities of Seller or the Selling Subsidiaries:

(a) the debt and other Liabilities, including any interest or other amounts in connection therewith, listed on Schedule 1.4(a);

(b) all Liabilities for which Seller or any of the Selling Subsidiaries is expressly made responsible pursuant hereto or the Transition Agreements;

(c) all Liabilities in respect of any Excluded Assets (including assets associated with facilities Related to the Business which have ceased operations prior to the Closing Date);

(d) all Excluded Taxes;

(e) fees, expenses, indemnification obligations and other Liabilities owed by Seller or its Subsidiaries to their respective advisors, including Miller Buckfire & Co., LLC, and their respective Affiliates, on account of the acquisition advisory services provided to Seller and its Subsidiaries by such advisors in connection with the transactions contemplated hereby;

(f) all intercompany payables, loans and investments between or among Seller and its Subsidiaries;

(g) all Chapter 11 Expenses and other fees and expenses associated with the Cases;

(h) all Liabilities and Liens with respect to which the Purchased Assets are being sold free and clear of under the Approval Order;

(i) all Liabilities relating to, resulting from, caused by or arising out of Environmental Law or common law environmental theories not specifically assumed by Purchaser under Section 1.3(j) above, including those relating to assets, properties or operations of the Business other than current operations at the Owned Real Property, including Liabilities relating to use, handling or Release of Hazardous Materials or claims of exposure to Hazardous Materials involving former assets and properties used, manufactured, sold, leased, owned or operated by, or services performed in connection with, the Business, or the generation and off-site disposal of Hazardous Materials by the Business prior to the Closing Date;

(j) all Liabilities of Seller or its Selling Subsidiaries arising out of any Legal Proceedings described on Schedule 4.14;

(k) all Liabilities, under any contract or Law, arising under or in connection with any Seller Employee Benefit Plan other than Liabilities with respect to benefits payable after the Closing Date under an Assumed Benefit Plan, including all Liabilities for any severance, retention, notice or other payments or obligations to any Transferred Employees, and all Liabilities arising under or with respect to any Seller Union Pension Plans;

(l) all Liabilities arising out of: (i) any of the Non-Union Transferred Employees' employment by the Seller or any of its Affiliates prior to the Closing Date, including all Liabilities for any unused vacation, personal days and floating holidays, sick pay and any other leave accrued by any of the Non-Union Transferred Employees prior to the Closing, except as may be otherwise provided for in Section 1.3(c), Section 10.1(g) or Section 10.4; or (ii) the employment or other engagement of any current or former

employee or agent of the Seller or any of its Affiliates, other than the Transferred Employees, at any time prior to, on or after the Closing Date;

(m) all Liabilities arising under any employment or other Contract of Seller or any of its Affiliates (other than the Assumed Collective Bargaining Agreements and except as provided in Section 1.3(c), Section 1.3(e) and Sections 10.1 through 10.4) with any of the Transferred Employees, any other Business Employees, or any other current or former employee or agent of the Seller or any of its Affiliates, including the Retention Agreements;

(n) except as provided in Section 10.1(j), all Liabilities (including Liabilities under the WARN Act) arising out of the entire or partial closure or cessation of operations at, or reduction in workforce at, any facility, location or other site of employment of the Seller or any of its Affiliates (whether or not relating to the Business) at any time prior to the Closing, including the former facilities located in Mitchell, Indiana and Andrews, Indiana;

(o) except as expressly set forth in Section 1.3, accrued liabilities of any kind required to be reflected on the Closing Statement of Net Assets prepared in accordance with Modified GAAP which were not reflected thereon;

(p) all Liabilities for claims made prior to the Closing Date, for any return, rebate, recall, warranty or similar claims with respect to products (or any part or component thereof) designed, manufactured, serviced or sold by the Business; and

(q) all Liabilities for claims made prior to the Closing Date for death, personal injury, other injury to persons or property damage relating to, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products (or any part or component thereof) designed, manufactured, serviced or sold by the Business (including asbestos and any such Liabilities for negligence, strict liability, design or manufacturing defect, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose or use).

ARTICLE II

CONSIDERATION

Section 2.1 Amount and Form of Consideration.

The consideration to be paid by Purchaser to Seller, for its own account and for the account of its Subsidiaries that are selling Purchased Assets, in full consideration of the Purchased Assets shall consist of:

(a) U.S.$1.00 in cash (the “Initial Cash Consideration”), subject to adjustment as set forth in Sections 2.2 and 2.3 (the Initial Cash Consideration, as adjusted, the “Final Cash Consideration”) to be paid in cash on the Closing Date; and

(b) the assumption by Purchaser on and as of the Closing Date of the Assumed Liabilities.

Section 2.2 Adjustment.

(a) "Net Working Assets of the Business" as of any date shall mean the amount calculated by subtracting the Liabilities set forth in Schedule 2.2(a) from the assets set forth in Schedule 2.2(a). The Net Working Assets Target (the "Net Working Assets Target") is U.S.$39,000,000.

(b) Not more than 14 days after the Closing Date, Seller shall deliver to Purchaser a certificate duly executed on behalf of Seller, dated the date of its delivery, setting forth Seller's good faith estimate of the Net Working Assets of the Business as of the Closing Date (the "Estimated Closing Net Working Assets"). The amount, if any, by which the Net Working Assets Target exceeds the Estimated Closing Net Working Assets is hereinafter referred to as the "Estimated Adjustment Amount". With ten days after delivery of such certificate, Seller shall pay to Purchaser an amount equal to the Estimated Adjustment Amount together with interest thereon at the rate of 7% per annum from the Closing Date through the date of payment; *provided*, *however*, that, if any such payment is not made within such ten-day period, the applicable rate of interest shall be increased by 2% per month for the period from the day following such day through the date payment is made.

(c) As promptly as practicable, but in any event within 60 days following the Closing, Purchaser, at its sole cost and expense, will prepare and deliver to Seller a statement of the net assets of the Business at the Closing Date (as such may be adjusted following resolution of disputes in accordance with Section 2.2(d), the "Closing Statement of Net Assets") and a calculation of the Net Working Assets Adjustment derived from the Closing Statement of Net Assets. The Closing Statement of Net Assets and the calculation of the Net Working Assets Adjustment derived from the Closing Statement of Net Assets shall (i) be prepared on a basis consistent with the preparation of the Statement of Net Assets, and (ii) be prepared in accordance with Modified GAAP. During the determination of the Estimated Closing Net Working Assets, the preparation of the Closing Statement of Net Assets, the calculation of the Net Working Assets Adjustment and the period of any dispute within the contemplation of this Section 2.2, each party shall: (i) provide the other party and its authorized representatives with full access to all of such party's relevant books, records, facilities and employees to the extent reasonably necessary to determine the Estimated Closing Net Working Assets and to prepare or review the Closing Statement of Net Assets and the calculation of Net Working Assets Adjustment; and (ii) cooperate fully with the other party and its authorized representatives, including by providing on a timely basis all information to the extent necessary or useful in preparing or reviewing the Statement of Net Assets and calculating the Net Working Assets Adjustment.

(d) Following receipt of the Closing Statement of Net Assets and the Net Working Assets Adjustment, Seller will be afforded a period of 30 days to review the Closing Statement of Net Assets and the Net Working Assets Adjustment (the "Review

Period"). Seller shall be deemed to have accepted the Net Working Assets Adjustment unless, prior to the expiration of the Review Period, Seller shall deliver to Purchaser written notice and a detailed written explanation of those items in the Net Working Assets Adjustment that Seller disputes, in which case the Net Working Assets Adjustment, to the extent not affected by the disputed items, will be deemed to be accepted, and the items identified by Seller shall be deemed to be in dispute. Within a further period of 10 days from the end of the Review Period, the parties will attempt to resolve in good faith any disputed items. Failing such resolution, either party may refer the unresolved disputed items for final binding resolution to a nationally recognized certified public accounting firm mutually acceptable to Seller and Purchaser (the "Independent Auditors"). The unresolved disputed items (if any) will be deemed to be as determined by the Independent Auditors in accordance with Modified GAAP, consistently applied, within 30 days of such reference. One-half of the cost of the determination by the Independent Auditors shall be paid by Purchaser and one-half by Seller. The decision of the Independent Auditors shall not be subject to appeal or challenge for any reason (other than gross negligence, fraud or willful misconduct). The definitive Closing Net Working Assets and Net Working Assets Adjustment shall be the Closing Net Working Assets and Net Working Assets Adjustment, as applicable, agreed to (or deemed to be agreed to) by Purchaser and Seller in accordance with the terms of this Section 2.2(d) or the definitive Closing Net Working Assets or Net Working Assets Adjustment, as applicable, resulting from the determination made by the Independent Auditors in accordance with this Section 2.2(d) (in addition to those items theretofore agreed to by Seller and Purchaser).

(e) "Closing Net Working Assets" is the Net Working Assets of the Business as calculated from the Closing Statement of Net Assets, as finally determined in accordance with Section 2.2(d).

(f) "Net Working Assets Adjustment" shall be determined as follows: (i) if the Closing Net Working Assets is equal to or greater than the Estimated Closing Net Working Assets, then the Net Working Assets Adjustment will be a positive amount equal to the amount of such excess; and (ii) if the Closing Net Working Assets is less than the Estimated Closing Net Working Assets, then the Net Working Assets Adjustment will be a negative amount equal to the amount of such difference.

(g) Other than those provisions set forth in this Section 2.2 relating to the resolution of certain matters by the Independent Auditors, there is no agreement among the parties to submit disputes under this Agreement to arbitration.

Section 2.3 Payment of Net Working Assets Adjustment.

(a) If the Net Working Assets Adjustment is a positive amount, Purchaser will pay Seller the amount of the Net Working Assets Adjustment together with interest thereon at the rate of 7% per annum from the Closing Date through the date of payment, such payment to be made within ten days after the final determination of the Net

Working Assets Adjustment; *provided*, *however*, that, if payment is not made within such ten-day period, the applicable rate of interest rate shall be increased by 2% per month for the period from the day following such day through the date such payment is made.

(b) If the Net Working Assets Adjustment is a negative amount, then Seller will pay to Purchaser the amount of the Net Working Assets Adjustment, together with interest thereon at the rate of 7% per annum from the Closing Date through the date of payment, such payment to be made within ten days after the final determination of the Net Working Assets Adjustment; *provided*, *however*, that, if any such payment is not made within such ten-day period, the applicable rate of interest shall be increased by 2% per month for the period from the day following such day through the date payment is made.

Section 2.4 Allocation of Consideration.

Within 45 days following the final determination of the Net Working Assets Adjustment, Purchaser shall deliver to Seller a proposed Schedule (the "Allocation Schedule") allocating the purchase price (including, for purposes of this Section 2.4, the Assumed Liabilities and any other consideration paid to Seller and the Selling Subsidiaries) among the Purchased Assets. The Allocation Schedule shall be reasonable and shall be prepared in accordance with Section 1060 of the Code and the regulations thereunder. If Purchaser and Seller are unable to reach an agreement with respect to the Allocation Schedule within 30 calendar days after delivery thereof, the allocation of any disputed item or items shall be resolved within the next 30 calendar days by an independent accounting firm or valuation expert that is mutually acceptable to both parties and whose fees shall be borne equally by Purchaser and Seller. Such determination by the accounting firm or valuation expert shall be binding on the parties without further adjustment. Except as otherwise required pursuant to a "determination" under Section 1313(a) of the Code (or any comparable provision of state, local or foreign Law), Purchaser and Seller agree to act in accordance with the allocations determined hereunder for all Tax purposes and that neither of them will (or will permit its Affiliates to) take any position inconsistent therewith in any Tax Returns or similar filings (including IRS Form 8594 or any similar form required to be filed under state, local or foreign Law), any refund claim, litigation, or otherwise. Purchaser and Seller each agree to provide the other party with any additional information reasonably required to complete IRS Form 8594 (or any similar form required to be filed under state, local or foreign Law) and with completed copies of such forms.

Section 2.5 Deposit.

Within three (3) Business Days after the date hereof, in accordance with the Deposit Agreement (the form of which is attached as Exhibit K hereto, the "Deposit Agreement"), Purchaser will wire transfer in immediately available funds to The Bank of New York, as deposit agent (the "Deposit Agent"), an amount equal to U.S. $750,000 (such amount, together with the interest accrued thereon, the "Deposit Amount"), to be held in an interest-bearing account by the Deposit Agent and to be distributed in accordance with the terms of the Deposit Agreement. At the Closing, the Deposit Agent will wire transfer the Deposit Amount to an account designated by Purchaser in accordance with the Deposit Agreement.

ARTICLE III

THE CLOSING

Section 3.1 Closing Date.

Except as hereinafter provided, the closing of the transactions contemplated hereunder (the "Closing") shall take place at the offices of Sidley Austin LLP, 1 S. Dearborn, Chicago, Illinois at 10:00 a.m. (local time) on July 31, 2007, or on such later date as may be mutually agreed upon by Purchaser and Seller, but in no event later than the fifth calendar day after all of the conditions precedent set forth in Article VIII and Article IX have been either satisfied or waived (such date and time being referred to herein as the "Closing Date"). The Closing shall be deemed to occur as of 11:59 p.m. (Eastern Standard Time) on the Closing Date.

Section 3.2 Deliveries by Seller to Purchaser.

At the Closing, Seller shall deliver, or shall cause to be delivered, to Purchaser the following:

(a) one or more bills of sale, substantially in the form of Exhibit B, or local transfer agreements as may be necessary or desirable under applicable Law, or comparable instruments of transfer transferring to Purchaser all of the Purchased Assets, duly executed by Seller or, as applicable, a Selling Subsidiary thereof;

(b) special warranty deeds, or comparable instruments of transfer and assignment, customary in the states where the Owned Real Properties are located with respect to the Owned Real Properties owned by Seller or any of its Subsidiaries, and otherwise in form mutually acceptable to Purchaser and Seller, duly executed by Seller or, as applicable, a Subsidiary thereof, together with all recording cover sheets, disclosure forms, certificates and affidavits as may be required by applicable law in order to record each of the applicable deeds in the state where it is recorded;

(c) subject to receipt of all applicable lessor consents, a sublease for a portion of the Rochester Hills, Michigan facility substantially in the form of Exhibit D hereto (the "Michigan Sublease"), the size, location and configuration of which shall be mutually agreed upon by Purchaser and Seller prior to Closing, duly executed by Seller or, as applicable, a Selling Subsidiary, and an assignment of the SLP I Real Property Leases in form mutually acceptable to Seller and Purchaser (the "Mexico Assignment"), duly executed by Seller or, as applicable, a Selling Subsidiary;

(d) duly executed instruments of assignment or transfer of the Purchased Intellectual Property, substantially in the form of Exhibit E or local assignment agreements as may be necessary or desirable under applicable Law;

(e) the certificate referred to in Section 8.6 signed by a duly authorized officer of Seller;

(f) the Transition Agreements, duly executed by Seller;

(g) a certificate of non-foreign status pursuant to Treasury Regulations Section 1.1445-2(b)(2) from Seller and each domestic Subsidiary of Seller that transfers Purchased Assets located in the United States pursuant to this Agreement;

(h) a duly executed assignment and assumption agreement or other comparable instrument of assignment and assumption, substantially in the form of Exhibit F, evidencing assumption of the Assumed Liabilities and all other instruments or documents as shall be necessary in the reasonable judgment of Purchaser to evidence the assignment by Seller and its Subsidiaries of the Purchased Assets and the assumption by Purchaser or its Subsidiaries of the Assumed Liabilities, subject to Sections 6.5(a) and 10.5(b);

(i) a copy of the Approval Order; and

(j) an Alta 1992 form owner's policy of title insurance for each parcel of Owned Real Property in an amount equal to the applicable assessed value for real estate tax purposes and otherwise in form and substance satisfactory to Purchaser issued by First American Title Insurance Company in conformity with each Commitment, subject only to Permitted Exceptions.

Section 3.3 Deliveries by Purchaser to Seller.

At the Closing, Purchaser shall deliver to Seller the following:

(a) the Initial Cash Consideration;

(b) a duly executed assignment and assumption agreement or other comparable instrument of assignment and assumption, substantially in the form of Exhibit F, evidencing assumption of the Assumed Liabilities and all other instruments or documents as shall be necessary in the reasonable judgment of Seller to evidence the assignment by Seller of the Purchased Assets and the assumption by Purchaser or its Subsidiaries of the Assumed Liabilities, subject to Sections 6.4(a) and 10.5(b);

(c) the sublease and assignment referred to in Section 3.2(c), duly executed by Purchaser or its Subsidiaries;

(d) the assignments referred to in Section 3.2(d), duly executed by Purchaser or Subsidiary of Purchaser;

(e) the certificate referred to in Section 9.6 signed by a duly authorized officer of Purchaser;

(f) the Transition Agreements, duly executed by Purchaser; and

(g) the assumption agreement referred to in Section 10.3.

Section 3.4 Proceedings at Closing.

All acts and proceedings to be taken and all documents to be executed and delivered by the parties at the Closing shall be deemed to have been taken and executed simultaneously, and, except as permitted hereunder, no acts or proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, Seller hereby represents and warrants to Purchaser as follows:

Section 4.1 Organization and Qualification.

Each of Seller and the Selling Subsidiaries is an entity duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization and has the requisite corporate power and authority to own or lease and operate its properties and to carry on, in all material respects, its business as currently conducted. Each of Seller and the Selling Subsidiaries is duly licensed or qualified to conduct its business as a foreign corporation and, if applicable, is in good standing under the laws of each jurisdiction in which the conduct of its business or the ownership of its properties requires such license or qualification.

Section 4.2 Corporate Authorization.

Upon entry of the Approval Order and subject to it becoming a Final Order, each of Seller and the Selling Subsidiaries will have full corporate power and authority to enter into, execute and deliver (or cause to be entered into, executed and delivered) this Agreement and each other agreement, document, instrument or certificate to be executed at the Closing by it in connection with the consummation of the transactions contemplated hereby (all such other agreements, documents, instruments and certificates required to be executed by Seller or any of the Selling Subsidiaries being hereinafter referred to, collectively, as the "Seller Closing Documents"), and to perform (or cause to be performed) Seller's obligations hereunder and thereunder. The execution, delivery and performance by Seller of this Agreement has been duly authorized by all requisite corporate action on the part of Seller and the execution, delivery and performance by Seller or its Subsidiaries of each of the Seller Closing Documents will be duly authorized by all requisite corporate action on the part of Seller or such Subsidiaries, as applicable, prior to Closing.

Section 4.3 Consents and Approvals.

Except as set forth in Schedule 4.3, and after giving effect to the entry of the Approval Order and subject to it becoming a Final Order, no consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Seller or the Selling Subsidiaries in connection with the execution and delivery of this Agreement or the Seller Closing Documents, the consummation of the

transactions contemplated hereby and thereby or the compliance by Seller and its Subsidiaries with any of the provisions hereof or thereof.

Section 4.4 Non-Contravention.

Upon entry of the Approval Order and subject to it becoming a Final Order, none of the execution and delivery by Seller of this Agreement and the Seller Closing Documents, the consummation of the transactions contemplated hereby or thereby or compliance by Seller and its Subsidiaries with any of the provisions hereof or thereof will, subject to the receipt of the consents identified on Schedule 4.3, (i) result in the breach of any provision of the certificate or articles of incorporation, bylaws or similar organizational documents of Seller; (ii) violate, result in the breach or termination of, or constitute (with or without notice or lapse of time or both) a default or give rise to any right of consent, cancellation, termination, vesting or acceleration or right to increase the obligations or otherwise modify the terms under any Material Business Contract; or (iii) constitute a violation of any Law applicable to Seller or any of its Affiliates, except in the case of clause (ii) and (iii), for minor violations none of which are material individually or in the aggregate.

Section 4.5 Binding Effect.

Upon entry of the Approval Order and subject to it becoming a Final Order, this Agreement constitutes and, when executed and delivered at the Closing, each of the Seller Closing Documents will constitute, a valid and legally binding obligation of Seller or such of its Subsidiaries as is party thereto, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether in equity or at law).

Section 4.6 Financial Statements.

Schedule 4.6 contains true and correct copies of the unaudited statement of net assets (the "Statement of Net Assets") of the Business, as of December 31, 2006, and the unaudited statement of operating results of the Business for the year ended December 31, 2006 (collectively, the "Financial Statements"). Each of the Financial Statements has been prepared in accordance with Modified GAAP. The Financial Statements were prepared on the basis of the books and records of the Business (in each case, as of the date of such Financial Statements) and present fairly, in all material respects, the financial condition of the Business as of the dates thereof and the results of its operations for each of the periods then ended in conformity with Modified GAAP.

Section 4.7 Taxes.

Except as set forth on Schedule 4.7:

(a) all Tax Returns required to be filed by or with respect to the Business have been timely filed (taking into account extensions) and all such Tax Returns are complete and accurate and disclose all taxes required to be paid in respect of such Tax Returns;

(b) all Taxes shown to be due on such Tax Returns (or payable pursuant to any assessments with respect to such Tax Returns) have been or will be timely paid, except for any payments by the Debtors which have been stayed by the filing of the Cases under Section 362 of the Bankruptcy Code;

(c) there is no action, suit, investigation, audit, claim or assessment pending with respect to Taxes of the Business, except for claims being pursued against the Debtors in the Cases, and to Seller's Knowledge, no basis for any such claim exists;

(d) none of Seller or any of the Selling Subsidiaries is currently the beneficiary of any extension of time within which to file any Tax Return, except for routine extensions of the time to file income Tax Returns;

(e) none of Seller or any of the Selling Subsidiaries has waived or been requested to waive any statute of limitations in respect of Taxes associated with the Business, which waiver is currently in effect;

(f) all monies required to be withheld by Seller or any of its Subsidiaries (including from employees of the Business for income Taxes and social security and other payroll Taxes) have been collected or withheld, and either paid to the respective taxing authorities, set aside in accounts for such purpose, or accrued, reserved against and entered upon the books of the Business;

(g) none of the Purchased Assets is properly treated as owned by persons other than Seller or the Selling Subsidiaries for income Tax purposes;

(h) none of the Purchased Assets is "tax-exempt use property" within the meaning of Section 168(h) of the Code; and

(i) no transferor of a United States real property interest contemplated by this Agreement is a "foreign person" for purposes of Section 1445 of the Code.

Section 4.8 Real Property.

Except for the filing of the Cases, after giving effect to the entry of the Approval Order and subject to it becoming a Final Order:

(a) Schedule 15.102 contains a legal description and address of each parcel of Owned Real Property . To the Knowledge of Seller, there are no options held by Seller or the Selling Subsidiary to acquire any real property for use with respect to the Business. Seller, or a Selling Subsidiary, has good and marketable title to each of the Owned Real Properties, free and clear of all Liens except Permitted Exceptions. Each of the Owned Real Properties (i) has legal and actual access to publicly dedicated streets whether adjacent or connected by valid easements thereto, subject to Permitted Exceptions, and (ii) has public utilities, including water, sewer, gas, electric, telephone and drainage facilities that are adequate to conduct the Business thereon as is currently being conducted. To the Knowledge of Seller, complete and correct copies of any engineering

plans and specifications, reports or studies of the physical condition of the Owned Real Property, title opinions, surveys and appraisals in Seller's or the Selling Subsidiaries' possession or any policies of title insurance currently in force and in the possession of Seller or the Selling Subsidiaries with respect to each parcel of Owned Real Property have heretofore been delivered by Seller to Purchaser.

(b) Schedule 15.126 contains a brief description of each Real Property Lease. To the Knowledge of Seller, there are no leases pursuant to which Seller, or its applicable Selling Subsidiary, is lessor of any of the Owned Real Property. To the Knowledge of Seller, Seller, or the applicable Selling Subsidiary, has valid leasehold estates in each of the Leased Real Properties.

(c) Except for the Permitted Exceptions, the Michigan Sublease and as otherwise set forth on Schedule 4.8(c), none of the Owned Real Properties, nor to the Knowledge of Seller, the Leased Real Properties, is subject to any lease, sublease, license or other agreement granting to any other Person any right to the use or occupancy of such Owned Real Property or Leased Real Property or any part thereof. To the Knowledge of Seller, complete and correct copies of any engineering plans and specifications, reports or studies of the physical condition of the Leased Real Property, title opinions, surveys and appraisals in Seller's or the Selling Subsidiary's possession or any policies of title insurance currently in force and in the possession of Seller, or the Selling Subsidiary, with respect to each parcel of Leased Real Property have heretofore been delivered by Seller to Purchaser.

(d) To the Knowledge of Seller, Seller has furnished to Purchaser complete and accurate copies of the Real Property Leases.

(e) Each Real Property Lease is in full force and effect and is valid and enforceable against Seller or its applicable Subsidiary and the lessor in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, whether in equity or at law), and there is no current default which cannot be cured under Section 365 of the Bankruptcy Code.

(f) To the Knowledge of Seller, (i) Seller or its Subsidiaries have all Permits of any Governmental Body necessary for the current use and operation by Seller or its Subsidiaries of each Owned Real Property and Leased Real Property, and (ii) no default or violation by Seller or any of its Subsidiaries has occurred in the due observance of any such Permit.

(g) There are no actions or proceedings pending, or to the Knowledge of Seller, threatened or contemplated against or relating to the ownership, use, possession or operation of the Owned Real Property, including, without limitation, actions for condemnation of all or any part thereof or other taking by any Governmental Body.

(h) To the Knowledge of Seller, the present improvements located on and the present use of the Real Property do not violate any building code, subdivision, entitlement, zoning, or similar land use law, regulation, ordinance, permit or order.

(i) To the Knowledge of Seller, there are no plans or proposals for changes in road grade, access or other municipal improvements which would affect the Real Property or result in any special tax or assessment against it.

Section 4.9 Tangible Personal Property.

Except as would not reasonably be expected to have a Material Adverse Effect, after giving effect to the entry of the Approval Order and subject to it becoming a Final Order:

(a) Each lease of personal property (i) included in the Purchased Assets requiring lease payments equal to or exceeding U.S. $60,000 per annum, or (ii) the loss of which would have a Material Adverse Effect (collectively, the "Personal Property Leases") is in full force and effect and is valid and enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, whether in equity or at law), and there is no default under any Personal Property Lease either by Seller or its Subsidiaries or, to the Knowledge of Seller, by any other party thereto, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default by Seller or its Subsidiaries thereunder which cannot be cured under Section 365 of the Bankruptcy Code.

(b) Seller or one of its Subsidiaries has good and valid title to each item of owned Purchased Equipment, free and clear of any and all Liens other than Permitted Exceptions or Liens under the Seller Financing.

Section 4.10 Intellectual Property.

(a) Schedule 4.10(a)(i) sets forth a true and complete list of all Registered Intellectual Property owned by Seller or the Selling Subsidiaries that is exclusively related to the Business, indicating for each item of such Registered Intellectual Property, the registration or application number and the applicable filing jurisdiction. Schedule 4.10(a)(ii) sets forth a true and complete list of all Licensed Intellectual Property (other than the Excluded Intellectual Property). Seller and its Selling Subsidiaries exclusively own (beneficially, and of record where applicable) all Purchased Intellectual Property, free and clear of all Liens other than Permitted Exceptions and Liens under the Seller Financing. To the Knowledge of Seller, the Purchased Intellectual Property is valid, subsisting and enforceable, and is not subject to any outstanding order, judgment, decree or agreement adversely affecting Seller's or its Selling Subsidiaries' use thereof or its rights thereto. To the Knowledge of Seller, no Person is infringing, violating or has misappropriated any Purchased Intellectual Property.

(b) To the Knowledge of Seller, each Intellectual Property Contract included in the Purchased Assets is legal, valid, binding and enforceable against the other party, and

is in full force and effect, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether in equity or at law). No claim has been threatened or asserted that Seller or any other Person has breached any Intellectual Property Contract. There exists no event, condition or occurrence that, with the giving of notice or lapse of time, or both, would constitute a material breach or default by Seller or, to the Knowledge of Seller, any other Person, under any Intellectual Property Contract.

(c) To the Knowledge of Seller, there is no litigation, opposition, cancellation, proceeding, or claim pending, asserted or threatened in writing against Seller or its Selling Subsidiaries, or any other Person, concerning the ownership, validity, registerability, enforceability, infringement, use, or licensed right to use any Purchased Intellectual Property or rights licensed to Seller or its Selling Subsidiaries in such Intellectual Property Contract.

(d) To the Knowledge of Seller, the conduct of the Business by Seller and its Selling Subsidiaries, including their ownership, manufacture, use, operation and sale of Purchased Assets, does not violate as of the date of this Agreement and has not during the five years immediately preceding the date of this Agreement violated any Intellectual Property rights of any Person.

(e) [Intentionally omitted.]

(f) Seller and its Subsidiaries have sufficient rights to assert or use all Intellectual Property Related to the Business as conducted immediately prior to Closing. For the avoidance of doubt, following the Closing, the conduct of the Business as conducted immediately prior to Closing will not infringe, misappropriate or violate any Intellectual Property rights: (i) acquired by Orhan Holding, A.S., or its Affiliates pursuant to the Agreement to Purchase Assets and Stock by and between Orhan Holding, A.S. and Seller; or (ii) of Seller and its Subsidiaries.

(g) The IT Assets operate and perform in all material respects in accordance with its documentation and functional specifications and otherwise as required by Seller in connection with the Business. Seller has not incorporated into the IT Assets any "time bombs," "Trojan horses," "back doors," "trap doors," "worms," viruses, bugs, faults or other devices or effects that (i) enable or assist any person to access without authorization the IT Assets or (ii) otherwise significantly and adversely affect the functionality of the IT Assets, except as disclosed in its documentation. To the Knowledge of Seller, none of the IT Assets is subject to or distributed under any license that (A) would require the distribution of source code with the asset or require source code to be made available when such is distributed to any third party or (B) would restrict or impair in any way Purchaser's ability to license IT Assets pursuant to terms of Purchaser's choosing.

(h) Seller has taken all commercially reasonable measures to protect the secrecy, confidentiality and value of all Trade Secrets that are owned, used or held for use by Seller and its Selling Subsidiaries and exclusively related to the Business, and to the

Knowledge of Seller, such Trade Secrets have not been used by, disclosed to or discovered by any person except pursuant to valid and appropriate non-disclosure and/or license agreements and those agreements have not been breached. To the Knowledge of Seller, as of the date of this Agreement, none of the current employees of Seller and its Subsidiaries has any Patents issued or applications pending for any device, process, design or invention of any kind now used or needed by Seller or its Selling Subsidiaries in the operation of the Business, which Patents or applications have not been assigned to Seller or its Selling Subsidiaries. To the Knowledge of Seller, the performance by the employees of Seller and its Selling Subsidiaries of their employment activities in respect of the development of the IT Assets does not violate any third party's Intellectual Property rights or such employee's contractual obligations to any third person.

Section 4.11 Contracts.

(a) Schedule 4.11(a) sets forth a true, complete and correct list, as of the date hereof, of each of the following Debtor Contracts and Non-Debtor Contracts (collectively, the "Material Business Contracts"):

(i) any Debtor Contract or Non-Debtor Contract not made in the ordinary course of business involving annual payments in excess of $10,000;

(ii) any Debtor Contract or Non-Debtor Contract or binding commitment for, or setting forth any of the terms or conditions relating to, the employment or termination of employment of any officer or non-temporary employee of Seller or the Selling Subsidiaries whose basic annual compensation (excluding bonus or commission) is in excess of U.S. $50,000;

(iii) any franchise, distributorship or sales agency agreement of Seller or any of the Selling Subsidiaries that involves annual payments in excess of U.S. $200,000;

(iv) any Debtor Contract or Non-Debtor Contract for the purchase, or the sale, supply or provision, of materials, supplies, services, merchandise or equipment not capable of being fully performed or not terminable without penalty within a period of 60 calendar days and involving annual payments in excess of U.S. $150,000;

(v) any agreement for the purchase or sale of any assets of Seller or the Selling Subsidiaries, to the extent Related to the Business, other than in the ordinary course of business involving an amount in excess of U.S. $10,000;

(vi) any Debtor Contract or Non-Debtor Contract limiting the freedom of Seller or the Selling Subsidiaries to engage in any line of business or to compete with any Person;

(vii) any commitment of Seller or the Selling Subsidiaries to make any capital expenditure or to purchase a capital asset Related to the Business in excess of U.S. $50,000;

(viii) any Debtor Contract or Non-Debtor Contract for the creation or formation of a joint venture, partnership or limited liability company;

(ix) any Debtor Contract or Non-Debtor Contract relating to any indebtedness for borrowed money, guaranty, surety, line of credit or other loan or financing arrangement involving an amount in excess of U.S. $10,000;

(x) any Debtor Contract or Non-Debtor Contract that is a collective bargaining agreement or other contract with any labor organization relating or applying to the Business or any Business Employee, including the Assumed Collective Bargaining Agreements;

(xi) any Debtor Contract or Non-Debtor Contract (other than a collective bargaining agreement with a labor organization) setting forth terms and conditions of employment, or separation from employment, of any Business Employee or any other current or former employee employed in connection with the Business;

(xii) any Debtor Contract or Non-Debtor Contract with any individual Person or Persons for the performance of any services by any such Person relating to the Business involving annual payments in excess of $10,000; or

(xiii) any Debtor Contract or Non-Debtor Contract under which Seller or Selling Subsidiary is obligated or is a party to any option, right of first refusal or other contractual right to sell, lease or dispose of the Purchased Assets or any portion thereof or interest therein.

True and correct copies of the Material Business Contracts have been delivered to or made available to Purchaser.

(b) To the Knowledge of Seller, (x) each Material Business Contract is in full force and effect and constitutes as of the date hereof the valid and legally binding obligation of each party thereto, enforceable against Seller and the other parties thereto in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether in equity or at law) and (y) there are no defaults under the Material Business Contracts which cannot be cured under Section 365 of the Bankruptcy Code. Seller has made available to Purchaser true and correct copies of the Material Business Contracts.

(c) Schedule 4.11(c) constitutes a complete list of all of the Contracts Related to the Business (including subcontracts at any tier to the extent known by Seller) entered into or being performed by the Selling Subsidiaries with the United States Government,

the government of any state or any political subdivision thereof, and any division, agency or instrumentality of the United States or of any state (hereinafter, the "Government Contracts.").

(d) To the Knowledge of Seller, there are no facts with respect to the Government Contracts that could give rise to liability under the False Claims Act or any other civil or criminal statute.

(e) To the Knowledge of Seller, except as described in Schedule 4.11(e), there are no outstanding claims relating to the Government Contracts that have been brought by the United States Government, the government of any state or any political subdivision thereof, or any division, agency or instrumentality of the United States or of any state, or by any prime contractor, any higher-tier subcontractor or any third party which would reasonably be expected to have a Material Adverse Effect.

Section 4.12 Employee Benefits.

(a) Schedule 4.12(a) contains a complete and accurate list of each Business Employee Benefit Plan. Seller has made available to Purchaser, to the extent applicable to any such Business Employee Benefit Plan, (i) a true and complete copy of the plan document (including all amendments and modifications thereto) and all related trust agreements, insurance contacts and other funding arrangements, (ii) the most recently filed United States Department of Labor Form 5500 series and all Schedules thereto, (iii) the current summary plan description and all summary material modifications thereto as applicable, and (iv) to the extent applicable, the most recent determination letter with respect to each Business Employee Benefit Plan.

(b) Each Assumed Benefit Plan has been maintained, operated and administered in compliance with its terms and the applicable provisions of ERISA, the Code and other applicable Law.

(c) Each Assumed Benefit Plan that is intended to meet the qualification requirements of Section 401(a) of the Code has received a favorable determination letter from the U.S. Internal Revenue Service.

(d) Except as set forth in Schedule 4.12(d), there is no audit or investigation pending (other than routine qualification or registration determination filings) with respect to any Assumed Benefit Plan before the U.S. Internal Revenue Service, the U.S. Department of Labor or any Governmental Authority and no such audit or investigation has been threatened in writing.

(e) Other than claims by common law employees for benefits received in the ordinary course under an Assumed Benefit Plan, neither Seller nor any of its Affiliates has received written notice of any pending or threatened claim under any Assumed Benefit Plan.

(f) With respect to any Business Employee Benefit Plan, all contributions, premiums, expenses and other payments required to be made by Seller or otherwise attributable to periods, services performed or compensation paid on or before the Closing Date have been made or will be timely made by Seller. For each Seller Employee Benefit Plan subject to the minimum funding requirements of ERISA and Section 412 of the Code, all contributions required to satisfy ERISA's minimum funding requirements have been made and no liens have been imposed pursuant to Section 412(m) of the Code.

(g) No Seller Employee Benefit Plan is a "multiemployer pension plan" as defined in Section 3(37) of ERISA, and neither Seller nor any of its Affiliates is obligated to make contributions to a multiemployer pension plan on behalf of any Business Employee, except as described in Schedule 4.12(g). Neither Seller nor any of its Affiliates has incurred a complete withdrawal as this term is defined in Section 4203 of ERISA or a partial withdrawal as defined in ERISA Section 4205 from any such multiemployer pension plan. To the Knowledge of Seller, no such multiemployer pension plan is not in reorganization status under ERISA Section 4241.

(h) No Seller Employee Benefit Plan that is a defined benefit pension plan subject to Title IV of ERISA has been terminated during the six year period ending on the Closing Date, and neither Seller nor any of its Affiliates has incurred liability under Section 4062 of ERISA.

(i) Neither Seller nor any of its Affiliates is a party to or bound by any employment, compensation, commission, bonus, benefit, retention, severance, separation, confidentiality, nonsolicitation, noncompetition or other Contract with or for the benefit of any current or former Business Employee, with the exception of the Retention Agreements or as described in Schedule 4.12(i).

(j) Except as listed in Schedule 4.12(j), no Business Employee Benefit Plan that is an "employee welfare benefit plan" as defined in Section 3(i) of ERISA provides for benefits to or on behalf of any retired or other former Business Employee or dependent or beneficiary thereof except as required by Section 601 et. seq. of ERISA.

Section 4.13 Employee and Labor Matters.

(a) Schedule 4.13(a) contains a true and complete list of all Business Employees as of the date hereof and as of the Closing Date, and accurately and completely sets forth for each such Business Employee the following: (i) name, (ii) title or position (including whether full or part time), (iii) name of employer, (iv) location of employment (e.g., plant, city and state), (v) leave status (including date leave commenced, nature of leave (e.g., medical, military) and anticipated return date), (vi) whether the employee is represented by a labor organization; and (vii) if not represented by a labor union, whether the employee is paid on a salaried or hourly basis.

(b) Schedule 4.13(b) contains a true and complete list of each current or former Business Employee, and every other current or former employee of the Seller or any of its Affiliates who is or was employed at any of the Seller Business Facilities, in each

case: (x) whose employment has terminated (voluntarily or involuntarily) or who has been laid off within 6 months prior to the Closing Date, including the date of such termination or layoff and an indication of the reason therefore (e.g., voluntary resignation, retirement, for cause, reduction in force); (y) whose hours of work have been materially reduced within 6 months prior to the Closing Date, including the date of any such reduction; or (z) who is otherwise on layoff as of the Closing Date and the date of such layoff, and accurately and completely sets forth for each such Person the following: (i) name, (ii) name of employer, (iii) location of employment (e.g., plant, city and state), and (iv) whether the employee is or was represented by a labor organization.

(c) Except as provided in Schedule 4.13(c), each Business Employee employed in the United States is employed at will and may terminate his or her employment with Seller or its Affiliates or be terminated from such employment at any time for any or no reason with or without prior notice, except for any rights, of Business Employees in the State of Michigan under Michigan common law to enforce handbook representations, if any, and except, in the case of Union Business Employees, as otherwise provided in the Assumed Collective Bargaining Agreements.

(d) Except as provided in Schedule 4.13(d), none of the Business Employees is employed outside of the United States or Mexico.

(e) All Persons engaged in connection with the Business and classified or treated by the Seller or any of its Affiliates as independent contractors or otherwise as non-employees satisfy and have satisfied all applicable Laws, in each case in all material respects, to be so classified or treated, and the Seller and each of its Affiliates have fully and accurately reported their compensation of any kind on IRS Forms 1099 or as otherwise required by Law.

(f) Except as provided in Schedule 4.13(f), neither the Seller nor any of its Affiliates: (i) sells or otherwise provides, or since May 31, 2006 has sold or otherwise provided, any Governmental Body with any product or service relating to the Business; or (ii) is or since May 31, 2006 has been a government contractor for purposes of any Law with respect to the terms and conditions of employment of any Business Employee at any Seller Business Facility or any other current or former employees employed in connection with the Business at any Seller Business Facility. The Seller is and has been subject to affirmative action obligations under Laws, including Executive Order 11246, with respect to the Seller Business Facilities and Business Employees employed in connection with the Business at the Seller Business Facilities under affirmative action compliance programs applicable to the Seller's entire U.S. workforce.

(g) Set forth on Schedule 4.13(g) is a true and correct list, as of the date hereof, and as of the Closing Date: (i) of each labor or collective bargaining agreement or other agreement or understanding with any labor organization, to which Seller or any of its Subsidiaries is a party or by which any of them is bound with respect to the Business or any of the Business Employees, including the Assumed Collective Bargaining Agreements (and the term of the Columbia City Assumed Collective Bargaining Agreement has been validly extended until February 12, 2008, with no other changes to

the provisions thereof, by agreement of the parties thereto, subject to a ratification vote by the relevant bargaining unit employees to be obtained prior to the Closing Date), and (ii) of each arbitration award to which Seller or any of its Subsidiaries is a party or by which any of them is bound with respect to the Business or any of the Transferred Employees, including pursuant to any of the Assumed Collective Bargaining Agreements.

(h) Except as set forth in Schedule 4.13(h): (i) no labor organization represents, or has made a demand against Seller or any of its Subsidiaries for recognition with respect to representation of, any Business Employees or group of Business Employees; (ii) there are no, and have not been any, representation or decertification proceedings or written petitions seeking a representation or decertification proceeding involving any Business Employees pending against Seller or any of its Subsidiaries or, to the Knowledge of Seller, threatened in writing to be brought or filed against Seller or any of its Subsidiaries with the United States National Labor Relations Board or any other Governmental Body; (iii) neither Seller nor any of its Subsidiaries is or has been negotiating, or has been asked to negotiate, any collective bargaining agreement or other agreement or understanding with any labor organization with respect to any of the Business Employees, other than requests by the UAW to negotiate an extension of, or a successor agreement to, one or more of the Assumed Collective Bargaining Agreements following the Scheduled expiration thereof and other than requests by such UAW entities for "effects bargaining" in connection with the transactions contemplated by this Agreement; and (iv) to the Knowledge of Seller, there is currently no, and there has not within the past twenty-four (24) months been any, organizing activity involving any Business Employees pending or threatened by any labor organization, any of the Business Employees or any other Person acting on behalf of or for the benefit of any of them.

(i) Except as set forth in Schedule 4.13(i) and solely with respect to the Business, there are not as of the date hereof and as of the Closing Date, and there have not been at any time during the one (1) year before the Closing Date, any (i) strikes, work stoppages, slowdowns or lockouts, interruptions of work, or picketing, (ii) grievances, arbitrations or other material labor disputes, or (iii) unfair labor practice charges, or complaints, in each case pending or threatened by or on behalf of any Business Employees, any labor organization or any other Person involving the Business or any Business Employees.

(j) Except as set forth in Schedule 4.13(j), neither Seller nor any of its Affiliates has entirely or partially closed or ceased operations at, or reduced the workforce at, any facility, location or other site of employment of the Seller or any of its Affiliates relating to the Business within one (1) year prior to the Closing Date.

(k) Seller and its Affiliates have complied in all material respects with all Laws which relate to employment of the Business Employees, including all Laws which relate to wages, hours, discrimination in employment, equal employment opportunity, immigration, leaves, reasonable accommodations, occupational safety and health, confidentiality, labor relations and collective bargaining, facility closures and layoffs

(including the WARN Act), and are not liable for any material arrears of wages or any taxes or penalties for failure to comply with any of the foregoing.

Section 4.14 Litigation.

(a) As of the date hereof and except for the filing of the Cases, there is no material Legal Proceeding pending or, to the Knowledge of Seller, threatened in writing against Seller or any of the Selling Subsidiaries that challenges, or questions the validity of, this Agreement or any Seller Closing Document before any Governmental Body or any action taken or to be taken by Seller and its Subsidiaries in connection with, or which seeks to enjoin or obtain monetary damages in respect of, the consummation of the transactions contemplated hereby or thereby. Except as set forth in Schedule 4.14 hereof, neither Seller nor any of its Subsidiaries has been charged with, nor to the Knowledge of Seller, is Seller or any of its Subsidiaries under investigation with respect to, any violation of any provision of any Law with respect to the Purchased Assets that is applicable and material to the operation of the Business.

(b) Except for the filing of the Cases, Schedule 4.14 sets forth a true and correct list, as of the date thereof, of all material pending or, to the Knowledge of Seller, threatened Legal Proceedings Related to the Business or related to the Purchased Assets.

Section 4.15 Compliance with Laws.

Except with respect to Environmental matters which are addressed in Section 4.16, employment matters which are addressed in Sections 4.12 and 4.13, and Real Property matters which are addressed in Section 4.8, with respect to the Business conducted by it and the Selling Subsidiaries, Seller and each Selling Subsidiary is in material compliance with all applicable Laws and all decrees, orders, judgments and Permits of or from Governmental Bodies except as set forth in Schedule 4.15.

Section 4.16 Environmental Matters.

(a) Seller has provided Purchaser copies of all:

(i) written notices of a currently pending charge, action, hearing, investigation, claim, demand or notice having been filed or commenced against Seller or any of its Subsidiaries alleging any failure of the Business to comply with, or asserting liability under any Environmental Law concerning (i) the release or threatened release of hazardous material, (ii) pollution or (iii) protection of the Environment;

(ii) all Permits held by Seller or its Subsidiaries in connection with the Business and related to any Environmental Law; and

(iii) all environmental reports, which are listed on Schedule 4.16(a).

(b) With respect to the Business:

(i) to the Seller's Knowledge, none of the Owned Real Property or the Leased Real Property is or has been operated in material violation of any Environmental Law;

(ii) (A) Neither Seller nor any of its Subsidiaries has, with respect to the Business, transported or disposed, or to Seller's Knowledge, allowed or arranged for any third parties to transport or dispose of any Hazardous Material or other waste to or at a site which, pursuant to CERCLA or any applicable state law or national or international law equivalent, is undergoing cleanup or has been placed on the National Priorities List, or its state, national or international equivalent; (B) Seller and its Subsidiaries possess all environmental Permits necessary for the operation of the Business as currently conducted and are in compliance with the terms and conditions of such Permits and with applicable Environmental Laws; (C) Seller and its Subsidiaries have not submitted and were not required to submit any notice pursuant to Section 103(c) of CERCLA (or any similar notice under equivalent or similar international law or national law requirements) and have not received a request for information under Section 104(e) of CERCLA (or under equivalent or similar international law or national law) and there have been no spills or releases of Hazardous Materials at any Owned Real Property or Leased Real Property that could give rise to any material liability on the part of the Business under any Environmental Law; and (D) Seller has not undertaken, or been ordered, directed or enjoined to undertake any response or remedial actions or clean-up actions of any kind by any Governmental Body at any Owned Real Property or Leased Real Property.

(iii) (A) None of the products manufactured by the Business contain, or at any time have contained, any asbestos or asbestos-containing material; (B) no asbestos-containing material was used by Seller or its Subsidiaries or, to Seller's Knowledge, by any predecessor at any Owned or Leased Real Property, in connection with the production of any product manufactured by the Business; (C) there have been no claims, demands or proceedings alleging exposure to asbestos or asbestos-containing material either in any product sold by the Business or at any Owned Real Property or Leased Real Property relating to the operations of the Business; and (D) to Seller's Knowledge, any asbestos or asbestos-containing material present in any Owned Real Property or in any Leased Real Property is in good condition (is not in friable form) and is and has been properly managed by Seller under applicable Environmental Laws.

Section 4.17 Ownership of Necessary Assets and Rights.

Except for the (a) Excluded Assets, (b) the Intellectual Property covered by Section 7.6, (c) those assets and services to be provided pursuant to the terms of the Transition Agreements, and (d) those assets and services listed on Schedule 4.17, the Purchased Assets on the Closing Date are in all material respects sufficient for the conduct of the Business immediately following the Closing in substantially the same manner as currently conducted.

Section 4.18 Brokers.

Except for Miller Buckfire & Co., LLC, (a) no Person has acted directly or indirectly as a broker, finder or financial advisor for Seller or any of its Subsidiaries in connection with the negotiations relating to the transactions contemplated hereby and no (b) Person is entitled to any fee or commission or like payment in respect thereof from Purchaser based in any way on any agreement, arrangement or understanding made by or on behalf of Seller or any of its Subsidiaries. Seller is solely responsible for the fees and expenses of Miller Buckfire & Co., LLC, payable in connection with the transactions contemplated hereby.

Section 4.19 Permits.

(a) Schedule 4.19(a) to this Agreement lists all material Permits related to the Purchased Assets or to the current use of the Purchased Assets that Seller or its Subsidiaries has obtained from any Governmental Body. Except as set forth in Schedule 4.19(a) and with respect to Environmental Matters which are addressed solely in Section 4.16, to the Knowledge of Seller, (i) all such material Permits are validly existing authorizations, (ii) Seller and the Selling Subsidiaries have all Permits necessary for the operation of the Business and the Purchased Assets as currently operated, (iii) there is no default or violation, in each case, in any material respect, by Seller or any of the Selling Subsidiaries under any such Permit, and (iv) there is no action pending, nor threatened, before any Governmental Body to revoke, refuse to renew, suspend or modify any of the Permits, or any action which is reasonably likely to result in the denial of any pending applications of Seller. Except as set forth in Schedule 4.19(a), Seller has not received notice from any Governmental Authority to the effect that any additional Permits are required for such operation.

(b) To the Knowledge of Seller, neither Seller nor the Selling Subsidiaries, nor any director, officer, employee, agent, representative, or consultant acting on behalf of Seller or the Selling Subsidiaries has, with respect to the Business, since May 31, 2006 (i) exported, re-exported or transferred, via any means, any technology, software or hardware subject to the U.S. Export Administration Regulations ("***EAR***"), via a direct export or via provision to a non-U.S. person (including any Business Employees located in the U.S. or abroad); or exported, re-exported, transferred via any means, or temporarily imported a defense article, including technical data, software and hardware, or provided a defense service to a non-U.S. person, subject to International Traffic in Arms Regulations ("***ITAR***"), via a direct export or via provision to a non-U.S. person (including any Business Employees located in the U.S. or abroad) except as pursuant to a valid license or other authorization, for such importation, exportation, or re-exportation, or for such provision of services, or pursuant to a valid exception or exemption from the requirement for such a license, agreement or re-export authorization, or (ii) violated or is in violation of any provision of the U.S. Export Administration Act, the EAR, the Arms Export Control Act, or the ITAR.

Section 4.20 [Intentionally omitted].

Section 4.21 No Undisclosed Liabilities.

Except as set forth in Schedule 4.21, Seller is not subject, with respect to the Business, to any Liability of the type required to be disclosed on the Statement of Net Assets which is not shown in the Statement of Net Assets, other than (i) Liabilities of the same nature as those set forth in the Statement of Net Assets and incurred in the ordinary course of the Business after December 31, 2006 or (ii) other Liabilities that, in the case of clause (i) and clause (ii), are not reasonably expected to have a Material Adverse Effect, either individually or in the aggregate.

Section 4.22 Accounts Receivable; Inventories.

(a) To the Knowledge of Seller, all accounts receivable of Seller and the Selling Subsidiaries with respect to the Business have arisen from bona fide transactions by Seller and the Selling Subsidiaries in the ordinary course of the Business.

(b) To the Knowledge of Seller, the inventories of Seller and the Selling Subsidiaries with respect to the Business (including raw materials, supplies, work-in-process, finished goods and other materials) (i) are in good, merchantable and useable condition and (ii) are, in the case of finished goods, of a quality and quantity saleable in the ordinary course of business and, in the case of all other inventories, are of a quality and quantity useable in the ordinary course of business, subject in each case to applicable reserves. Schedule 4.22(b) sets forth a list of locations other than the Owned Real Property and Leased Real Property where material inventories of the Business were located as of May 1, 2007.

Section 4.23 Customers and Suppliers.

Schedule 4.23 sets forth (i) a list of names of the ten largest customers and the ten largest suppliers (measured by dollar volume of purchases or sales in each case) of Seller in respect of the Business during the year ended December 31, 2006.

Section 4.24 Warranties; Product Defects.

(a) Schedule 4.24(a) sets forth a summary of the warranty expense incurred by Seller and its Subsidiaries with respect to the Business during each of its last three fiscal years and from January 1, 2007 through April 30, 2007. To the Knowledge of Seller, no material liability exists for any return claim, warranty claim or other obligation to provide parts and service on, or to repair or replace, any products sold or delivered by Seller and its Subsidiaries in connection with the Business at any time on or prior to the Closing Date beyond the amounts reserved for warranty expense reflected in the Statement of Net Assets.

(b) Schedule 4.24(b) sets forth a list of all (i) Products which have been recalled, withdrawn or suspended (other than (x) Products discontinued or suspended in the ordinary course of business or by reason of business decisions made without regard to (1) concerns as to design or other inherent defect or risk to the safety of the users thereof or (2) concerns of any Governmental Body and (y) isolated instances with respect to

particular product units which are not representative of an entire product category) since January 1, 2004, and (ii) proceedings pending against Seller and its Subsidiaries at any time since January 1, 2004 (whether such proceeding have since been completed or remain pending) seeking the recall, withdrawal, suspension or seizure of any Products or seeking to enjoin Seller from engaging in activities pertaining to any Products.

Section 4.25 Disclaimers of Seller.

EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY TRANSITION AGREEMENT, (A) SELLER EXCLUDES AND DISCLAIMS ALL WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE BUSINESS OR THE PURCHASED ASSETS, (B) SELLER MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE CONFIDENTIAL INFORMATION MEMORANDUM, FINANCIAL SUPPLEMENT, PRESENTATIONS, REPORTS, OR ANY FINANCIAL FORECASTS OR PROJECTIONS OR OTHER INFORMATION FURNISHED BY SELLER OR ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES, (C) SELLER UNDERTAKES NO LIABILITY FOR ANY DAMAGE, LOSS, EXPENSE OR CLAIM OR OTHER MATTER RELATING TO ANY CAUSE WHATSOEVER ARISING UNDER OR PURSUANT HERETO (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, INDIRECT OR PUNITIVE DAMAGES RESULTING FROM ANY SUCH CAUSE; (D) SELLER SHALL NOT BE LIABLE FOR, AND PURCHASER ASSUMES LIABILITY FOR, ALL PERSONAL INJURY AND PROPERTY DAMAGE CONNECTED WITH ITS INVESTIGATION AND EXAMINATION OF THE PURCHASED ASSETS, THE HANDLING, TRANSPORTATION, POSSESSION, PROCESSING, FURTHER MANUFACTURE OR OTHER USE OR RESALE OF ANY OF THE PURCHASED ASSETS AFTER THE CLOSING DATE, WHETHER SUCH PURCHASED ASSETS ARE USED OR RESOLD ALONE OR IN COMBINATION WITH OTHER ASSETS OR MATERIALS, AND (E) PURCHASER ACKNOWLEDGES THAT EXCEPT AS PROVIDED IN THIS AGREEMENT, THE PURCHASED ASSETS ARE BEING SOLD IN THEIR PRESENT STATE AND CONDITION, “AS IS, WHERE IS,” WITH ALL FAULTS, AND PURCHASER IS PURCHASING AND ACQUIRING SUCH PURCHASED ASSETS ON THAT BASIS PURSUANT TO PURCHASER’S OWN INVESTIGATION AND EXAMINATION AFTER HAVING BEEN PROVIDED WITH AN ADEQUATE OPPORTUNITY AND ACCESS TO SUCH PURCHASED ASSETS TO COMPLETE SUCH INVESTIGATION OR EXAMINATION.

Section 4.26 No Material Misstatements.

To Seller’s Knowledge, this Agreement does not, and, when executed and delivered at the Closing, the other Operative Documents to which such Seller is a party and the documents or instruments listed under Section 3.2 relating to such Seller will not, contain any material misstatement of fact, or omit to state any material fact necessary to make statements therein, in the light of the circumstances under which they were made, not misleading.

Section 4.27 No Other Representations or Warranties.

Except for the representations and warranties contained in this Article IV, none of Seller, any Affiliate of Seller or any other Person makes any representations or warranties, and Seller hereby disclaims any other representations or warranties, whether made by Seller or any Affiliate of Seller, or any of their respective officers, directors, employees, agents or representatives, with respect to the execution and delivery of this Agreement or any Seller Closing Document, the transactions contemplated hereby or the Business, notwithstanding the delivery or disclosure to Purchaser or its representatives of any documentation or other information with respect to any one or more of the foregoing and notwithstanding any statements or agreements made by Seller in the letter agreement between Seller and Plante & Moran, PLLC dated May 18, 2007.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PURCHASER

As an inducement to Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Purchaser hereby represents and warrants to Seller that, except as set forth in the Schedules hereto:

Section 5.1 Organization and Qualification.

Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to own or lease and operate its properties and to carry on, in all material respects, its business as currently conducted.

Section 5.2 Corporate Authorization.

Purchaser has full limited liability company power and authority to enter into, execute and deliver this Agreement and each other agreement, document, instrument or certificate to be executed at the Closing by Purchaser in connection with the consummation of the transactions contemplated hereby and thereby (all of such agreements, documents, instruments and certificates required to be executed by Purchaser and any of its Subsidiaries being hereinafter referred to, collectively, as the "Purchaser Closing Documents"), and to perform its obligations hereunder and thereunder. The execution, delivery and performance by Purchaser of this Agreement and by Purchaser of each Purchaser Closing Document has been duly authorized by all requisite limited liability company action on the part of Purchaser.

Section 5.3 Consents and Approvals.

Except as set forth in Schedule 5.3, upon entry of the Approval Order and subject to it becoming a Final Order, no consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Purchaser in connection with the execution and delivery of this Agreement or Purchaser Closing Documents, the consummation of the transactions contemplated hereby and thereby or the compliance by Purchaser with any of the provisions hereof or thereof.

Section 5.4 Non-Contravention.

Upon entry of the Approval Order and subject to it becoming a Final Order, none of the execution and delivery by Purchaser of this Agreement and Purchaser Closing Documents, the consummation of the transactions contemplated hereby or thereby or the compliance by Purchaser with any of the provisions hereof or thereof will (a) result in the breach of any provision of the certificate of incorporation, limited liability company agreement or similar organizational documents of Purchaser or (b) violate, result in the breach of, or constitute a default under any Order by which Purchaser or any of their properties or assets is bound or subject.

Section 5.5 Binding Effect.

This Agreement constitutes and, when executed and delivered at the Closing, each of the Purchaser Closing Documents will constitute, a valid and legally binding obligation of Purchaser enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether in equity or at law).

Section 5.6 Litigation.

As of the date hereof, there is no Legal Proceeding pending or, to the knowledge of Purchaser, threatened in writing, against Purchaser that challenges, or questions the validity of, this Agreement, the Purchaser Closing Documents or any action taken or to be taken by Purchaser in connection with, or that seeks to enjoin or obtain monetary damages in respect of, the consummation of the transactions contemplated hereby or thereby.

Section 5.7 Financing.

Purchaser has, and will have on the Closing Date, and knows of no circumstance or condition that would reasonably be expected to prevent the availability at the Closing of, sufficient funds to consummate the transactions contemplated by this Agreement. Purchaser has not incurred any commitment, restriction or Liability of any kind, absolute or contingent, present or future, which would impair or adversely affect its available resources and capabilities (financial or otherwise) to perform its obligations hereunder and under the Transition Agreements.

Section 5.8 Brokers.

Except for Bay Tree Advisors, ("Purchaser Financial Advisor"), (a) no Person has acted directly or indirectly as a broker, finder or financial advisor for Purchaser or any of its Affiliates in connection with the negotiations relating to or the transactions contemplated hereby and (b) no Person is entitled to any fee or commission or like payment in respect thereof from Seller or any of its Subsidiaries based in any way on agreements, arrangements or understandings made by or on behalf of Purchaser or any of its Affiliates. Purchaser is solely responsible for all fees and expenses of Purchaser Financial Advisor payable in connection with the transactions contemplated hereby.

Section 5.9 No Inducement or Reliance; Independent Assessment.

(a) With respect to the Purchased Assets, the Business or any other rights or obligations to be transferred hereunder or under the Transition Agreements or pursuant hereto or thereto, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller, any Affiliate of Seller, or any agent, employee, attorney or other representative of Seller representing or purporting to represent Seller that are not expressly set forth herein or in the Transition Agreements (including the Schedules and Exhibits hereto and thereto), whether or not any such representations, warranties or statements were made in writing or orally, and none of Seller, any Affiliate of Seller, or any agent, employee, attorney, other representative of Seller or other Person shall have or be subject to any liability to Purchaser or any other Person resulting from the distribution to Purchaser, or Purchaser's use of, any such information, including the Confidential Information Memorandum prepared by Miller Buckfire & Co., LLC relating to the Business or, except as expressly provided in this Agreement any information, documents or material made available in any "data rooms" or management presentations or in any other form in expectation of the transactions contemplated hereby.

(b) Purchaser acknowledges that it has made its own assessment of the present condition and the future prospects of the Business and is sufficiently experienced to make an informed judgment with respect thereto. Purchaser acknowledges that, except as explicitly set forth herein, neither Seller nor any of its Affiliates has made any warranty, express or implied, as to the prospects of the Business or its profitability for Purchaser, or with respect to any forecasts, projections or business plans prepared by or on behalf of Seller and delivered to Purchaser in connection with Purchaser's review of the Business and the negotiation and the execution of this Agreement.

(c) Purchaser is not purchasing the Purchased Assets for resale and has not entered into negotiations to, and has no plan or intent to, sell any of the Purchased Assets outside the ordinary course of business.

ARTICLE VI

COVENANTS OF SELLER

From and after the date hereof and until the Closing (except with respect to Section 6.6, Section 6.9 and Section 6.12, which shall survive the Closing in accordance with their respective terms), Seller hereby covenants and agrees that:

Section 6.1 Access/Survey.

Seller shall, and shall cause its Subsidiaries to, afford to representatives of Purchaser reasonable access to management of the Business to answer Purchaser's questions concerning the business operations and affairs of the Business, corporate records, books of accounts, Debtor Contracts, Non-Debtor Contracts, financial statements and all other documents (excluding confidential portions of personnel and medical records) Related to the Business reasonably

requested by Purchaser and shall permit Purchaser and its representatives reasonable access to the Owned Real Property and the Leased Real Property (but excluding the Excluded Assets and Excluded Liabilities and subject to any limitations that are reasonably required to preserve any applicable attorney-client privilege or third-party confidentiality obligation); provided, however, that in each case, such access shall be given at reasonable times and upon reasonable prior notice and without undue interruption to Seller's business or personnel as approved by Seller. All requests for access shall be made to such representatives of Seller as Seller shall designate, who shall be solely responsible for coordinating all such requests and access thereunder. In the event that Purchaser desires to order Surveys, Purchaser and its representatives shall have access to the Real Property to the extent necessary to complete the Surveys and Purchaser agrees to indemnify Seller and the Selling Subsidiaries for any injuries, damages or liens resulting from Purchaser or its representatives presence on the Real Property.

Section 6.2 Conduct of Business.

Unless otherwise ordered by the Bankruptcy Court sua sponte or on motion by a third party, and provided that no provision of this Section 6.2 shall require a Debtor to make any payment to any of its creditors with respect to any amount owed to such creditors on the Petition Date or which would otherwise violate the Bankruptcy Code, until the Closing Date, Seller shall use commercially reasonable efforts to, and shall use its commercially reasonable efforts to cause its Subsidiaries to, solely with respect to the operation of the Business (unless Purchaser shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed) or except as otherwise contemplated hereby or by any Transition Agreement or as disclosed on Schedule 6.2), to the extent permitted by applicable Law:

(a) (i) operate in the ordinary course in all material respects consistent with past practice, (ii) preserve its present material business operations, organization and goodwill, and (iii) manage the level of its inventories, supplies, accounts receivable and accounts payable in a manner reasonably consistent in all material respects with past practice;

(b) not incur any indebtedness in connection with the Business, other than (i) indebtedness incurred in the ordinary course of business and (ii) indebtedness under the Seller Financing;

(c) not acquire or dispose of any material property or assets used in the Business or create or permit to exist any Lien (other than Permitted Exceptions or Liens securing obligations under the Seller Financing) on any such property or assets except in the ordinary course of business or with respect to property or assets not in excess of U.S. $50,000 in the aggregate;

(d) make, or enter into commitments for, capital expenditures in excess of U.S. $50,000 individually or U.S. $100,000 in the aggregate;

(e) not enter into any Contracts in connection with the Business, except for Contracts made in the ordinary course of business;

(f) not amend or terminate any Material Business Contract;

(g) not amend or terminate any other Debtor Contract or Non-Debtor Contract except for amendments or terminations made in the ordinary course of business;

(h) not engage in any transactions with, or enter into any material Contracts with, any Affiliate of Seller in connection with the Business, except for any such transactions or Contracts in the ordinary course of business on terms no less favorable than would be obtained in an arms' length third party transaction;

(i) not enter into, adopt, amend, increase or decrease payments or benefits under, or terminate any Seller Employee Benefit Plan or any Contract relating to the compensation, severance or other terms and conditions of employment of any employee employed in the Business, except (i) in the ordinary course of business, or (ii) to the extent required by Law or any existing Contracts, or Seller Employee Benefit Plans or (iii) to the extent previously announced by Seller to its employees including Business Employees;

(j) enter into, amend or negotiate any collective bargaining agreement or other labor agreement or understanding with any labor organization, including any amendment to any of the Assumed Collective Bargaining Agreements, except:

(i) any settlement in the ordinary course of business, on an expressly non-precedent-setting basis, of a grievance filed by a UAW union pursuant to an Assumed Collective Bargaining Agreement involving (A) the discharge or other discipline of a Union Business Employee where such settlement reinstates the grievant or mitigates other discipline, in each case without backpay or other monetary relief, or (B) the application of a work rule where such settlement suspends such work rule without backpay or other monetary relief and without prejudice either to the right of the Purchaser or its Affiliates to reinstate such work rule after the Closing or the right of the UAW union to grieve any such reinstatement;

(ii) any other settlement in the ordinary course of business of a grievance filed by a UAW union pursuant to an Assumed Collective Bargaining Agreement to which a representative of Purchaser or its Affiliates (the "Purchaser Labor Designee") designated in Schedule 6.2(j)(ii) consents in writing (in his or her discretion) after the provision by Seller to such Purchaser Labor Designee of reasonable notice and reasonable information concerning such grievance and the proposed settlement, provided that such Purchaser Labor Designee shall be deemed to have given such written consent if such Purchaser Labor Designee does not grant or deny such consent in writing within seven (7) Business Days after his or her receipt of such notice and information from Seller;

(iii) any other negotiations or agreements with the UAW entities representing the Union Business Employees as required by the applicable Assumed Collective Bargaining Agreement and/or Law, provided that neither the Purchaser nor any of its Affiliates shall, or shall be deemed to, assume, be bound by or bear any of the costs or obligations of any such negotiation, amendment or

other agreement or understanding unless Purchaser expressly agrees in a separate written document to assume such amendment or other agreement or understanding, and

(iv) any extension of the term of the Columbia City Assumed Collective Bargaining Agreement, upon the same terms and conditions of such Assumed Collective Bargaining Agreement and with no other amendments thereto, to a new expiration date that is no later than August 12, 2008;

(k) not accelerate the rate of collection of accounts receivable or delay the rate of payment of accounts payable, in each case, other than in the ordinary course of business; and

(l) not agree to take any action or actions prohibited by any of the foregoing clauses (a) through (k).

Seller agrees to use commercially reasonable efforts to oppose any Third Party motion that would require Seller or any of its Subsidiaries to take any action or actions that would otherwise be prohibited under this Section 6.2 without the written consent of Purchaser.

Section 6.3 Bankruptcy Actions.

(a) Should the purchase offer made by this Agreement constitute the highest and best offer for the Purchased Assets, the Debtors, as soon as practicable after making such determination in accordance with the Bidding Procedures Order, shall submit to the Bankruptcy Court an order approving this Agreement and the transactions contemplated hereby (including the sale of the Purchased Assets free and clear of all Liens and Liabilities except Assumed Liabilities and Permitted Exceptions), which order shall be substantially in the form of Exhibit I hereto, together with such changes as may be approved by Seller and Purchaser (the “Approval Order”).

(b) Seller shall use its reasonable best efforts to have the Bankruptcy Court enter the Approval Order by June 22, 2007. Seller shall use its reasonable best efforts to cause the Approval Order, as applicable, to become a Final Order as soon as possible after its entry. Furthermore, Seller shall use its reasonable best efforts to obtain any other approvals or consents from the Bankruptcy Court that may be reasonably necessary to consummate the transactions contemplated in this Agreement.

(c) Seller shall promptly provide Purchaser with drafts of all documents, motions, orders, filings, or pleadings that Seller or any Affiliate of Seller proposes to file with the Bankruptcy Court or any other court or tribunal which relate in any manner, directly or indirectly, to (i) this Agreement or the transactions contemplated thereby; or (ii) entry of the Approval Order, and, if practicable, will provide the Purchaser with a reasonable opportunity to review such documents in advance of their service and filing. To the extent practicable, Seller shall consult and cooperate with Purchaser, and consider in good faith the views of Purchaser, with respect to all such filings.

(d) Seller shall comply with all notice requirements of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and any Order of the Bankruptcy Court in connection with the hearing on the Approval Order.

Section 6.4 Regulatory Approvals.

(a) Except with respect to approval by the Bankruptcy Court, within five (5) Business Days after the date hereof, Seller shall, using its commercially reasonable efforts, begin taking all steps reasonably necessary to make all required registrations and filings with, and obtain all necessary actions or non-actions, waivers, consents and approvals from, all applicable Governmental Bodies in connection with the transactions contemplated by this Agreement.

(b) Seller shall keep Purchaser reasonably apprised of the status of matters relating to any of the matters referred to in Section 6.4(a), including promptly furnishing Purchaser with copies of notices or other communications received by Seller or by any of its Subsidiaries from any Governmental Body with respect to the transactions contemplated hereby. In connection with the foregoing, Seller shall promptly furnish to Purchaser such necessary information and reasonable assistance as Purchaser may request and shall promptly provide counsel for Purchaser with copies of all filings made by Seller, and all correspondence between Seller (and its advisors) with any Governmental Body and any other information supplied by Seller and its Affiliates to a Governmental Body in connection therewith and the transactions contemplated hereby; provided, however, that Seller may, as it deems advisable and necessary, reasonably designate any competitively sensitive material provided to Purchaser as "outside counsel only," and materials may be redacted (i) to remove references concerning the valuation of the Business and (ii) as necessary to comply with contractual arrangements. Materials designated as for "outside counsel only" and the information contained therein shall be given only to the outside legal counsel of Purchaser and will not be disclosed by such outside counsel to employees, officers or directors of Purchaser unless express permission is obtained in advance from Seller or its legal counsel. Seller shall, subject to applicable Law, permit counsel for Purchaser reasonable opportunity to review in advance, and consider in good faith the views of Seller in connection with, any proposed written communication to any Governmental Body in connection with the matters referred to in this Section 6.4. To the extent practicable, Seller agrees to consult with the Purchaser prior to participating or permitting its Affiliates to participate, in any substantive meeting or discussion, either in person or by telephone, with any Governmental Body in connection herewith and, to the extent not prohibited by such Governmental Body, agrees to give Purchaser the opportunity to attend and participate.

(c) As soon as reasonably practicable after the date hereof, the Seller shall, together with Purchaser jointly prepare and file with the Committee on Foreign Investment in the United States ("CFIUS") a joint voluntary notice under Section 721 of the Defense Production Act of 1950, as amended by Section 5021 of the Omnibus Trade and Competitiveness Act of 1988, 50 U.S.C. App. sec. 2170 (the "Exon-Florio Amendment") with respect to the transaction contemplated by this Agreement. Seller

shall provide CFIUS with any additional or supplemental information requested from Seller by CFIUS or its member agencies during the Exon-Florio Amendment review process. Seller shall, in cooperation with Purchaser, take all commercially reasonable steps advisable, necessary or desirable to finally and successfully complete the Exon-Florio Amendment review process as promptly as practicable, and in any event prior to July 31, 2007.

(d) Seller shall use its commercially reasonable efforts to provide to Purchaser a complete list of all export control licenses and other authorizations, whether issued under EAR or ITAR, granted to the Seller or to the Selling Subsidiaries in respect of any goods, services or technical data exported by the Business or produced for export by the Business since May 31. 2006. As soon as reasonably practicable after such list has been provided, the Seller shall, together with Purchaser, prepare and file with the United States Department of State, Directorate of Defense Trade Controls, notifications under 22 U.S.C. §§2778-2780 of the Arms Export Control Act and the ITAR, and, in cooperation with Purchaser, shall take all commercially reasonable steps advisable, necessary or desirable to novate all export licenses or other authorizations, whether issued under the EAR or the ITAR, applicable to the Business, if any.

Section 6.5 Assignment of Debtor Contracts.

(a) Seller and Purchaser shall use commercially reasonable efforts to have included in the Approval Order an authorization for Seller to assume the Debtor Contracts and assign to Purchaser all Debtor Contracts.

(b) Without limiting the generality of the foregoing, the Seller shall use commercially reasonable efforts to ensure that the Approval Order provides that (1) all right, title, and interest of the Seller under each of the Debtor Contracts included in the Purchased Assets (the “Purchased Debtor Contracts”) shall, upon Closing, be transferred and assigned to and fully and irrevocably vest in Purchaser and following Closing each such Purchased Debtor Contract shall remain in force and effect; (2) each Purchased Debtor Contract is in full force and effect and is an executory contract or unexpired lease of the Seller under Section 365 of the Bankruptcy Code; (3) the Seller may assume each Purchased Debtor Contract pursuant to Section 365 of the Bankruptcy Code; (4) the Seller may assign each Purchased Debtor Contract to Purchaser pursuant to Section 365 of the Bankruptcy code free and clear of all Liens (other than Permitted Exceptions) and any provisions in any such Purchased Debtor Contract which purport to prohibit or condition the assignment of such contract constitute unenforceable anti-assignment provisions which are void and of no force or effect; (5) all other requirements or conditions of Section 365 of the Bankruptcy Code for the assumption by Seller and assignment to Purchaser of each Purchased Debtor Contract have been satisfied; (6) the assignment of each Purchased Debtor Contract is in good faith under Sections 363(b) and 363(m) of the Bankruptcy Code; and (7) the Seller gave due and proper notice of such assumption and assignment to each party to a Purchased Debtor Contract.

(c) Seller and Purchaser shall promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been adequate demonstration

of adequate assurance of future performance under the Debtor Contracts, such as furnishing affidavits, non-confidential financial information or other documents or information for filing with the Bankruptcy Court and making Seller's and Purchaser's employees and representatives available to testify before the Bankruptcy Court.

Section 6.6 Cure of Defaults.

Subject to entry of the Approval Order and it becoming a Final Order, including the authorization referred to in Section 6.5, Seller shall pay all necessary costs to cure any and all breaches and defaults with respect to the Debtor Contracts that will be transferred to Purchaser as and in the amounts required by the Bankruptcy Court to assume and assign the Debtor Contracts under Section 365 of the Bankruptcy Code (the "Cure Costs"); provided, however, that, notwithstanding the foregoing, Seller shall be responsible for such cure whether such defaults occur or arise prior to or after commencement of the Cases. Seller shall pay the Cure Costs at the Closing or, with respect to a Cure Cost which is the subject of an objection (a "Cure Cost Objection"), upon resolution of such Cure Cost Objection. Purchaser will make commercially reasonable efforts to provide adequate assurance of future performance under the Debtor Contracts as required by Section 365 of the Bankruptcy Code.

Section 6.7 Amendment of Purchased and Excluded Assets.

Notwithstanding anything to the contrary in this Agreement or otherwise, (i) Purchaser shall have the right through Closing to amend Schedule 1.1(e) and Schedule 1.1(f) hereto to delete any Debtor Contract or Non-Debtor Contract that is not a Purchaser Approved Contract and to amend Schedule 1.2(f) in a manner consistent with any such permitted amendments to Schedules 1.1(e) and 1.1(f) and (ii) Purchaser and Seller (as mutually agreed) shall have the right through Closing to amend Schedule 1.1(e) and Schedule 1.1(f) hereto, to add any other Contract of the Seller or the Selling Subsidiaries that is Related to the Business and to amend Schedule 1.2(f) in a manner consistent with any such permitted amendments to Schedules 1.1(e) and 1.1(f). Seller shall use reasonable commercial efforts to assist Purchaser in making any deletions or additions to Schedule 1.1(e), Schedule 1.1(f) or Schedule 1.2(f), including, without limitation providing Purchaser with access to, and contact and other information it possesses, with respect to all third parties to such Contracts. Purchaser agrees and acknowledges that its right to take assignment of any Contracts added to Schedule 1.1(e) is subject to the obligation of the Seller to give reasonable notice to such parties to such additional contracts of the Seller's intent to assume such contracts and assign such contracts to Purchaser.

Section 6.8 Updating of Information.

Except with respect to environmental matters, which shall be governed by Section 11.5 below, the parties agree that, if between the date hereof and the Closing Date, Seller obtains knowledge of any facts or circumstances that result in, or if in existence on the Closing Date, would reasonably be expected to result in, a material breach of any representation or warranty by Seller, Seller will notify Purchaser in writing reasonably promptly after learning of such facts or circumstances. To the extent that any such breach can result in, or would reasonably be expected to result in, a Material Adverse Effect, Seller shall have 20 calendar days within which to notify Purchaser that Seller has cured or is proceeding to cure such breach or potential breach or that

Seller does not intend to cure such breach or potential breach. If Seller notifies Purchaser that it is proceeding to cure such breach or potential breach, then Purchaser shall not be entitled to terminate this Agreement for 20 days following receipt of such notice. If Seller notifies the Purchaser that it does not intend to cure such breach or potential breach or that despite its diligent efforts Seller has been unable to effect a cure and is ceasing to pursue a cure, or if Seller is unable to cure such breach during such 20 day period, then the provisions of Section 13.1(b)(i) will apply. If Purchaser does not terminate this Agreement pursuant to Section 13.1(b)(i) and the Closing occurs, the schedules hereto shall be amended as necessary to reflect the facts underlying such breach or potential breach and Purchaser shall have no rights against Seller pursuant to Article XI in respect of such breach or potential breach.

Section 6.9 Litigation Support.

In the event and for so long as Purchaser actively is contesting or defending against any action, investigation, charge, claim, or demand by a third party in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction involving the Business, Seller will cooperate with Purchaser and its counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books, records and other materials as shall be reasonably necessary in connection with the contest or defense, all at the sole cost and expense of Purchaser (unless Purchaser is entitled to indemnification therefor under Article XI).

Section 6.10 Transition Agreements.

At the Closing, Seller, or such of its Subsidiaries as appropriate, shall enter into agreements substantially in the form of Exhibit J relating to applicable transition services, each as listed on Schedule 6.10 (collectively, the “Transition Agreements”).

Section 6.11 Consents and Conditions.

Seller shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with Purchaser in doing, all things necessary, to consummate and make effective the transactions contemplated hereby as promptly as practicable, including, but not limited to: (i) obtaining all necessary consents, approvals or waivers from, and giving any necessary notifications to, third parties; (ii) making all required registrations and filings with, and obtaining all necessary actions or non-actions, waivers, consents and approvals from, all Governmental Bodies and taking all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, a Governmental Body; (iii) assisting Purchaser or its designees in obtaining all Permits referred to in Section 8.9; and (iv) defending any Legal Proceedings challenging this Agreement or the consummation of the transactions contemplated hereby, including seeking to have any stay or temporary restraining order or preliminary or permanent injunction entered by any Governmental Body vacated or reversed.

Section 6.12 Further Actions.

(a) Whether before, at or after the Closing, Seller shall, and shall cause its Subsidiaries to, execute and deliver such instruments and take such other actions as may reasonably be required to (i) carry out the intent hereof and of the Transition Agreements and (ii) consummate the transactions contemplated hereby and thereby including the taking of all acts necessary to cause the conditions to Closing to be satisfied as promptly as possible. Prior to the Closing Date, Seller agrees to negotiate the Transition Agreements in good faith with Purchaser

(b) Seller shall give any notices required by Law and shall take whatever other actions with respect to the employee plans of Seller as may be necessary to effectuate the arrangements set forth in Sections 10.1 through 10.4.

ARTICLE VII

COVENANTS OF PURCHASER

From and after the date hereof and until the Closing (except with respect to Sections 7.4, 7.5, and 7.7, which shall survive the Closing in accordance with their terms), Purchaser hereby covenants and agrees that:

Section 7.1 Contact with Customers, Suppliers and Employees.

Without the prior consent of Seller (acting in accordance with its obligations set forth in Sections 6.1 and Section 10.1(b)), Purchaser shall not contact any suppliers to, or customers of, the Business or any Business Employees (other than those listed on Schedule 15.77) in connection with or pertaining to any subject matter of this Agreement or the Transition Agreements.

Section 7.2 Bankruptcy Actions.

Purchaser shall use its commercially reasonable efforts to assist Seller in obtaining entry of the Approval Order, including providing testimony as required at any hearing before the Bankruptcy Court.

Section 7.3 Consents and Conditions.

(a) Purchaser shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with Seller in doing, all things necessary, to consummate and make effective the transactions contemplated hereby as promptly as practicable, including, but not limited to: (i) obtaining all necessary consents, approvals or waivers from, and giving any necessary notifications to, third parties; (ii) making all required registrations and filings with, and obtaining all necessary actions or non-actions, waivers, consents and approvals from, all Governmental Bodies and taking all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, a Governmental Body; (iii)

obtaining all Permits referred to in Section 8.9; (iv) defending any Legal Proceedings challenging this Agreement or the consummation of the transactions contemplated hereby, including seeking to have any stay or temporary restraining order or preliminary or permanent injunction entered by any Governmental Body vacated or reversed; and (v) promptly concluding the arrangements referred to in Section 8.11. Without limiting the generality of the foregoing, Purchaser shall (i) take all actions within Purchaser's control to cause the condition to Closing set forth in Section 8.9 to be satisfied prior to July 31, 2007 and (ii) negotiate in good faith and otherwise use its reasonable best efforts to cause the condition to closing in Section 8.11 to be satisfied, prior to July 31, 2007.

(b) Purchaser shall keep Seller reasonably apprised of the status of matters relating to any of the matters referred to in Section 7.3, including promptly furnishing Seller with copies of notices or other communications received by Purchaser or by any of its Subsidiaries from any Governmental Body with respect to the transactions contemplated hereby. In connection with the foregoing, Purchaser shall promptly furnish to Seller such necessary information and reasonable assistance as Seller may request and shall promptly provide counsel for Seller with copies of all filings made by Purchaser, and all correspondence between Purchaser (and its advisors) with any Governmental Body and any other information supplied by Purchaser and its Affiliates to a Governmental Body in connection therewith and the transactions contemplated hereby; provided, however, that Purchaser may, as it deems advisable and necessary, reasonably designate any competitively sensitive material provided to Seller as "outside counsel only," and materials may be redacted (i) to remove references concerning the valuation of the Business and (ii) as necessary to comply with contractual arrangements. Materials designated as for "outside counsel only" and the information contained therein shall be given only to the outside legal counsel of Seller and will not be disclosed by such outside counsel to employees, officers or directors of Seller unless express permission is obtained in advance from Purchaser or its legal counsel. Purchaser shall, subject to applicable Law, permit counsel for Seller reasonable opportunity to review in advance, and consider in good faith the views of Purchaser in connection with, any proposed written communication to any Governmental Body in connection with the matters referred to in this Section 7.3. To the extent practicable, Purchaser agrees to consult with the Seller prior to participating or permitting its Affiliates to participate, in any substantive meeting or discussion, either in person or by telephone, with any Governmental Body in connection herewith and, to the extent not prohibited by such Governmental Body, agrees to give Seller the opportunity to attend and participate.

(c) As soon as reasonably practicable after the date hereof, the Purchaser shall, together with Seller, jointly prepare and file with the CFIUS a joint voluntary notice under the Exon-Florio Amendment with respect to the transaction contemplated by this Agreement. The Purchaser shall provide CFIUS with any additional or supplemental information requested from Purchaser by CFIUS or its member agencies during the Exon-Florio Amendment review process. The Purchaser shall, in cooperation with Seller, take all commercially reasonable steps advisable, necessary or desirable to finally and successfully complete the Exon-Florio Amendment review process as promptly as practicable and in any event prior to July 31, 2007.

(d) As soon as reasonably practicable after receipt of the list referred to in Section 6.4(d), the Purchaser shall, together with Purchaser, prepare and file with the United States Department of State, Directorate of Defense Trade Controls, notifications under 22 U.S.C. §§2778-2780 of the Arms Export Control Act and the ITAR, and, in cooperation with Purchaser, shall take all commercially reasonable steps advisable, necessary or desirable to novate all export licenses or other authorizations, whether issued under the EAR or the ITAR, applicable to the Business, if any.]

Section 7.4 Further Actions.

(a) Whether before, at or after the Closing, Purchaser shall execute and deliver such instruments and take such other actions as may reasonably be required to (i) carry out the intent hereof and of the Transition Agreements and (ii) consummate the transactions contemplated hereby and thereby including the taking of all acts necessary to cause the conditions to Closing to be satisfied as promptly as possible. From the execution hereof until the Closing, Purchaser undertakes to promptly notify Seller of any known breach of any representation, warranty or covenant of Seller or any circumstance or condition that could reasonably be expected to constitute such a breach. Prior to the Closing Date, Purchaser agrees to negotiate the Transition Agreements in good faith with Seller.

(b) Purchaser shall give any notices required by Law and shall take whatever other actions with respect to the employee plans of Purchaser as may be necessary to effectuate the arrangements set forth in Sections 10.1 through 10.4.

Section 7.5 [Intentionally Omitted.]

Section 7.6 Use of Seller's Name.

Purchaser agrees that:

(a) within 90 days after the Closing Date, Purchaser shall remove "Dana," the Dana Diamond logo and any other similar mark (the "Seller Name") and any other Trademark, trade dress, design or logo previously or currently used by Seller or any of its Affiliates that is not part of the Purchased Intellectual Property from all web sites, buildings, signs and vehicles of the Business;

(b) within 120 days after the Closing Date, Purchaser shall remove and cease using the Excluded Intellectual Property and the Seller Name and any other Trademark, trade dress, design or logo previously or currently used by Seller or any of its Affiliates that is not part of the Purchased Intellectual Property in all invoices, letterhead, domain names and web sites, packaging, advertising and promotional materials, office forms, business cards and other written and electronic materials;

(c) within 120 days after the Closing Date (i) Purchaser shall remove and cease using the Confetti Design Packaging from the inventory of packaging materials and marketing materials of the Business that is in existence as of the Closing Date ("Existing

Inventory") and (ii) Purchaser shall remove and cease using the Seller Name and any other Trademark, trade dress, design or logo previously or currently used by Seller or any of its Affiliates that is not part of the Purchased Intellectual Property from those assets of the Business that are not Existing Inventory, including those assets (such as, but not limited to, tools, molds and machines) used in association with the manufacture of the products of the Business or otherwise reasonably used in the conduct of the Business after the Closing Date (such assets, "Other Marked Assets");

(d) In no event shall Purchaser or any Affiliate of Purchaser advertise or hold itself out as Seller or an Affiliate of Seller at any time before, on or after the Closing Date; and

(e) As soon as reasonably practicable after the Closing Date, but in no event later than 90 days following the Closing Date, Purchaser shall change all filings, licenses, and other items, to the extent applicable, to delete any references to "Dana" and the Excluded Intellectual Property.

Section 7.7 Litigation Support.

In the event and for so long as Seller actively is contesting or defending against any action, investigation, charge, claim, or demand by a third party in connection with (a) any transaction contemplated under this Agreement or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Business, or the Seller and its Subsidiaries (including, without limitation, with respect to reconciliation of claims in connection with the Cases), Purchaser will cooperate with Seller and its counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books, records and other materials as shall be reasonably necessary in connection with the contest or defense, all at the sole control, cost and expense of Seller (unless Seller is entitled to indemnification therefor under Article XI).

Section 7.8 Transition Agreements.

At the Closing, Purchaser, or such of its Subsidiaries as appropriate, shall enter into the Transition Agreements.

ARTICLE VIII

CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATIONS

The obligation of Purchaser to consummate the transactions contemplated hereby on the Closing Date is subject to the satisfaction (or, if permitted, waiver by Purchaser in its sole discretion) of each of the following conditions:

Section 8.1 Accuracy of Representations and Warranties.

Each of the representations and warranties of Seller contained herein (without regard to any reference to materiality or Material Adverse Effect set forth therein) shall be true and correct in all respects at and as of the Closing Date, (except, in each case, to the extent any such representation or warranty speaks as of a specific date, in which case such representation or warranty shall be true and correct as of such specific date); except and excluding, and without regard to, any breach or breaches of one or more of such representations and warranties (without regard to any reference to materiality or Material Adverse Effect set forth therein) that, in the aggregate, do not have and are not reasonably expected to have a Material Adverse Effect.

Section 8.2 Performance of Covenants.

Seller shall have performed and complied, in all material respects, with each of the covenants and provisions hereof required to be performed or complied with by it between the date hereof and the Closing Date.

Section 8.3 No Injunctions.

No preliminary or permanent injunction or other order of any court of competent jurisdiction restraining or prohibiting the consummation of the transactions contemplated hereby shall be in effect.

Section 8.4 Entry of Order By Bankruptcy Court; Material Business Contracts.

(a) The Bankruptcy Court shall have entered the Approval Order and it shall have become a Final Order.

(b) The Approval Order shall authorize the assumption and assignment of each Material Business Contract to Purchaser and with respect to each Material Business Contract shall contain the authorizations and findings set forth in Section 6.5.

Section 8.5 Consents.

All consents set forth on Schedule 8.5 shall have been obtained.

Section 8.6 Officer's Certificate.

Purchaser shall have received a certificate from Seller to the effect set forth in Sections 8.1, 8.2 and 8.8, dated the Closing Date, signed on behalf of Seller by an authorized officer of Seller.

Section 8.7 Other Deliveries.

Purchaser shall have received the documents and instruments required by Section 3.2 and such other documents or instruments as Purchaser may reasonably request consistent with Seller's obligations under this Agreement.

Section 8.8 No Material Adverse Effect.

Between the date hereof and the Closing Date, there shall have been no Material Adverse Effect.

Section 8.9 Mexican Permits.

All Permits required to operate the Business in all material respects as currently operated in Mexico (including the registration as a *maquiladora* under the applicable regulations of Mexico) which are not permitted by applicable Law to be transferred, shall have been obtained by Purchaser or its designees.

Section 8.10 Exon-Florio.

CFIUS shall have determined, at the end of the initial 30-day review period (or any additional investigation period that may be required by CFIUS), that no further investigation of the transaction contemplated hereby is required.

Section 8.11 SLP II.

Purchaser (or its designees) shall have entered into arrangements with Orhan Holdings, A.S. (or its Affiliates) that are reasonably satisfactory, in all material respects, to Purchaser with respect to the continued use by the Business, for a reasonable period of time after the Closing Date, of the facilities and related services currently used by the Business at the facility referred to as San Luis Potosi, Mexico II.

ARTICLE IX

CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

The obligation of Seller to consummate the transactions contemplated hereby on the Closing Date is subject to the satisfaction (or, if permitted, waiver by Seller in its sole discretion) of each of the following conditions:

Section 9.1 Accuracy of Representations and Warranties.

Each of the representations and warranties of Purchaser contained herein that is qualified as to material adverse effect shall be true and correct in all respects at and as of the Closing Date with the same force as if made on and as of the Closing Date, and each of the representations and warranties of Purchaser contained herein that is not so qualified shall be true and correct in all material respects at and as of the Closing Date with the same force as if made on and as of the Closing Date (except, in each case, to the extent any such representation and warranty speaks as of a specific date, in which case such representation and warranty shall be true and correct, or true and correct in all material respects, as the case may be, as of such specific date).

Section 9.2 Performance of Covenants.

Purchaser shall have performed and complied, in all material respects, with each of the covenants and provisions hereof required herein to be performed or complied with by it between the date hereof and the Closing Date.

Section 9.3 No Injunctions.

No preliminary or permanent injunction or other order of any court of competent jurisdiction restraining or prohibiting the consummation of the transactions contemplated hereby shall be in effect.

Section 9.4 Entry of Order By Bankruptcy Court.

The Bankruptcy Court shall have entered the Approval Order and it shall have become a Final Order.

Section 9.5 Consents.

All consents set forth on Schedule 9.5 shall have been obtained.

Section 9.6 Officer's Certificate.

Seller shall have received a certificate from Purchaser to the effect set forth in Sections 9.1 and 9.2, dated the Closing Date, signed by an authorized officer of Purchaser.

Section 9.7 Other Deliveries.

The Seller shall have received the documents and instruments required by Section 3.3 and such other documents as Seller may reasonably request consistent with Purchaser's obligations under this Agreement.

ARTICLE X

ADDITIONAL POST-CLOSING COVENANTS

Section 10.1 Transferred Employees.

(a) Prior to the Closing Date, Purchaser (or one of its Affiliates) shall offer employment (each such offer contingent upon the Closing, entry of the Approval Order and it becoming a Final Order) to:

(i) all but up to 15 percent of the regular, non-temporary salaried Business Employees employed at Seller's Rochester Hills, Michigan facility, Wharton, Ohio facility, Upper Sandusky, Ohio facility, Columbia City, Indiana facility or Pensacola, Florida facility; it being understood that Purchaser and its Affiliates may select the specific Business Employees at such facilities to receive offers in its discretion from among the foregoing employee groups (all such

salaried Business Employees who receive offers from Purchaser or its Affiliates collectively referred to as the "Salaried Business Employees"); and

(ii) all but up to 10 percent of the regular, non-temporary hourly Business Employees employed at Seller's Wharton, Ohio facility and all but up to 10 percent of the regular, non-temporary hourly Business Employees employed at Seller's Pensacola, Florida facility who, in each case, are not represented by a labor union; it being understood that Purchaser and its Affiliates may select the specific Business Employees at each such facility to receive offers in its discretion from among the foregoing employee groups (all such hourly Business Employees who receive offers from Purchaser or its Affiliates collectively referred to as the "Hourly Business Employees", and together with the Salaried Business Employees, the "Non-Union Business Employees"); and

(iii) all Business Employees who are represented by a labor union under one of the Assumed Collective Bargaining Agreements (the "Union Business Employees");

provided, however, that Purchaser (or its Affiliates) shall only be obligated to extend offers, subject to the terms and conditions of this Section 10.1, to those Salaried Business Employees, Hourly Business Employees and Union Business Employees who in each case:

(I) are actively employed as of the Closing Date or are absent from employment due to vacation or temporary illness (the "Current Employees"); or

(II) (A) are absent from work due to short or long-term disability, workers' compensation or work related injury schemes, military leave or other authorized leave of absence or lay off as of the Closing Date and (B) have the right to return to employment with the Business following expiration of such absence under applicable Law or under the terms of any Assumed Collective Bargaining Agreement (the "Leave Employees" and, together with the Current Employees, the "Closing Date Business Employees").

Any such offers of employment that Purchaser makes (or has one of its Affiliates make) shall be made in accordance with the provisions of this Section 10.1. Neither Purchaser nor any of its Affiliates shall have any obligation to offer employment to any other Person.

(b) Subject to the approval of Seller (such approval not to be unreasonably withheld), Purchaser and its Affiliates shall be permitted, within a reasonable period prior to the Closing Date, to interview Business Employees described in Section 10.1(a) for purposes of considering such Persons for employment with Purchaser or its Affiliates after the Closing Date and may discuss terms of post-Closing employment with such Persons.

(c) Each offer of employment (i) to a Non-Union Business Employee (A) shall be at a base salary or other base wage, as applicable, not less than the base salary or other base wage paid to such Employee immediately prior to the Closing Date (or in the case of a Non-Union Business Employee who is a Leave Employee, immediately prior to the commencement of such Leave Employee's absence from work), unless in each case, a higher base salary or other base wage is required by Law, and (B) shall have similar skill requirements to the Non-Union Business Employee's position immediately prior to the Closing Date, and (ii) solely for offers to Hourly Business Employees (but not for offers to Salaried Business Employees), also shall be located no more than fifty (50) miles from such Hourly Business Employee's work location immediately prior to the Closing Date. During the six (6) month period immediately following the Closing Date, for so long as a Non-Union Transferred Employee continues in employment with Purchaser or one of its Affiliates during such period, if at all, Purchaser shall continue to abide by the requirements of subparts (i)(A) and (i)(B) of the preceding sentence for Salaried Business Employees and by the requirements of subparts (i)(A), (i)(B) and (ii) of the preceding sentence for Hourly Business Employees, provided that nothing herein limits the Purchaser's right to terminate Non-Union Business Employees pursuant to Section 10.1(l) below. Purchaser and its Affiliates retain the sole discretion to determine the benefits and other terms and conditions of employment to be offered or provided to any and all Non-Union Transferred Employees, and nothing in the Agreement shall be interpreted as requiring Purchaser or its Affiliates to offer or provide any minimum level of benefits or other terms and conditions of employment, except to the extent required by Law.

(d) The Non-Union Business Employees who each timely accepts an offer of employment from Purchaser (or one of its Affiliates) shall be referred to herein as "Non-Union Transferred Employees." The Union Business Employees who each timely accepts an offer of employment from Purchaser (or one of its Affiliates) shall be referred to herein as "Union Transferred Employees." The Union Transferred Employees and the Non-Union Transferred Employees shall collectively be referred to as the "Transferred Employees." A Current Employee who receives an offer of employment from Purchaser (or one of its Affiliates) must accept such offer of employment on or within ten (10) days of such offer or within ten (10) Business Days of the Closing, if later; otherwise said Business Employee will be deemed never to have become a Transferred Employee. Notwithstanding the preceding sentence, a Current Employee who receives an offer of employment from Purchaser (or one of its Affiliates) and who arrives at his or her then applicable place of employment in the Business on the first Business Day immediately following the Closing Date shall be deemed for all purposes of this Agreement to have accepted such offer of employment from Purchaser (or its Affiliate) hereunder. Each Current Employee who receives and timely accepts an offer of employment from Purchaser (or one of its Affiliates) shall become an employee of Purchaser (or one of its Affiliates) as of the Closing Date. Each Leave Employee who receives an offer of employment from Purchaser (or one of its Affiliates) must accept such offer of employment on or within ten (10) Business Days before the date of his or her cessation of leave or layoff and shall following timely acceptance of such offer of employment become a Transferred Employee of Purchaser (or one of its Affiliates) as of his or her

commencement of active employment, provided that: (i) such commencement of active employment occurs within 12 months after the Closing Date, or, if later, such date as his or her reemployment rights under any applicable Law or Assumed Collective Bargaining Agreement may expire; and (ii) such Leave Employee's former position at his or her former site of employment has not been eliminated at or prior to his or her return to work, except as otherwise required by applicable Law or an Assumed Collective Bargaining Agreement; otherwise said Leave Employee will be deemed never to have become a Transferred Employee. Seller shall remain responsible for any such Leave Employees for any period before they become Transferred Employees, and shall inform Purchaser if any such Leave Employees notifies Seller before closing that they are ready to commence employment with Purchaser or its Affiliates.

(e) Effective as of the Closing Date, Purchaser shall, or shall cause one or more of its Affiliates to (in each case contingent upon the Closing, entry of the Approval Order and it becoming a Final Order): (x) assume the Assumed Collective Bargaining Agreements as provided in Section 1.3 to the extent they are in effect as of the Closing Date; and (y) recognize the UAW parties to the Assumed Collective Bargaining Agreements as the collective bargaining representatives of the Union Transferred Employees covered by such Assumed Collective Bargaining Agreements, in each case without waiving any of Purchaser's or Affiliates' rights under applicable Law. Purchaser shall (in each case contingent upon the Closing, entry of the Approval Order and it becoming a Final Order): (i) recognize the Union Transferred Employees' existing seniority with Seller or its Affiliates, as applicable, under the Assumed Collective Bargaining Agreements for purposes of such agreements, and (ii) provide those Union Transferred Employees who are covered by any such Assumed Collective Bargaining Agreement immediately prior to the Closing Date with the Assumed Benefit Plans (as described in Section 10.3 below) and with such other compensation and benefits as may be required by the terms of the Assumed Collective Bargaining Agreements, as in effect or amended, except as otherwise permitted by Law or as is consented to by any labor organization that is a party to any Assumed Collective Bargaining Agreement. Notwithstanding the foregoing or any other provision of this Agreement, Purchaser or one or more of its Affiliates shall have the opportunity to negotiate with the applicable UAW union prior to the Closing regarding establishment by the Purchaser, or one or more of its Affiliates of (A) a defined contribution plan intended to provide benefits for periods after the Closing Date to Union Transferred Employees employed as of the Closing at Seller's Upper Sandusky, Ohio facility that are materially consistent with the benefits described for such employees in the Seller's Upper Sandusky Union Defined Contribution Plan ("Purchaser Upper Sandusky Defined Contribution Plan"), and (B) one or more defined benefit plans intended to provide pension benefits to Union Transferred Employees with respect to service performed by such employees for Purchaser and its Affiliates after the Closing that are materially consistent with the pension benefits described in the Assumed Collective Bargaining Agreements ("Purchaser Union Pension Plans"). Purchaser and its Affiliates shall not assume any defined contribution plans maintained by Seller or any of its Affiliates (other than the one defined contribution Plan for Union Transferred Employees at the Seller's Columbia City, Indiana facility that is an Assumed Benefit Plan), or any defined benefit pension plans maintained by Seller or any

of its Affiliates, in each case in which any of the Union Transferred Employees participates immediately prior to Closing (such defined benefit pension plans referred to as the "Seller Union Pension Plans").

(f) Purchaser or its Affiliates shall provide the Non-Union Transferred Employees and their respective eligible dependents with medical, dental, prescription drug and other welfare benefits (the "Purchaser Welfare Plans"), and such retirement benefits (the "Purchaser Retirement Plans") under the Purchaser Welfare Plans and Purchaser Retirement Plans as Purchaser, in its sole discretion, may determine.

(i) The Purchaser Welfare Plans shall (i) treat the Non-Union Transferred Employees and their respective eligible dependents as eligible to participate in the Purchaser Welfare Plans immediately upon the Closing Date to the same extent such Non-Union Transferred Employees and their respective eligible dependents were so eligible under the comparable Seller Employee Benefit Plan immediately prior to the Closing Date and (ii) give to the Non-Union Transferred Employees and their respective eligible dependents credit under the Purchaser Welfare Plans for service with Seller and its Affiliates prior to the Closing Date to the extent such credit was given under the comparable Seller Employee Benefit Plans immediately prior to the Closing Date. Such credit for service shall be given for purposes of eligibility to participate, eligibility for benefits and satisfaction of any waiting periods under the Purchaser Welfare Plans.

(ii) Each Non-Union Transferred Employee shall be eligible to participate in the Purchaser Retirement Plans immediately upon the Closing Date to the same extent such Non-Union Transferred Employees were so eligible under the comparable Seller Employee Benefit Plan and shall, except as provided below, be given credit under the Purchaser Retirement Plans for all service prior to the Closing Date to the extent such credit was given under the analogous Seller Employee Benefit Plans immediately prior to the Closing Date. Such credit for service shall be given for purposes of eligibility to participate, vesting, eligibility for early retirement, and for all other purposes for which such service is either taken into account or recognized, other than for benefit accrual purposes.

(g) Purchaser shall honor all unpaid accrued but unused vacation, personal days, floating holidays, sick pay and other leave of the Union Transferred Employees as of the Closing Date, to the extent reflected as a liability in the Closing Statement of Net Assets (it being understood that Seller and its Affiliates shall not also be required to indemnify Purchaser or its Affiliates for such amounts pursuant to Section 11.2). Seller agrees that all unpaid accrued but unused vacation, personal days, floating holidays, sick pay and other leave of the Non-Union Transferred Employees as of the Closing Date shall be Seller's responsibility, and Seller shall, to the extent required by applicable local Law, pay out such unpaid accrued but unused vacation, personal days, floating holidays, sick pay and other leave to the Non-Union Transferred Employees promptly following the

Closing Date (it being understood that Seller and its Affiliates shall not also be required to indemnify Purchaser or its Affiliates for such amounts pursuant to Section 11.2(a)(iv)).

(h) Without limiting any other provision of this Agreement, Seller and its Affiliates shall bear and be solely responsible for, and Purchaser and its Affiliates shall have no responsibility for, any and all Liabilities arising out of or relating to:

(i) Any Non-Union Business Employees who do not become Transferred Employees (including those who do not receive offers of employment from Purchaser or one of its Affiliates as permitted under this Agreement or who do not accept offers of employment from Purchaser or one of its Affiliates, provided that such offer of employment complies with the requirement of Section 10.1(c) above (Purchaser shall be given a reasonable opportunity to cure any alleged noncompliance after any discovery thereof with a complying offer), or in the case of Non-Union Business Employees who are Leave Employees, who do not commence active employment in the Business with the Purchaser or one of its Affiliates within the period set forth in Section 10.1(d)), whether any such Liabilities arise prior to, on or after the Closing Date, including in each case any severance and retention payments and other monetary or non-monetary obligations;

(ii) Any Union Business Employees who do not accept offers of employment from Purchaser or one of its Affiliates, provided that such offer of employment complies with the requirement of Section 10.1(c) and the applicable terms of the Assumed Collective Bargaining Agreement (Purchaser shall be given a reasonable opportunity to cure any alleged noncompliance after any discovery thereof with a complying offer), or in the case of Union Business Employees who are Leave Employees, who do not commence active employment in the Business with the Purchaser or one of its Affiliates within the period set forth in Section 10.1(d)), whether any such Liabilities arise prior to, on or after the Closing Date, including in each case any severance and retention payments and other monetary or non-monetary obligations and all Liabilities with respect to any such Union Business Employees under any of the Assumed Collective Bargaining Agreements;

(iii) The transfer of employment from Seller (or its Affiliates) to Purchaser (or its Affiliates) of any of the Transferred Employees, including any severance, notice and retention payments (other than pursuant to Section 11.2(b)) and other monetary or non-monetary Liabilities to which any such Transferred Employees may be or become entitled from Seller (or its Affiliates) in connection with such transfers or as a result of the execution and delivery by Seller of this Agreement and the Seller Closing Documents, the consummation of the transactions contemplated hereby or compliance by Seller or its Subsidiaries with any of the provisions hereof, except that Purchaser (or its Affiliates) shall be responsible for any such Liabilities to Union Transferred Employees that arise

under the Assumed Collective Bargaining Agreements but may seek indemnification from Seller for such Liabilities pursuant to Section 11.2;

(iv) Any Seller Employee Benefit Plan other than an Assumed Benefit Plan, including all Liabilities under any Seller Union Pension Plans;

(v) Any Contract (other than the Assumed Collective Bargaining Agreements to the extent provided above) between Seller or any of its Affiliates and any Transferred Employee or former Business Employee, including the Retention Agreements and any other employment, compensation, commission, bonus, benefit, retention, severance, separation or other agreement with or for the benefit of any Transferred Employee or any former Business Employee;

(vi) Any grievances, arbitrations or unfair labor practice charges filed or arising before the Closing Date with respect to any of the Union Transferred Employees (subject to Purchaser's responsibility under Section 10.1(h)(i) for any non-monetary relief granted pursuant to grievances, arbitrations, or unfair labor practice charges arising from events that occur prior to the Closing Date), and any alleged violation of Law (including all Laws pertaining to employment, discrimination, workers' compensation, occupational safety and health, and unfair labor practices), subject to Section 10.1(k) below, if such alleged violation occurred before the Closing Date;

(vii) The entire or partial closure or cessation of operations at, or reduction in workforce at, any facility, location or other site of employment of the Seller or any of its Affiliates (whether or not relating to the Business) at any time prior to the Closing Date, including without limitation the former facilities located in Mitchell, Indiana and Andrews, Indiana, including any Liabilities under the WARN Act relating to such closure or cessation of operations; and

(viii) To the extent not addressed in the foregoing provisions of this Section 10.1(h), Liabilities to the extent such Liabilities are Excluded Liabilities or are not assumed by Purchaser or its Affiliates under Sections 10.1 through 10.4.

(i) The Purchaser or its Affiliates, as applicable, shall be solely responsible on and after the Closing Date for the terms and conditions of employment with Purchaser or its Affiliates of all Transferred Employees and for any change thereof. As to any Transferred Employee that Purchaser terminates after the Closing Date, Purchaser shall be solely responsible for satisfying any requirements applicable to such termination under any applicable Laws and, subject to Section 10.1(j) below, with respect to each Transferred Employee, Purchaser shall be solely responsible for all Liabilities for (i) any Assumed Benefit Plan or Purchaser Welfare Plan or Purchaser Retirement Plan; (ii) any grievances, arbitrations or unfair labor practice charges filed and arising after the Closing Date with respect to acts or omissions of Purchaser or any of its Affiliates occurring after the Closing Date; (iii) any non-monetary relief granted with respect to any of the Union Transferred Employees pursuant to grievances, arbitrations or unfair labor practice

charges arising from events that occur prior to the Closing Date (it being understood that Seller and its Affiliates shall not also be required to indemnify Purchaser or its Affiliates for such amounts pursuant to Section 11.2); and (iv) any alleged violation of Law by Purchaser or any of its Affiliates (including, all Laws pertaining to employment, discrimination, workers' compensation, occupational safety and health, unfair labor practices, and WARN Act violations), if such alleged violation occurred after the Closing Date.

(j) With respect to any and all Liabilities arising under the WARN Act: (i) Purchaser shall be solely responsible for such Liabilities with respect to Transferred Employees (but not any other Business Employees or any other Persons) if such Liabilities arise solely as a result of a "mass layoff," "plant closing" or similar event under the WARN Act conducted by Purchaser or any of its Affiliates after the Closing and not as a result of the aggregation of actions or omissions of Purchaser or its Affiliates after the Closing with actions or omissions of Seller or its Affiliates prior to or after the Closing, (ii) Seller shall be solely responsible for such Liabilities with respect to Transferred Employees and any other Business Employees and Persons if such Liabilities arise as a result of a "mass layoff," "plant closing" or similar event under the WARN Act conducted by Seller or any of its Affiliates prior to or after the Closing, but, solely in the case of such Liabilities with respect to Transferred Employees, only if any actions or omissions of Purchaser or its Affiliates with respect to such Transferred Employees after the Closing would not independently constitute a "mass layoff," "plant closing" or similar event under the WARN Act if considered alone, and (iii) in the event that any WARN Act Liabilities arise as a result of the aggregation of actions or omissions of Purchaser or its Affiliates with respect to Transferred Employees after the Closing with any actions or omissions of Seller or its Affiliates prior to or after the Closing, and neither Seller's and its Affiliates' actions or omissions prior to or after the Closing, if considered alone, nor Purchaser's and its Affiliates' actions or omissions after Closing, if considered alone, would independently constitute a "mass layoff," "plant closing" or similar event under the WARN Act, then Seller and its Affiliates shall be responsible for any and all such Liabilities to any Business Employees (other than Transferred Employees) and other Persons, and, provided that Seller and its Affiliates are in compliance with Section 4.13(b) above, Purchaser and its Affiliates shall be responsible for any and all such Liabilities to any Transferred Employees (but not any other Business Employees or any other Persons).

(k) Seller and its Affiliates shall be responsible for (and neither Purchaser nor its Affiliates are assuming) all Liabilities for workers' compensation, occupational health and safety, occupational disease and occupational injury claims with respect to the Transferred Employees for any injury or illness occurring prior to the Closing (even if a claim for such an injury or illness is filed after the Closing). Purchaser and its Affiliates shall be responsible for all Liabilities for workers' compensation, occupational health and safety, occupational disease and occupational injury claims with respect to the Transferred Employees for any injury or illness occurring after the Closing. In the event that workers' compensation, any occupational health and safety, occupational disease and occupational injury claim filed after the Closing Date by, on behalf of or with respect to

the Transferred Employees arises out of any injury or illness that occurred, arose, progressed, was contributed to or was aggravated in part before and in part after the Closing: (i) Liabilities for such workers' compensation, occupational health and safety, occupational disease and occupational injury claims shall be reasonably apportioned to Seller and its Affiliates based on the duration and extent of the injured worker's exposure to the cause of such injury or illness prior to Closing (the "Seller Portion"), and to Purchaser and its Affiliates based on the duration and extent of the injured worker's exposure to the cause of such injury or illness after Closing, and (ii) Seller and its Affiliates shall indemnify and hold harmless Purchaser, its Affiliates and the other members of the Purchaser Indemnified Group from and against any and all such Seller Portion Liabilities pursuant to Section 11.2(a)(iv).

(l) Nothing in this Agreement shall prevent the Purchaser or any of its Affiliates from terminating the employment of any of the Transferred Employees at any time after the Closing, or otherwise shall guarantee any of the Transferred Employees continued employment with the Purchaser or any of its Affiliates for any period of time, subject to any obligations that the Purchaser or its Affiliates may have with respect to Union Transferred Employees under the Assumed Collective Bargaining Agreements. No Transferred Employee or other agent, nor any beneficiary or dependent thereof, shall be a third party beneficiary of this Agreement or be entitled to bring any action or claim hereunder.

(m) Seller and Purchaser agree to furnish to each other such information as may be reasonably required with respect to one or more Transferred Employees promptly following receipt of any reasonable written request from the other.

Section 10.2 Seller Benefits Plans.

(a) Effective as of 11:59 p.m. on the Closing Date, the Transferred Employees shall cease to be credited with service and to accrue any benefits under the Dana Corporation Retirement Plan (the "Dana Retirement Plan") and the Dana Corporation Savings and Investment Plan (the "Dana Defined Contribution Plan"). Each Non-Union Transferred Employee participating in the Dana Retirement Plan or the Dana Defined Contribution Plan shall be eligible to receive a distribution of his or her vested accrued benefits under such plan accordance with its terms. In the event Purchaser maintains a defined contribution plan on behalf of Non-Union Transferred Employees, Purchaser shall arrange to have the defined contribution plan or plans sponsored by Purchaser accept direct rollovers from the Dana Defined Contribution Plan and the Dana Retirement Plan in the form of cash, or in the case of Non-Union Transferred Employees who have an outstanding participant loan under the Dana Defined Contribution Plan at the Closing Date, in the form of a transfer of the promissory note for such participant loan.

(b) Coverage for all Transferred Employees and their respective eligible dependents under the Seller Employee Benefit Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) (other than the Assumed Benefit Plans) (the "Seller Welfare Plans") shall terminate, as of 11:59 p.m. (EST) on the Closing Date. Except as otherwise required by federal Law (including the Bankruptcy Code), the Seller Welfare

Plans shall be liable only for claims incurred and benefits earned by the Transferred Employees on or prior to the Closing Date. The Purchaser Welfare Plans shall be liable for claims incurred and benefits earned by Transferred Employees (and the eligible dependents of such Transferred Employees) that are properly payable under the Purchaser Welfare Plans after the Closing Date. For purposes of this Section 10.2, a claim is "incurred" on the date the applicable medical or dental services are rendered, drugs or medical equipment is purchased or, in the case of a continuous period of hospitalization or confinement, the date of commencement of such period of hospitalization or confinement.

(c) Seller will continue to administer the flexible spending accounts of any Transferred Employees who have such flexible spending accounts under any Seller Welfare Plan (or any other "cafeteria plan" within the meaning of Section 125 of the Code) as of the Closing Date, for the remainder of the applicable plan year, in accordance with the terms of the applicable Seller Welfare Plan or cafeteria plan.

(d) Seller will offer and provide, as appropriate, group health plan continuation coverage pursuant to the requirements of COBRA to all the current and former employees of Seller, including without limitation, any Business Employees who are offered employment pursuant to Section 10.1, to whom they are required to offer the same under applicable law.

Section 10.3 Assumed Benefit Plans.

Effective as of the Closing, Purchaser shall assume sponsorship of the Dana Corporation Savings and Investment Plan for Hourly Employees of the Coupled Products Inc. Columbia City, Indiana Facility (the "Columbia City 401(k) Plan") and any other Seller Employee Benefit Plans Seller maintains pursuant to collective bargaining agreements covering only Transferred Union Employees as described in Schedule 10.3 (the "Assumed Benefit Plans") and listed on Schedule 10.3. With respect to the Columbia City 401(k) Plan, the only Assumed Benefit Plan listed in Schedule 10.3 which is a tax-qualified retirement plan subject to ERISA, Purchaser agrees that:

(a) Purchaser shall designate a successor trustee and create as soon as practicable following the Closing Date a trust that intended to be exempt from Federal Income Tax under Code Section 501(a) and to satisfy the terms of the applicable collective bargaining agreement to receive the assets of the Columbia City 401(k) Plan;

(b) At the time of the Closing, Seller shall prepare and sign an amendment to the Columbia City 401(k) Plan to reflect the change in the sponsoring employer of the Columbia City 401 Plan to Purchaser or one of its US subsidiaries in a form reasonable acceptable to Purchaser, and Purchaser or the relevant subsidiary shall execute such plan amendment to acknowledge its status as the sponsoring employer of the Columbia City 401(k) Plan.

(c) As soon as practicable following the Closing Date, Purchaser shall provide Seller with a mutually acceptable succession agreement with respect to the Columbia City 401(k) Plan signed by Purchaser and the trustee it has appointed.

(d) As soon as practicable following receipt of a succession agreement for such Columbia City 401(k) Plan, along with all necessary approvals or authorizations, information or similar requirements to effect the transfer (but in no event earlier than forty-five (45) days after the date of delivery of such agreement, approvals and information the succession agreement), Seller shall direct the trustee of the Columbia City 401(k) Plan to transfer to the successor trustee appointed by Purchaser the assets of the Columbia City 401(k) Plan.

Section 10.4 Non-U.S. Employee Matters.

Business Employees located in Mexico shall be treated, to the extent practicable under local law, in accordance with the provisions of Sections 10.1, 10.2, and 10.3, subject to the provisions set forth on Schedule 10.4.

Section 10.5 Further Assurances; Further Conveyances and Assumptions; Consent of Third Parties.

(a) From time to time following the Closing, Seller and Purchaser shall, and shall cause their respective Subsidiaries to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and acquittances and such other instruments, and shall take such further actions, as may be necessary or appropriate to assure fully to Purchaser and its respective successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Purchaser under this Agreement and the Transition Agreements and to assure fully to Seller and its Subsidiaries and their successors and assigns, the assumption of the Assumed Liabilities and any Liabilities to be assumed by Purchaser under this Agreement and the Transition Agreements, and to otherwise make effective the transactions contemplated hereby and thereby (including (i) transferring back to Seller or the applicable Subsidiary any Excluded Asset and (ii) transferring to Purchaser any asset or Liability contemplated by this Agreement to be a Purchased Asset or an Assumed Liability, respectively, which was not transferred to Purchaser at the Closing).

(b) Nothing in this Agreement nor the consummation of the transactions contemplated hereby shall be construed as an attempt or agreement to assign any Purchased Asset, including any Contract, Permit, certificate, approval, authorization or other right, which by its terms or by Law, as modified by the Bankruptcy Code, is nonassignable without the consent of a third party or a Governmental Body or is cancelable by a third party in the event of an assignment ("Nonassignable Assets") unless and until such consent shall have been obtained. Seller shall cooperate with Purchaser at its request in endeavoring to obtain any such consent promptly.

(c) Notwithstanding anything in this Agreement to the contrary, unless and until any consent or approval with respect to any Nonassignable Asset is obtained, such Nonassignable Asset shall not constitute a Purchased Asset and any Liability associated exclusively with such Nonassignable Asset shall not constitute an Assumed Liability for any purpose under this Agreement, and the failure of any such consent or approval to be obtained or the failure of any such Nonassignable Asset to constitute a Purchased Asset

or any circumstances resulting therefrom shall not, individually or in the aggregate, constitute a Material Adverse Effect or a breach by Seller of any representation, warranty, covenant or agreement contained in this Agreement.

(d) Once such consent or approval is obtained with respect to a Nonassignable Asset, Seller shall, or shall cause its applicable Subsidiary to, promptly assign, transfer, convey and deliver such Nonassignable Asset to Purchaser, and Purchaser shall assume any Liability associated exclusively with such Nonassignable Asset, for no additional consideration. Purchaser shall indemnify Seller against any Liabilities arising from Purchaser's use of the Nonassignable Assets after the Closing.

Section 10.6 Record Retention, Access to Documents and Cooperation.

(a) Purchaser shall, and shall cause its Subsidiaries to, afford to Seller's representatives, upon reasonable notice and without undue interruption to Purchaser's business, access during normal business hours to the books and records (including any such books and records in electronic format maintained by Purchaser or its Affiliates or agents) of Purchaser and its Subsidiaries pertaining to the operations of the Business prior to the Closing Date for that period of time required by any applicable statute or by Seller's document retention policy in connection with (i) the preparation of financial statements, (ii) U.S. Securities and Exchange Commission reporting obligations, (iii) Excluded Liabilities, (iv) Excluded Assets, (v) the contest or defense by Seller of Legal Proceedings and investigations, (vi) the Bankruptcy Cases (including, without limitation, with respect to reconciliation of claims in connection with the Cases), and (vii) other reasonable business purposes; provided, however, that nothing herein shall limit Seller's rights of discovery. With respect to clause (a)(vi), such books and records shall include, without limitation, purchase orders, receipts, invoices, purchasing cards, inventory records, debit memos, bills of lading and quality rejection slips and Purchaser shall provide, upon reasonable notice and without undue interruption to Purchaser's business, access during normal business hours in connection with the foregoing to accounts payable clerks or controllers, receiving persons, purchasing and quality manager personnel. Seller shall have the right to receive and retain copies of all such books and records.

(b) Seller shall, and shall cause the Selling Subsidiaries to, afford to Purchaser's representatives, upon reasonable notice and without undue interruption to Seller's business, access during normal business hours to the books and records (including any such books and records in electronic format maintained by Seller or its Affiliates or agents) of Seller and the Selling Subsidiaries pertaining to the operations of the Business prior to the Closing Date in connection with (i) the preparation of financial statements, (ii) Assumed Liabilities, (iii) Purchased Assets, (iv) the contest or defense by Purchaser of Legal Proceedings and investigations, and (v) other reasonable business purposes; provided, however, that nothing herein shall limit Purchaser's rights of discovery. Purchaser shall have the right to receive and retain copies of all such books and records.

(c) Purchaser agrees to (i) hold all of the books and records of the Business (other than records relating to Taxes, which shall be governed by Section 14.2) existing on the

Closing Date or included in the Purchased Assets for a period of at least twelve months after the Closing and (ii) not to destroy or dispose of any of such books and records for a period of ten years after such twelve month period without first offering in writing at least 30 calendar days prior to such destruction or disposition to surrender them to Seller.

(d) Purchaser shall, and shall cause its Subsidiaries to, provide (at Seller's sole risk, cost and expense) such assistance to Seller as Seller may reasonably request with respect to the preparation of Seller's financial statements and U.S. Securities and Exchange Commission reporting obligations relating to the operation of the Business prior to the Closing.

Section 10.7 Post-Closing Assistance.

Subject to any applicable confidentiality obligations of the parties and to any other applicable legal constraints, at the request of Purchaser, Seller will, through December 31, 2008, provide Purchaser reasonable assistance with transitioning the Business' customer relationships from Seller to Purchaser. Purchaser will reimburse Seller for any and all out-of-pocket costs incurred by Seller in connection with providing these transition services.

ARTICLE XI

SURVIVAL, INDEMNIFICATION AND RELATED MATTERS

Section 11.1 Survival.

(a) All representations and warranties contained herein, and the right to commence any claim with respect thereto, shall terminate at the close of business on the Closing Date, and neither Purchaser nor Seller nor their respective Subsidiaries shall have any Liability whatsoever with respect to such representations or warranties after such date, except that the right to commence any claim with respect to the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.8(d), (f), (g), (h) and (i), 4.10(c), (d), (f) and (g), 4.13(a), 4.13(b), 4.13(g), 4.13(h), 4.15, 4.16(b)(iii), 4.17, 4.18, 4.19, 4.23, 4.24, 4.26, 5.1, 5.2, 5.3, 5.4, 5.5 and 5.8 shall survive the closing until the first anniversary of the Closing Date. The covenants and agreements of the parties hereto contained herein (A) that contemplate actions to be taken after Closing shall survive the Closing and continue in effect in accordance with their terms and (B) that contemplate actions to be taken only on or prior to Closing shall terminate and cease to be obligations as of the Closing and no claim, action or proceeding with respect to such covenant or agreement may be brought after the Closing.

(b) Each Person entitled to indemnification hereunder shall use its commercially reasonable efforts to mitigate Losses for which it seeks indemnification hereunder. No Person shall be entitled to indemnification for Losses hereunder if, on the Closing Date, such Person had actual conscious awareness (without independent investigation and without attribution of knowledge or awareness of any facts made available to such Person through access to any "data room," by email or otherwise) of the existence of the breach with respect to which such Person is seeking indemnification hereunder.

(c) In calculating any amount of Losses recoverable pursuant to this Article XI, the amount of such Losses shall be reduced by: (i) any insurance proceeds actually received by the Indemnified Party from any unaffiliated insurance carrier offsetting the amount of such Loss, net of any expenses incurred by the Indemnified Party in obtaining such insurance proceeds (provided that the Indemnified Party shall be obligated to reasonably seek any such proceeds to which it may be entitled); (ii) any recoveries by the Indemnified Party from third parties pursuant to indemnification (or otherwise) with respect thereto, net of any expenses incurred by the Indemnified Party in obtaining such third party payment; and (iii) any net Tax benefit realized by the Indemnified Party in respect of any Losses for which such indemnification payment is made, and shall be increased by any net Tax cost incurred by the Indemnified Party on the accrual or the receipt of the indemnity payment (other than Taxes resulting from a reduction in Tax basis). If any Losses for which indemnification payments are made hereunder are subsequently reduced by any Tax benefit, insurance payment or other recovery from a third party, the Indemnified Party shall promptly remit the amount of such reduction to the Indemnifying Party. To the extent any indemnification payment can be properly so characterized under applicable Tax law, it shall be treated by the parties as an adjustment to the purchase price.

(d) Notwithstanding anything herein to the contrary, no party shall be liable to any Indemnified Party for special, incidental, indirect, consequential, punitive or exemplary Losses.

(e) Anything in this Article XI to the contrary notwithstanding, indemnification for any and all Tax matters and the procedures with respect thereto shall be governed exclusively by Article XIV.

Section 11.2 Indemnification.

(a) From and after the Closing, Seller hereby agrees to indemnify and hold the Purchaser Indemnified Group harmless from and against any and all claims, judgments, causes of action, liabilities, obligations, damages, losses, costs of non-monetary relief, deficiencies, costs, penalties, interest and expenses (including the reasonable actual out-of-pocket fees and expenses of counsel) (collectively, “Losses”) arising out of or resulting from:

(i) any breach of any representation or warranty of Seller set forth in Article IV that survives the Closing pursuant to Section 11.1;

(ii) any breach of, or default in the performance by Seller of, any covenant or agreement on the part of Seller herein that is to be performed by its terms after the Closing Date, subject to the limitations and conditions contained therein;

(iii) any Excluded Liability;

(iv) except as set forth in Schedule 10.4, the employment of any of the Transferred Employees by the Seller or any of its Affiliates at any time prior to the Closing, including any such Liabilities or other Losses (whether or not arising under any of the Assumed Collective Bargaining Agreements) arising out of or relating to any acts or omissions of Seller or any of its Affiliates prior to the Closing that are or may be deemed to have been assumed by or the responsibility of Purchaser or any of its Affiliates pursuant to Section 1.3 or Section 10.1 through 10.4 above (it being understood by way of example, and without limiting the generality of the foregoing, that in the event (i) any former Union Business Employee discharged by Seller or its Affiliates prior to Closing is granted reinstatement by an arbitrator or court on or after the Closing to employment at the Columbia City, Indiana or Upper Sandusky, Ohio plant pursuant to an Assumed Collective Bargaining Agreement, such reinstatement shall be to employment with Purchaser or its Affiliates, but Seller and its Affiliates shall be responsible for and indemnify, defend and hold the Purchaser Indemnified Group harmless from and against any and all backpay and other Losses due and owing to or with respect to such Union Business Employee for any period prior to and including the effective date of his or her reinstatement or (ii) any work rule implemented at the Columbia City, Indiana or Upper Sandusky, Ohio plants pursuant to the terms of an Assumed Collective Bargaining Agreement prior to the Closing is ruled invalid or modified by an arbitrator after the Closing, Seller shall indemnify, defend and hold the Purchaser Indemnified Group harmless from and against any costs of backpay awards or similar retroactive Losses due and owing to Union Business Employees for periods prior to the date of award but shall have no obligation to indemnify Purchaser Indemnified Group for the on-going costs of complying with such ruling after the date of the arbitration award including costs of prospective non-monetary relief);

(v) any Assumed Collective Bargaining Agreement to the extent that Purchaser or its Affiliates could not satisfy an obligation thereunder without the cooperation and consent of Seller or one or more of its Affiliates (including any such obligation, if any, under Letter #12 dated December 7, 1992 to the Master Agreement dated June 9, 2003 among Dana Corporation, the UAW, and UAW Local Unions 644 and 1765 representing certain Pottsdown and Lima employees, which Letter #12 is incorporated by reference into the Columbia City Assumed Collective Bargaining Agreement, or Article 80 of the Upper Sandusky Assumed Collective Bargaining Agreement, or any obligation under Article 71 of the Columbia City Assumed Collective Bargaining Agreement), provided that Purchaser shall reasonably defend against any grievance or other labor organization claim that seeks to impose such an obligation, if any;

(vi) the NLRB Proceedings, but only for retroactive Losses for periods prior to any final non-appealable judgment, order or award, and not for the ongoing costs of compliance including the costs of prospective non-monetary relief; and

(vii) any claim that the conduct of the Business by Purchaser and its Subsidiaries, to the extent consistent with the conduct of the Business by Seller and its Subsidiaries immediately prior to the Closing, infringes upon any Intellectual Property rights of Seller, its subsidiaries, or their successors and assigns; and

(viii) any warranty claim made by customers with respect to products (or any part or component thereof) sold by the Business prior to the Closing Date or any recall of any such products that is mandated by any Governmental Body, but only to the extent that such Losses exceed $600,000 in the aggregate and then only to the extent that such Losses from any single claim or group of related claims exceed $50,000.

(b) From and after the Closing, Purchaser hereby agrees to indemnify and hold the Seller Indemnified Group harmless from and against any and all Losses arising out of or resulting from:

(i) any breach of any representation or warranty on the part of Purchaser herein that survives the Closing pursuant to Section 11.1;

(ii) any breach of, or default in the performance by Purchaser of, any covenant or agreement that is to be performed after the Closing Date, subject to the limitations and conditions contained therein;

(iii) Purchaser's and any of its Subsidiaries' ownership (or effective ownership) or operation of the Business, the Purchased Assets from and after the Closing Date;

(iv) any Assumed Liabilities; and

(v) any Severance Payments (as defined in the Retention Agreements) arising after the Closing Date under any Retention Agreement with any Business Employees who accepts and executes the written employment offer provided by Purchaser (or one of its Affiliates) pursuant to Section 10.1 and becomes a Transferred Employee.

Section 11.3 Limitations on Amount.

(a) Seller will have no liability (for indemnification or otherwise) with respect to the matters governed by Sections 11.2(a)(i) until the total monetary value of all Losses with respect to such matters exceeds Fifty Thousand Dollars ($50,000), in which case Seller shall be liable for just the excess; provided, however, that, for the avoidance of doubt, the foregoing limitation shall not apply to claims for indemnification under Section 11.2(a)(viii) or Section 11.5, which shall be subject to the separate limitations set forth therein. In addition, Seller will have no liability (for indemnification or otherwise) for the amount by which the total monetary value of all Losses for breaches of representations and warranties (other than those in Sections 4.1, 4.2, 4.3, 4.4, 4.5, and

4.18) or the matters governed by Sections 11.2(a)(i)(iv), (v), (vi), (vii) or (viii) or Section 11.5 exceeds Seven Million Five Hundred Dollars ($7,500,000).

(b) Purchaser will have no liability (for indemnification or otherwise) with respect to the matters governed by Section 11.2(b)(i) until the total monetary value of all Losses with respect to such matters exceeds Fifty Thousand Dollars ($50,000), in which case Purchaser shall be liable for just the excess. In addition, Purchaser will have no liability (for indemnification or otherwise) for the amount by which the total monetary value of all Losses for breaches of representations and warranties (other than those in Sections 5.1, 5.2, 5.3, 5.4, 5.5 and 5.8) exceeds an amount equal to Seven Million Five Hundred Dollars ($7,500,000).

Section 11.4 Procedures for Indemnification.

Whenever a claim shall arise for indemnification under this Article XI, the party entitled to indemnification (the "Indemnified Party") shall promptly notify the party from which indemnification is sought (the "Indemnifying Party") of such claim and, when known, the facts constituting the basis for such claim; provided, however, that in the event of any claim for indemnification hereunder resulting from or in connection with any claim or Legal Proceeding by a third party, the Indemnified Party shall give such notice thereof to the Indemnifying Party not later than ten Business Days prior to the time any response to the asserted claim is required, if possible, and in any event within five Business Days following receipt of notice thereof; provided, further, that no delay or failure to give such notice by the Indemnified Party to the Indemnifying Party shall adversely affect any of the other rights or remedies which the Indemnified Party has under this Agreement, or alter or relieve the Indemnifying Party of its obligation to indemnify the Indemnified Party, except to the extent that such delay or failure has materially prejudiced the Indemnifying Party. In the event of any such claim for indemnification resulting from or in connection with a claim or Legal Proceeding by a third party, the Indemnifying Party may, at its sole cost and expense, assume the defense thereof by written notice within 30 calendar days, using counsel that is reasonably satisfactory to the Indemnified Party; provided, however, that in the event of any claim for indemnification by a Purchaser Indemnified Party resulting from a claim or legal proceeding that is reasonably expected to have a continuing effect in any material respect on the Business or the Purchased Assets, the Indemnified Party shall have the right to control the defense thereof pursuant to the last sentence of this Section 11.4. If an Indemnifying Party assumes the defense of any such claim or Legal Proceeding, the Indemnifying Party shall be entitled to take all steps necessary in the defense thereof including the settlement of any case that involves solely monetary damages without the consent of the Indemnified Party; provided, however, that the Indemnified Party may, at its own expense, participate in any such proceeding with the counsel of its choice without any right of control thereof. The Indemnifying Party, if it has assumed the defense of any claim or Legal Proceeding by a third party as provided herein, shall not consent to, or enter into, any compromise or settlement of (which settlement (i) commits the Indemnified Party to take, or to forbear to take, any action or (ii) does not provide for a full and complete written release by such third party of the Indemnified Party), or consent to the entry of any judgment that does not relate solely to monetary damages arising from, any such claim or Legal Proceeding by a third party without the Indemnified Party's prior written consent, which shall not be unreasonably withheld,

conditioned or delayed. The Indemnifying Party and the Indemnified Party shall cooperate fully in all aspects of any investigation, defense, pre-trial activities, trial, compromise, settlement or discharge of any claim in respect of which indemnity is sought pursuant to this Article XI, including, but not limited to, by providing the other party with reasonable access to employees and officers (including as witnesses) and other information. So long as the Indemnifying Party is in good faith defending such claim or proceeding, the Indemnified Party shall not compromise or settle such claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed. If the Indemnifying Party does not assume the defense of any such claim or litigation in accordance with the terms hereof, the Indemnified Party may defend against such claim or litigation in such manner as it may deem appropriate, including settling such claim or litigation (after giving prior written notice of the same to the Indemnifying Party and obtaining the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed) on such terms as the Indemnified Party may reasonably deem appropriate, and the Indemnifying Party will promptly indemnify the Indemnified Party in accordance with the provisions of this Section 11.4.

Section 11.5 Certain Environmental Matters.

(a) The parties acknowledge and agree that Purchaser has retained an environmental consulting firm or firms to undertake an environmental review of the Business and the Owned and Leased Real Properties prior to the Closing Date, which review shall be generally consistent with ASTM 1527-05 or similar international standards and which shall also include a limited compliance review. Such consultant shall prepare an executive summary chart or other written summary for each property assessed which identifies : (1) any environmental condition that constitutes a recognized environmental condition under ASTM 1527-05, or (2) any condition identified through the limited compliance review that represents a violation of Environmental Laws ((1) and (2), collectively, an “Environmental Condition”).

(b) With respect to any Environmental Condition so identified, from and after the Closing Date until the first anniversary of the Closing Date (the “Environmental Testing Period”), Purchaser shall have the right to conduct such follow-up environmental assessments, including, without limitation, physical inspections, sampling activities and installation of monitoring wells (collectively, “Environmental Assessments”), as Purchaser deems advisable at any Owned or, subject to the consent of the Landlord, Leased Real Property to verify whether such Environmental Condition is a violation of Environmental Laws and/or requires cleanup or correction pursuant to Environmental Laws.

(c) If any such Environmental Assessment reveals the presence of Hazardous Material at, on or beneath any Owned or Leased Real Property in concentrations exceeding the Trigger Levels (as defined below) (“Remediation Condition”), or confirms any Environmental Condition otherwise constituting a non-compliance with Environmental Laws (“Noncompliance Condition”) where, in each case, the resulting Loss would reasonably be expected to exceed $25,000, Purchaser shall provide Seller notice pursuant to Section 11.4 and Seller shall indemnify and hold harmless the

Purchaser Indemnified Group from and against any all Losses arising from any such Remediation Condition or Noncompliance Condition, but only to the extent that such Losses exceed $25,000 for each such Remediation Condition or Noncompliance Condition; provided however, that Seller shall not be obligated to indemnify Purchaser for any increase in such Losses to the extent due to acts or omissions of Purchaser or its employees, contractors, subcontractors, agents or invitees that exacerbate existing conditions. Purchaser shall be responsible for all costs incurred by Purchaser in conducting any of the assessment and investigation activities set forth in Section 11.5(a) and (b).

(d) "Trigger Levels" shall mean such standards for commercial/industrial properties in effect as of the Closing Date that have been promulgated, adopted or are used in the ordinary course by the applicable Governmental Body.

(e) Seller and Purchaser mutually agree to cooperate in connection with any matters subject to indemnification under this Section 11.5. Upon request, Purchaser shall provide Seller with (i) any material correspondence, report, technical data or other material information generated as a result of a remedial action by Purchaser; (ii) reasonable access, upon reasonable notice, to the Owned Real Property and, subject to the consent of the landlord, Leased Real Property in a manner that will not disrupt Purchaser's operations; and (iii) the right to take split samples in each case for the purpose of verifying the performance of any remedial action, correction of non-compliance or other action, the costs for which Seller is required to indemnify Purchaser under this Section 11.5. Seller and Purchaser agree that they each shall maintain in strict confidence any information concerning any matters subject to indemnification under this Section 11.5; provided however, that Seller and Purchaser may disclose such information to the extent reasonably necessary to communicate with appropriate Governmental Bodies. If any Law requires any party to disclose such information, such party will promptly notify the other party and will give the other party the opportunity to review and comment in advance upon the content and timing of any such disclosure to the extent reasonably practicable. Purchaser shall submit any reimbursement requests for which it is seeking indemnification pursuant to this Section 11.5 to Seller and, as promptly as practicable after receipt of such reimbursement requests, Seller shall pay any such reimbursement requests.

(f) Following the Closing, Seller shall control the matters subject to indemnification under this Section 11.5 and shall consult with Purchaser prior to, and on a periodic basis while, conducting any remedial action or correction of any non-compliance, or engaging in any Legal Proceedings involving the Owned Real Property or the Leased Real Property, and shall give Purchaser the reasonable opportunity to review and comment on any material governmental filings or other material governmental correspondence relating thereto made by Seller which comments shall be considered to the extent practicable. Seller shall minimize the disruption to the Business in connection with any of the foregoing. Purchaser shall provide Seller with reasonable access to the Owned Real Property as necessary for Seller to undertake its obligations under this Section 11.5. Seller's obligation for any Remedial Condition indemnified under this

Section 11.5 shall be deemed complete only when the affected property meets applicable commercial/industrial cleanup objectives in effect when such closure determination is sought, which standards are satisfactory to or used in the ordinary course by the relevant Governmental Body with authority and which will not unreasonably interfere with Purchaser's continued use or otherwise impair the value of such Owned Real Property for future industrial or commercial use.

Section 11.6 Exclusive Remedy.

Except in the case of intentional fraud by any party or any acts by Purchaser in violation of Section 363(n) of the Bankruptcy Code, and except as provided in Article XIV with respect to Taxes, Purchaser and Seller agree that, from and after the Closing, the provisions set forth in this Article XI shall be the sole and exclusive remedy for any claims or causes of action for money damages arising out of, based upon or resulting from the provisions of this Agreement and the transactions contemplated hereby and waive to the fullest extent permitted by applicable law any and all such other claims or causes of action for money damages, whether sounding in contract, tort or otherwise, and whether asserted at law or in equity. Nothing in this Agreement shall impair or limit any remedy Seller may have for any breach by Purchaser of Section 363(n) of the Bankruptcy Code.

ARTICLE XII

NONSOLICITATION

Section 12.1 Nonsolicitation of Purchaser Employees.

Seller covenants and agrees that for a period of 2 years following the Closing Date, it shall not, and shall cause its Subsidiaries not to, solicit any Transferred Employee (at a time when such person is an employee of Purchaser or any of its Subsidiaries) to terminate his or her employment relationship with Purchaser or any of its Subsidiaries; provided, however, that nothing herein shall prohibit Seller or any of its Subsidiaries from advertising publicly or from employing persons who respond to any such advertising whether or not such persons are then employed by Purchaser or any of its Subsidiaries, or from employing any individual who contacts Seller or any of its Subsidiaries on an unsolicited basis.

Section 12.2 Nonsolicitation of Seller Employees.

Purchaser covenants and agrees that for a period of 2 years following the Closing Date or termination of this Agreement pursuant to Section 13.1, it shall not, and shall cause its Subsidiaries not to, solicit any employee of Seller or any of its Subsidiaries (at a time when such person is an employee of Seller or any of its Subsidiaries) to terminate his or her employment relationship with Seller or any of its Subsidiaries; provided, however, that nothing herein shall prohibit Purchaser or any of its Subsidiaries from advertising publicly or from employing persons who respond to any such advertising whether or not such persons are then employed by Seller or any of its Subsidiaries, or from employing any individual who contacts Purchaser or any of its Subsidiaries on an unsolicited basis.

Section 12.3 Remedies.

Purchaser and Seller each acknowledge that the time, scope and other provisions of this Article XII have been specifically negotiated by sophisticated commercial parties and specifically hereby agree that such time, scope and other provisions are reasonable under the circumstances. It is further agreed that other remedies cannot fully compensate either party for a violation by the other party of the terms of this Article XII and that such party shall be entitled to injunctive relief to prevent any such violation or continuing violation by the other party. It is the intent and understanding of each party hereto that if, in any Legal Proceeding, any term, restriction, covenant or promise herein is found to be unreasonable and for that reason unenforceable, then such term, restriction, covenant or promise shall be deemed modified to the extent necessary to make it enforceable.

ARTICLE XIII

TERMINATION

Section 13.1 Termination.

This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) upon the written agreement of Purchaser and Seller;

(b) (i) by Purchaser if (A) there are any breaches of any representations or warranties contained in Article IV, that, individually or in the aggregate, result in, or would reasonably be expected to result in, a Material Adverse Effect, and such breaches have not been cured within 20 calendar days after notice thereof has been given pursuant to Section 6.8 or otherwise been waived by Purchaser or (B) a breach of any material covenant contained in this Agreement has been committed by Seller and such breach has not been cured within 20 calendar days after notice thereof or been waived by Purchaser or (ii) by Seller if (A) there are any breaches of any representations or warranties contained in Article V, that, individually or in the aggregate, result in, or would reasonably be expected to result in, a material adverse effect on the enforceability of this Agreement or any other Operative Documents against Purchaser or the ability of Purchaser to perform its obligations hereunder or thereunder, and such breach has not been cured within 20 calendar days after notice thereof or otherwise been waived by Seller or (B) a breach of any material covenant contained in this Agreement has been committed by Purchaser and such breach has not been cured within 20 calendar days after notice thereof or been waived by Seller;

(c) by Purchaser, if the Closing has not occurred on or before November 1, 2007, and the failure to consummate the transactions contemplated by this Agreement on or before such date did not result from the failure by Purchaser to fulfill any undertaking or commitment provided for herein that is required to be fulfilled prior to the Closing;

(d) by Purchaser or Seller, if any Seller or any Selling Subsidiary has (i) closed an Alternative Transaction; (ii) filed, supported or advocated in any court, a chapter 11 plan requesting the Bankruptcy Court to approve an Alternative Transaction or (iii) abandoned or terminated the sale process set forth in the Bidding Procedures for any material portion of the Purchased Assets;

(e) by Seller, if the Closing has not occurred on or before November 1, 2007, and the failure to consummate the transactions contemplated by this Agreement on or before such date did not result from the failure by Seller to fulfill any undertaking or commitment provided for herein that is required to be fulfilled prior to the Closing;

(f) by Purchaser, if any of the conditions set forth in Article VIII are not capable of being satisfied;

(g) by Seller or Purchaser if the Bankruptcy Court shall not have entered the Approval Order by June 22, 2007 (or the Approval Order shall be vacated or stayed as of such date);

(h) by Seller, if any of the conditions set forth in Article IX are not capable of being satisfied; or

(i) by either Purchaser or Seller if there shall be in effect any Law that prohibits the consummation of the Closing or if consummation of the Closing would violate any non-appealable final order, decree or judgment of any Governmental Body having competent jurisdiction.

Section 13.2 Effect of Termination.

(a) In the event of termination under Sections 13.1(b), 13.1(c), 13.1(d), 13.1(e), 13.1(f), 13.1(g), 13.1(h), or 13.1(i), written notice thereof shall be given to the other party and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by either party, upon delivery of such notice, except that Article XII and Sections 16.9, 16.10, 16.11, 16.13, 16.14, 16.15, 16.16 and 16.17 shall also survive such termination. Upon any termination hereof pursuant to Section 13.1, no party thereto shall thereafter have any further liability or obligation hereunder or under any Transition Agreement (except as expressly provided in Section 13.2(d)).

(b) Notwithstanding anything in Section 13.2 to the contrary, in the event that (x) this Agreement is terminated by Purchaser pursuant to any subsection of Section 13.1 or by Seller pursuant to Section 13.1(a), 13.(d), 13.1(e), 13.1(g) or 13.1(i) and (y) an Alternative Transaction is consummated within one year after the date of such termination, Seller shall pay to Purchaser an expense reimbursement in the amount of $250,000 (the “Expense Reimbursement”). The Expense Reimbursement is intended to compensate Purchaser and its Affiliates for the time and expense dedicated to this transaction and the value added by Purchaser and its Affiliates in (i) establishing a bid standard or minimum for other bidders, (ii) placing Seller’s estate property in a sales configuration mode attracting other bidders to the auction and (iii) for serving, by its

name and its expressed interest, as a catalyst for other potential or actual bidders. The Expense Reimbursement shall be entitled to super-priority administrative expense status in the case, senior to all other super-priority expense claims other than claims under the Seller Financing or the carve-out under such Financing in the Cases and shall be paid immediately in full in cash, without further order of the Bankruptcy Court, at such time as the Alternative Transaction is consummated. The obligation of Seller to pay the Expense Reimbursement shall not be discharged, modified or otherwise affected by any plan of reorganization or liquidation of Seller or any of its Subsidiaries.

(c) Release of Deposit.

(i) If this Agreement is terminated pursuant to Sections 13.1(a), 13.1(b)(i), 13.1(c), 13.1(d), Section 13.1(e), 13.1(f), 13.1(g), 13.1(h) or 13.1(i), the Parties will cause the Deposit Agent to wire transfer the Deposit Amount to an account designated by Purchaser.

(ii) In the event this Agreement is terminated pursuant to Section 13.1(b)(ii), the Parties will cause the Deposit Agent to wire transfer the Deposit Amount to an account designated by Seller.

(iii) In the event the terms of this Section 13.2(d) conflict with the terms of the Deposit Agreement, the terms of the Deposit Agreement shall govern.

(d) If this Agreement is terminated as permitted by Section 13.1, the return of the Deposit Amount pursuant to the terms of the Deposit Agreement and the payment of the Expense Reimbursement, if any, pursuant to the terms of this Section 13.2, shall be the sole and exclusive remedies of Purchaser, whether at law or in equity, for any breach by Seller or any of its Affiliates of the terms and conditions of this Agreement or the Deposit Agreement. If this Agreement is terminated by Seller, the forfeiture of the entire Deposit Amount pursuant to Section 13.2(c)(ii) hereof, shall be the sole and exclusive remedy of Seller or its bankruptcy estate, whether at law or in equity, for any breach, other than a breach of Section 363(n) of the Bankruptcy Code, by Purchaser or any of its Affiliates of the terms and conditions of this Agreement. The parties agree that the forfeiture by Purchaser of the Deposit Amount pursuant to this Section 13.2 shall be in the nature of liquidated damages. In the event of a breach by Purchaser or any of its Affiliates of Section 363(n) of the Bankruptcy Code, Seller shall be entitled to keep the Deposit Amount and to pursue any other remedies available under Section 363(n) of the Bankruptcy Code.

ARTICLE XIV

TAX MATTERS

Section 14.1 Tax Indemnification.

(a) To the extent not paid (including the payment of estimated Taxes) before Closing or reflected as a dollar amount on the Closing Statement of Net Assets, Seller shall indemnify Purchaser and its Affiliates and hold them harmless from all liability for (A) Excluded Taxes, (B) Taxes arising from or in connection with any breach by Seller of any covenant contained in this Article (but only to the extent appropriate to reflect the relative fault of Seller, on the one hand, and Purchaser, on the other hand), (C) Transfer Taxes required to be borne by Seller pursuant to Section 14.4, (D) Taxes attributable to a breach of the representations and warranties set forth in Section 4.7, and (E) all costs and expenses, including reasonable legal fees and expenses, attributable to any item in clauses (A) through (D).

(b) Purchaser shall indemnify Seller and its Affiliates and hold them harmless from all liability for (A) any and all Taxes attributable to a Post-Closing Tax Period of the Business or reflected as a dollar amount on the Closing Statement of Net Assets, other than Excluded Taxes, (B) Transfer Taxes required to be borne by Purchaser pursuant to Section 14.4, (C) Taxes arising from or in connection with any breach by Purchaser of any covenant contained in this Article XIV (but only to the extent appropriate to reflect the relative fault of Purchaser, on the one hand, and Seller, on the other hand) and (D) all costs and expenses, including reasonable legal fees and expenses, attributable to any item in clauses (A) through (C).

(c) Any indemnity payment to be made pursuant to this Section 14.1 shall be paid no later than the latest of (i) ten (10) days after the indemnified party makes written demand upon the indemnifying party, (ii) five (5) days prior to the date on which the underlying amount is required to be paid by the indemnified party and (iii) five (5) days after any dispute about the liability for or amount of such indemnity payment is resolved.

(d) The indemnification provisions in this Section 14.1 shall survive the Closing until 90 days after the expiration of the applicable statute of limitations for the Tax giving rise to the claim for indemnification.

(e) The Closing Statement of Net Assets is to reflect (i) prepaid Property Taxes as an asset and (ii) accrued Property Taxes as a liability. The parties agree that all Property Taxes imposed on or with respect to the Purchased Assets will be pro-rated as of the Closing Date and that, notwithstanding any other provision of this Agreement, the economic burden of any such Property Tax will be borne by Seller for all Pre-Closing Tax Periods (including the portion of a Straddle Period through the Closing Date) and by Purchaser for all Post-Closing Tax Periods (including the portion of a Straddle Period after the Closing Date). Accordingly, notwithstanding any other provision of this Agreement, (i) if Seller or any of its Affiliates pays (either before or after Closing) any such Property Tax with respect to a Post-Closing Tax Period, Purchaser will reimburse

Seller upon demand for the amount of such Property Tax to the extent it is not reflected as an asset on the Closing Statement of Net Assets; and (ii) if Purchaser or any of its Affiliates pays (after Closing) any such Property Tax with respect to a Pre-Closing Tax Period, Seller will reimburse Purchaser upon demand for the amount of such Property Tax to the extent it is not reflected as a liability on the Closing Statement of Net Assets.

Section 14.2 Cooperation.

Each party hereto shall, and shall cause its Affiliates to, provide the other party hereto with such cooperation, documentation and information as either of them reasonably may request in (a) filing any Tax Return, amended Tax Return or claim for refund, (b) determining a liability for Taxes or an indemnity obligation under this Article XIV or a right to refund of Taxes, (c) conducting any Tax Proceeding or (d) determining an allocation of Taxes between a Pre-Closing Tax Period and Post-Closing Tax Period. Such cooperation and information shall include providing copies of all relevant portions of relevant Tax Returns, together with all relevant accompanying Schedules and work papers (or portions thereof) and other supporting documentation, relevant documents relating to rulings or other determinations by taxing authorities and relevant records concerning the ownership and Tax basis of property and any other relevant information, which any such party may possess. Each party will retain all Tax Returns, Schedules and work papers, and all material records and other documents relating to Tax matters, of the relevant entities for their respective Tax periods ending on or prior to or including the Closing Date until the later of (x) the expiration of the statute of limitations (taking into account any extensions) for the Tax periods to which the Tax Returns and other documents relate or (y) eight years following the due date (without extension) for such Tax Returns. Thereafter, the party holding such Tax Returns or other documents may dispose of them after offering the other party reasonable notice and opportunity to take possession of such Tax Returns and other documents at such other party's own expense. Each party shall make its employees reasonably available on a mutually convenient basis at its cost to provide explanation of any documents or information so provided.

Section 14.3 Tax Treatment of Indemnification Payments.

Except as otherwise required pursuant to a "determination" under Section 1313(a) of the Code (or any comparable provision of state, local, or foreign Law), Seller, Purchaser, their respective Affiliates shall treat any and all payments under this Article XIV as an adjustment to the purchase price for all Tax purposes.

Section 14.4 Transfer Taxes.

To the extent that any sales, use, registration, transfer (including all stock transfer and all real estate transfer and conveyance and recording fees, if any), stamp, stamp duty reserve, stamp duty land tax, VAT, or other similar Taxes and all notarial fees (collectively, "Transfer Taxes") that may be imposed upon, payable, collectible or incurred in connection herewith and the transactions contemplated hereby, the cost of such Transfer Taxes shall be divided evenly between Purchaser and Seller; provided, however, that any VAT Taxes that are recoverable (by way of refund, credit, or otherwise) by the Purchaser or any of its Affiliates from the relevant tax authorities under applicable Law shall be paid entirely by Purchaser. Seller and Purchaser shall

cooperate in the execution and filing of any Tax Returns, affidavits or other documents relating to any Transfer Taxes. Seller acknowledges that it will seek from the Bankruptcy Court as part of the Approval Order a waiver of Transfer Taxes under Section 1146 of the Bankruptcy Code. Seller shall use commercially reasonable efforts to obtain such relief as part of the Approval Order.

Section 14.5 Other Agreements.

(a) After the Closing, this Article XIV shall supersede any and all Tax-sharing or similar agreements to which Seller or any of its Affiliates are parties.

(b) The rights and obligations of the Parties with respect to indemnification for any and all Tax matters shall be governed solely by this Article XIV.

ARTICLE XV

DEFINITIONS AND TERMS

As used in this Agreement, the following terms shall have the meanings set forth below:

Section 15.1 Affiliate.

"***Affiliate***" means, as to any Person, (a) any Subsidiary of such Person and (b) any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person, including (without limitation) all entities that, together with the Seller, are treated as a single employer under Section 414(b) or (c) of the Code. For the purposes of this definition, "control" means the possession of the power to direct or cause the direction of management and policies of Person, whether through the ownership of voting securities, by contract or otherwise.

Section 15.2 Agreement.

"***Agreement***" has the meaning set forth in the preamble.

Section 15.3 Allocation Schedule.

"***Allocation Schedule***" has the meaning set forth in Section 2.4.

Section 15.4 Alternative Transaction.

"***Alternative Transaction***" means a sale or other transaction involving the transfer of any material portion of the Purchased Assets to a party other than Purchaser.

Section 15.5 Approval Order.

"***Approval Order***" has the meaning set forth in Section 6.3.

Section 15.6 Assumed Benefit Plans

"***Assumed Benefit Plans***" has the meaning set forth in Section 10.3.

Section 15.7 Assumed Collective Bargaining Agreements.

"Assumed Collective Bargaining Agreements" means solely the following agreements:

(i) That certain Collective Bargaining Agreement between the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW ("UAW"), and its affiliated Local Union No. 2049 (Unit #1) and Dana Corporation, Coupled Products, Columbia City, Indiana, effective September 9, 2004 and terminating February 12, 2008 (the "Columbia City Assumed Collective Bargaining Agreement"), and

(ii) That certain Agreement Between Dana Corporation, Fluid Routing Products Group, Upper Sandusky, Ohio Plant and the UAW and its affiliated Local Union No. 1588, effective May 11, 2005 and terminating March 31, 2009 (the "Upper Sandusky Assumed Collective Bargaining Agreement"),

but, in each case, solely with respect to the Union Transferred Employees, and solely to the extent provided in, and subject to the limitations of, Sections 1.3, 1.4, 10.1 through 10.4 and 11.2.

Section 15.8 Assumed Liabilities.

"***Assumed Liabilities***" has the meaning set forth in Section 1.3.

Section 15.9 Bankruptcy Avoidance Actions.

"***Bankruptcy Avoidance Actions***" has the meaning set forth in Section 1.2(p).

Section 15.10 Bankruptcy Code.

"***Bankruptcy Code***" means 11 U.S.C. Section 101, et. seq., as it may be amended during the Cases.

Section 15.11 Bankruptcy Court.

"***Bankruptcy Court***" means the United States Bankruptcy Court for the Southern District of New York, or any other court having jurisdiction over the Cases from time to time.

Section 15.12 Bidding Procedures Order

"***Bidding Procedures Order***" has the meaning set forth in the Recitals.

Section 15.13 Bidding Procedures

"***Bidding Procedures***" has the meaning set forth in the Recitals.

Section 15.14 Business.

"***Business***" means the design, manufacture, assembly and sale of hose and tube assemblies and related and associated components thereof for fluid routing products and systems as currently conducted by and through Seller's Fluid Products Group through facilities in North America, for ultimate use by original equipment manufacturers and original equipment servicers in fluid routing applications including fuel, brake, power assisted steering, heating ventilation and air conditioning for use in light vehicles and commercial and recreational vehicles as engaged in by Seller and its Selling Subsidiaries prior to the Closing; provided, however, that the Business shall not include the activities or operations of the Hose and Tubing Business.

Section 15.15 Business Day.

"***Business Day***" means any day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or obligated by Law to close.

Section 15.16 Business Employee Benefit Plan

"***Business Employee Benefit Plan***" means any Seller Employee Benefit Plan that provides or has provided benefits to any Business Employee or any beneficiary or dependant thereof.

Section 15.17 Business Employee.

"***Business Employees***" means all employees employed immediately prior to the Closing Date by Seller or any of its Affiliates who are principally dedicated to the Business.

Section 15.18 Cases.

"***Cases***" has the meaning set forth in the Recitals.

Section 15.19 CERCLA.

"***CERCLA***" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq.

Section 15.20 Chapter 11 Expenses.

"***Chapter 11 Expenses***" means the costs incurred and expenses paid or payable by the Seller or any Affiliate in connection with the administration of the Cases, including, without limitation: (a) fees and expenses related to any debtor-in-possession financing, (b) obligations to pay professional and other fees and expenses in connection with the Cases (including, without limitation, fees of attorneys, accountants, investment bankers, financial advisors, noticing agents, and consultants retained by the Seller or any Affiliate, any creditors' or equity committee, or any

debtor-in-possession or pre-petition lender, and any compensation for making a substantial contribution to the Cases), (c) fees and expenses payable to the United States Trustee under Section 1930 of title 28, United States Code, and (d) expenses of members of any creditors' or equity holders' committee.

Section 15.21 Chosen Court.

"***Chosen Court***" has the meaning set forth in Section 16.14.

Section 15.22 Closing.

"***Closing***" has the meaning set forth in Section 3.1.

Section 15.23 Closing Date.

"***Closing Date***" has the meaning set forth in Section 3.1.

Section 15.24 Closing Date Business Employees.

"***Closing Date Business Employees***" has the meaning set forth in Section 10.1(a).

Section 15.25 Closing Net Working Assets.

"***Closing Net Working Assets***" has the meaning set forth in Section 2.2(e).

Section 15.26 Closing Statement of Net Assets.

"***Closing Statement of Net Assets***" has the meaning set forth in Section 2.2(c).

Section 15.27 COBRA.

"***COBRA***" means the provisions of Code Section 4980B and Part 6 of Title I of ERISA, as amended, any implementing regulations, and any applicable similar state law.

Section 15.28 Code.

"***Code***" means the Internal Revenue Code of 1986, as amended.

Section 15.29 Columbia City 401(k) Plan.

"***Columbia City 401(k) Plan***" has the meaning set forth in Section 10.3.

Section 15.30 Commitments.

"***Commitments***" means the commitments for title insurance issued by First American Title Insurance Company providing for the issuance of a current owner's policy of title insurance showing title vested in Seller, or the Selling Subsidiary, for each parcel of Owned Real Property in the forms attached hereto and made a part hereof as Exhibit M.

Section 15.31 Contract.

"***Contract***" means any contract or agreement, including without limitation any indenture, note, bond, loan, instrument, lease (including real property leases), conditional sale contract, purchase or sales orders or mortgage, whether written or oral.

Section 15.32 Cure Costs.

"***Cure Costs***" has the meaning set forth in Section 6.6.

Section 15.33 Current Employees.

"***Current Employees***" has the meaning set forth in Section 10.1(a).

Section 15.34 Dana Defined Contribution Plan.

"***Dana Defined Contribution Plan***" has the meaning set forth in Section 10.2.

Section 15.35 Dana Retirement Plan.

"***Dana Retirement Plan***" has the meaning set forth in Section 10.2.

Section 15.36 Debtor Contracts.

"***Debtor Contracts***" has the meaning set forth in Section 1.1(e).

Section 15.37 Debtors.

"***Debtors***" has the meaning set forth in the Recitals.

Section 15.38 Deposit Agent.

"***Deposit Agent***" has the meaning set forth in Section 2.5.

Section 15.39 Deposit Agreement.

"***Deposit Agreement***" has the meaning set forth in Section 2.5.

Section 15.40 Deposit Amount.

"***Deposit Amount***" has the meaning set forth in Section 2.5.

Section 15.41 Employee Benefit Plan.

"***Employee Benefit Plan***" means any "employee benefit plan" as defined by Section 3(3) of ERISA, whether or not subject to ERISA, and, whether written or oral and whether or not maintained in the United States, and any other written or oral employee stock option, stock appreciation, stock purchase, phantom stock, or other equity-based performance, deferred compensation, profit-sharing, pension, retirement, retiree benefit, employment, termination or

severance pay, change of control, vacation, medical, life, health, dental, sick pay or disability, accident, group or individual insurance, vacation pay, holiday pay, or other welfare or fringe benefit plan, policy, agreement or other obligation. Employee Benefit Plan shall not include Social Security, Medicare, workers compensation, or any similar mandated social welfare benefit or scheme administered by any federal, state or local government.

Section 15.42 Endorsements.

"***Endorsements***" means contiguity endorsements, if applicable and if available in the State in which the Owned Real Properties are located, endorsements insuring compliance with any covenants, conditions and restrictions constituting Permitted Exceptions, access endorsements, endorsements deleting the so-called creditor's rights exception or exclusion, owner's comprehensive endorsements, tax parcel endorsements, survey endorsements, legal description equivalency endorsements, 3.1 zoning endorsements (with parking), utility facilities endorsements, plat act endorsements, and such other endorsements as Purchaser shall reasonably request.

Section 15.43 Environment.

"***Environment***" means any surface water, groundwater, land surface, subsurface strata, man made structure or building, sediment, plant or animal life, natural resources, indoor or outdoor air, soil and subsoil.

Section 15.44 Environmental Law.

"***Environmental Law***" means any Law concerning: (a) the Environment, including pollution, contamination, cleanup, preservation, protection, and reclamation of the Environment; (b) health or safety, including occupational safety and the exposure of employees and other persons to any Hazardous Material; (c) any Release or threatened Release of any Hazardous Material, including investigation, monitoring, clean up, removal, treatment, or any other action to address such Release or threatened Release; and (d) the management of any Hazardous Material, including the manufacture, generation, formulation, processing, labeling, distribution, introduction into commerce, registration, use, treatment, handling, storage, disposal, transportation, re-use, recycling or reclamation of any Hazardous Material, including, but not limited to, CERCLA, RCRA, the Hazardous Materials Transportation Act, 49 U.S.C. 1802 et. seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et. seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251 et. seq., the Clean Air Act, 42 U.S.C. 7401 et. seq., Occupational Safety and Health Act, 29 U.S.C. 651 et. seq., as well as Mexico's General Law of Ecological Equilibrium and Environmental Protection ("Ley General del Equilibrio Ecológico y la Protección al Ambiente"), Mexico's General Law for the Prevention and Integral Management of Wastes ("Ley General para la Prevención y Gestión Integral de los Residuos"), Mexico's National Waters Law ("Ley de Aguas Nacionales"), Mexico's General Health Law ("Ley General de Salud"), and their respective and corresponding regulations, including the Federal Regulation for Safety and Health in the Work Environment ("Reglamento Federal de Seguridad, Higiene y Medio Ambiente en el Trabajo") and Regulations of the General Law for the Prevention and Integrated Management of Waste ("Reglamento de la Ley General para la Prevención y Gestión Integral de los Residuos") as such laws and regulations have been

amended or supplemented, and including but not limited to the following Mexican Official Norms: NOM-052-SEMARNAT-2005, NOM-053-SEMARNAT-1993, NOM-138-SEMARNAT/SS-2003, NOM-147-SEMARNAT/SSA1-2004, AND NOM-010-STPS-1999.

Section 15.45 Environmental Assessments.

"***Environmental Assessments***" has the meaning set forth in Section 11.5(b).

Section 15.46 Environmental Condition.

"***Environmental Condition***" has the meaning set forth in Section 11.5(a).

Section 15.47 Environmental Testing Period.

"***Environmental Testing Period***" has the meaning set forth in Section 11.5(b).

Section 15.48 ERISA.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

Section 15.49 Estimated Adjustment Amount

"Estimated Adjustment Amount" has the meaning set forth in Section 2.2(a).

Section 15.50 Excluded Assets.

"***Excluded Assets***" has the meaning set forth in Section 1.2.

Section 15.51 Excluded Intellectual Property.

"***Excluded Intellectual Property***" has the meaning set forth in Section 1.2(d).

Section 15.52 Excluded Liabilities.

"***Excluded Liabilities***" means all Liabilities of Seller and any of its Subsidiaries other than Assumed Liabilities.

Section 15.53 Excluded Taxes.

"***Excluded Taxes***" means to the extent not paid (including the payment of estimated Taxes) before Closing or reflected on the Closing Statement of Net Assets as a dollar amount, any Taxes imposed on or payable with respect to the Business for any Pre-Closing Tax Period (other than Taxes resulting from any act or transaction taken by Purchaser or its Affiliates after the Closing).

Section 15.54 Existing Inventory.

"***Existing Inventory***" has the meaning set forth in Section 7.6(c).

Section 15.55 [Intentionally Omitted].

Section 15.56 Expense Reimbursement Order.

Section 15.57 Expense Reimbursement.

"***Expense Reimbursement***" has the meaning set forth in Section 13.2(b).

Section 15.58 [Intentionally Omitted].

"***Final Cash Consideration***" has the meaning set forth in Section 2.1(a).

Section 15.59 Final Consideration.

Section 15.60 Final Order.

"***Final Order***" means an order of the Bankruptcy Court or other court of competent jurisdiction: (a) as to which no appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or motion for new trial, request for stay, motion or petition for reconsideration, application or request for review, or other similar motion, application, notice or request (collectively, a "Challenge") has been timely filed, or, if any of the foregoing has been timely filed, it has been disposed of in a manner that upholds and affirms the subject order in all respects without the possibility for further Challenge thereon; (b) as to which the time for instituting or filing a Challenge shall have expired; and (c) as to which no stay is in effect; except that the Approval Order shall be a Final Order if (x) the time for instituting or filing a Challenge has expired, (y) no stay of the Approval Order is in effect and (z) in the reasonable opinion of the Purchaser, any Challenge that was timely filed is not likely to amend, revoke, supplement, vacate or otherwise modify the Approval Order in a manner that would be materially adverse to the Purchaser.

Section 15.61 Financial Statements.

"***Financial Statements***" has the meaning set forth in Section 4.6.

Section 15.62 Foreign Country Tax Agreements.

"***Foreign Country Tax Agreements***" means the agreements attached as Exhibit L relating to Tax allocation and indemnification in certain foreign countries.

Section 15.63 GAAP.

"***GAAP***" means generally accepted accounting principles in the United States of America, which are applicable to the circumstances as of the date of determination.

Section 15.64 Governmental Body.

"***Governmental Body***" means any government or governmental or regulatory body thereof, or political subdivision thereof, of any country or subdivision thereof, whether national,

federal, state or local, or any agency or instrumentality thereof, or any court or arbitrator (public or private), other than the Bankruptcy Court or any other court of competent jurisdiction over the Cases or over any appeal of an Order entered in the Cases.

Section 15.65 [Intentionally Omitted].

Section 15.66 Hazardous Material.

"***Hazardous Material***" means collectively, any material defined as, or considered to be, a "hazardous waste," "hazardous substance," regulated substance, pollutant or contaminant under any Environmental Law including asbestos, PCBs, oil, petroleum or any fraction thereof.

Section 15.67 Hourly Business Employees.

"***Hourly Business Employees***" has the meaning set forth in Section 10.1(a)(ii).

Section 15.68 Hose and Tubing Business.

"***Hose and Tubing Business***" has the meaning set forth in Section 1.2(j).

Section 15.69 Indemnified Party.

"***Indemnified Party***" has the meaning set forth in Section 11.4.

Section 15.70 Indemnifying Party.

"***Indemnifying Party***" has the meaning set forth in Section 11.4.

Section 15.71 Independent Auditors.

"***Independent Auditors***" has the meaning set forth in Section 2.2(d).

Section 15.72 Initial Cash Consideration.

"***Initial Cash Consideration***" has the meaning set forth in Section 2.1(a).

Section 15.73 [Intentionally Omitted].

Section 15.74 Intellectual Property.

"***Intellectual Property***" means all transferable intellectual or industrial property rights or other similar proprietary rights in any jurisdiction, including such rights in and to: (a) Trademarks; (b) copyrights and copyrightable works including software source code, object code, data and documentation; (c) Patents; (d) invention disclosures, discoveries and improvements, whether or not patentable; (e) Trade Secrets; (f) Internet domain names; and (g) the goodwill associated with each of the foregoing.

Section 15.75 Intellectual Property Contract.

"***Intellectual Property Contract***" means all agreements concerning Intellectual Property exclusively used in the Business to which Seller is a party, including, without limitation, agreements granting Seller and its Subsidiaries rights to use the Licensed Intellectual Property.

Section 15.76 IT Assets.

"***IT Assets***" means the proprietary software Related to the Business set forth on Schedule 15.76.

Section 15.77 Knowledge.

"***Knowledge***" means the actual knowledge as of the date hereof, with respect to those representations and warranties that are deemed made as of the Closing Date pursuant to Section 8.1, of the individuals set forth on Schedule 15.77.

Section 15.78 Law.

"***Law***" means any international, national, federal, state or local law (including common law), treaty, statute, constitutional provision, code, ordinance, rule, regulation, directive, concession, Order or other requirement or guideline of any country or subdivision thereof.

Section 15.79 Leased Real Properties.

"***Leased Real Properties***" means the real property leased pursuant to, and subject to, the Real Property Leases.

Section 15.80 Leave Employees.

"***Leave Employees***" has the meaning set forth in Section 10.1(a).

Section 15.81 Legal Proceeding.

"***Legal Proceeding***" means any judicial, administrative or arbitral action, suit, proceeding (public or private) or governmental proceeding or investigation.

Section 15.82 Liabilities.

"***Liabilities***" means any and all: (a) debts; (b) claims, (including, "claims" as that term is defined in sections 101(5)(A) and 101(5)(B) of the Bankruptcy Code, except that a right to equitable remedy shall also be considered a claim whether or not the breach gives rise to a right to payment); (c) judgments, demands, guarantees, interest, penalties, fines or other charges or assessments, whether assessed or assessable; (d) rights of setoff, offset or recoupment held, or any other claims, rights or defenses that may be asserted, by any Person; (e) obligations to comply with any settlement agreements, voluntary assurances any other similar decrees, agreements and settlements entered with any Person; and (f) other liabilities, commitments and obligations, whether or not fixed, contingent or absolute, matured or unmatured, liquidated or

unliquidated, accrued or unaccrued, known or unknown, whether imposed by agreement, understanding, Law, equity or otherwise.

Section 15.83 Licensed Intellectual Property.

"***Licensed Intellectual Property***" shall mean the Intellectual Property that any third Person has licensed to Seller or any of its Selling Subsidiaries or otherwise authorized Seller or any of its Selling Subsidiaries to use exclusively in connection with the Business under the terms of any Intellectual Property Contract.

Section 15.84 Lien.

"***Lien***" means any lien (statutory or otherwise), pledge, mortgage, deed of trust, security interest, charge, option, right of first refusal, easement, covenant, condition, restriction, servitude, transfer restriction, encumbrance or conditional sale or other title retention agreement.

Section 15.85 Losses.

"***Losses***" has the meaning set forth in Section 11.2.

Section 15.86 Material Adverse Effect.

"***Material Adverse Effect***" means any change, event, impairment or effect that is (or would reasonably be expected to be) materially adverse to the Purchased Assets or the financial condition or operations of the Business, taken as a whole, except for any such change, event or effect resulting from or arising out of (i) changes or developments in financial or securities markets (including currency exchange or interest rates); (ii) general economic conditions affecting the industry in which the Business is conducted and which do not have a materially disproportionate effect on the Business; and (iii) the impact associated with the announcement of the transactions contemplated hereby.

Section 15.87 Material Business Contracts.

"***Material Business Contracts***" has the meaning set forth in Section 4.11.

Section 15.88 Michigan Sublease.

"***Michigan Sublease***" has the meaning set forth in Section 3.2.

Section 15.89 Modified GAAP.

"***Modified GAAP***" means GAAP as modified by the principles, methods and examples set forth in Schedule 15.89.

Section 15.90 Net Working Assets Adjustment.

"***Net Working Assets Adjustment***" has the meaning set forth in Section 2.2(f).

Section 15.91 Net Working Assets Target.

"***Net Working Assets Target***" has the meaning set forth in Section 2.2(a).

Section 15.92 Net Working Assets of the Business.

"***Net Working Assets of the Business***" has the meaning set forth in Section 2.2(a).

Section 15.93 NLRB Proceedings.

"***NLRB Proceedings***" means the proceedings in or arising out of NLRB Cases 8-RD-1976, 6-RD-1518 and 6-RD-1519 (see, e.g., 341 NLRB No. 150).

Section 15.94 Nonassignable Assets.

"***Nonassignable Assets***" has the meaning set forth in Section 10.5(b).

Section 15.95 Non-Debtor Contracts.

"***Non-Debtor Contracts***" has the meaning set forth in Section 1.1(f).

Section 15.96 Non-Debtor Selling Subsidiaries.

"***Non-Debtor Selling Subsidiaries***" means the Selling Subsidiaries that are not Debtors.

Section 15.97 Non-Union Business Employees.

"***Non-Union Business Employees***" has the meaning set forth in Section 10.1(a).

Section 15.98 Non-Union Transferred Employees.

"***Non-Union Transferred Employees***" has the meaning set forth in Section 10.1(d).

Section 15.99 Operative Documents.

"***Operative Documents***" means collectively, this Agreement, the Deposit Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Intellectual Property Assignment, the Transition Agreement, and the Michigan Sublease.

Section 15.100 Order.

"***Order***" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of (i) any Governmental Body or (ii) the Bankruptcy Court or any other court of competent jurisdiction over the Cases or over any appeal of an Order entered in the Cases.

Section 15.101 Other Marked Assets.

"***Other Marked Assets***" has the meaning set forth in Section 7.6(c).

Section 15.102 Owned Real Property.

"***Owned Real Property***" means the real property Related to the Business listed on Schedule 15.102 together with any and all buildings, structures, improvements and fixtures located, thereon, owned by the Seller or its Subsidiaries.

Section 15.103 Patents.

"***Patents***" means patents, including design patents and utility patents, reissues, divisions, continuations, continuations-in-part, reexaminations and extensions thereof, in each case including all applications therefor.

Section 15.104 Permit.

"***Permit***" means any approval, authorization, consent, franchise, license, permit or certificate by any Governmental Body.

Section 15.105 Permitted Exceptions.

"***Permitted Exceptions***" means the items on Schedule 15.105 and (a) liens for current Taxes, assessments or other claims by a Governmental Body not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings or for which an appropriate reserve or security deposit is established by Seller therefore; (b) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business; (c) zoning, subdivision, building code, entitlement and other land use, construction, and environmental regulations by Governmental Bodies; (d) matters that would be shown or otherwise reflected by an accurate survey or are shown on the Surveys which do not materially diminish the value of or materially interfere with the continued use of the Owned Real Property consistent with past practice; (e) easements of record, rights-of-way of record, licenses of record, leases of record, utility agreements of record, restrictions of record, and other similar encumbrances of record; and (f) with respect to the Personal Property only, such other imperfections in title, charges, easements, restrictions and encumbrances which do not materially diminish the value of or materially interfere with the continued use of such personal property or asset used in the Business consistent with past practice.

Section 15.106 Person.

"***Person***" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, representative office, branch, Governmental Body or other similar entity.

Section 15.107 Personal Property Leases.

"***Personal Property Leases***" has the meaning set forth in Section 4.9(a).

Section 15.108 Petition Date.

"***Petition Date***" means March 3, 2006.

Section 15.109 Post-Closing Tax Period.

"***Post-Closing Tax Period***" means any taxable period (or portion thereof) beginning after the Closing Date.

Section 15.110 Pre-Closing Tax Period.

"***Pre-Closing Tax Period***" means any taxable period (or portion thereof) ending on or before the Closing Date.

Section 15.111 Property Taxes.

"***Property Taxes***" means real, personal, and intangible ad valorem property Taxes.

Section 15.112 Purchased Assets.

"***Purchased Assets***" has the meaning set forth in Section 1.1.

Section 15.113 Purchased Debtor Contracts.

"***Purchased Debtor Contracts***" has the meaning set forth in Section 6.5(b).

Section 15.114 Purchased Equipment.

"***Purchased Equipment***" has the meaning set forth in Section 1.1(b).

Section 15.115 Purchased Intellectual Property.

"***Purchased Intellectual Property***" has the meaning set forth in Section 1.1(g).

Section 15.116 Purchaser.

"***Purchaser***" has the meaning set forth in the preamble.

Section 15.117 Purchaser Approved Contract.

"***Purchaser Approved Contract***" means each Contract listed or referred to in Schedule 4.11(a) hereto, other than (i) the Real Property Lease for Rochester Hills and (ii) the Contracts of the Non-Debtor Subsidiaries listed under the headings San Luis Potosi, Mexico Facility I.

Section 15.118 Purchaser Closing Documents.

"***Purchaser Closing Documents***" has the meaning set forth in Section 5.2.

Section 15.119 Purchaser Financial Advisor.

"***Purchaser Financial Advisor***" has the meaning set forth in Section 5.8.

Section 15.120 Purchaser Indemnified Group.

"***Purchaser Indemnified Group***" means Purchaser, its Subsidiaries and their respective Affiliates, together with their successors and assigns, and their officers, directors, employees and agents.

Section 15.121 Purchaser Labor Designee.

"***Purchaser Labor Designee***" has the meaning set forth in Section 6.2(j).

Section 15.122 Purchaser Retirement Plans.

"***Purchaser Retirement Plans***" has the meaning set forth in Section 10.1(f).

Section 15.123 Purchaser Upper Sandusky Union Defined Contribution Plan.

"***Purchaser Upper Sandusky Union Defined Contribution Plan***" has the meaning set forth in Section 10.1(e).

Section 15.124 Purchaser Welfare Plans.

"***Purchaser Welfare Plans***" has the meaning set forth in Section 10.1(f).

Section 15.125 RCRA.

"***RCRA***" means the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq.

Section 15.126 Real Property Leases.

"***Real Property Leases***" means the real property leases of Seller or the Selling Subsidiaries (as tenants or lessees) Related to the Business listed on Schedule 15.126.

Section 15.127 Registered Intellectual Property

"***Registered Intellectual Property***" means: (i) Patents; (ii) registrations and applications for registration included within Trademarks; (iii) Internet domain names; and (iv) copyright registrations for copyrightable works and all renewals and pending applications for such copyright registrations.

Section 15.128 Related to the Business.

"***Related to the Business***" means primarily related to, or used primarily in, the Business as conducted by Seller and the Selling Subsidiaries as of the date hereof.

Section 15.129 Release.

"***Release***" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching, or migration at, or from, into or onto the Environment,

including movement or migration through or in the air, soil, surface water or groundwater, whether sudden or non-sudden and whether accidental or non-accidental, or any release, emission or discharge as those terms are defined in any applicable Environmental Law.

Section 15.130 Remedial Action.

"***Remedial Action***" shall mean any action to investigate, evaluate, assess, test, monitor, remove, respond to, treat, abate, remedy, correct, clean-up or otherwise remediate the release or presence of any Hazardous Material.

Section 15.131 Remediation Condition.

"***Remediation Condition***" has the meaning set forth in Section 11.5(c).

Section 15.132 Retention Agreements.

"***Retention Agreements***" shall mean the retention agreements between Seller and the Business Employees as set forth in the agreements listed on Schedule 15.132.

Section 15.133 Review Period.

"***Review Period***" has the meaning set forth in Section 2.2(d).

Section 15.134 Salaried Business Employees.

"***Salaried Business Employees***" has the meaning set forth in Section 10.1(a)(i).

Section 15.135 Seller.

"***Seller***" has the meaning set forth in the preamble.

Section 15.136 Seller Business Facilities.

"***Seller Business Facilities***" means the Rochester Hills, Michigan facility, Wharton, Ohio facility, Upper Sandusky, Ohio facility, Columbia City, Indiana facility and Pensacola, Florida facility at which the Business was conducted and the Business Employees were employed by Seller or any of its Affiliates immediately prior to the Closing Date, and specifically excluding Seller's closed facilities at Mitchell, Indiana and Andrews, Indiana at which the Business was previously conducted.

Section 15.137 Seller Closing Documents.

"***Seller Closing Documents***" has the meaning set forth in Section 4.2.

Section 15.138 Seller Employee Benefit Plan.

"***Seller Employee Benefit Plan***" means any Employee Benefit Plan established, sponsored or maintained by the Seller or any Affiliate, or any pension plan subject to Title IV of

ERISA with respect to which Seller or any Affiliate has or has had any obligation, during the six year period ending on the Closing Date.

Section 15.139 Seller Financing.

"***Seller Financing***" means the post-petition financing facilities or arrangements of the Debtors.

Section 15.140 Seller Indemnified Group.

"***Seller Indemnified Group***" means Seller, its Subsidiaries and their respective Affiliates, together with their successors and assigns, and their officers, directors, employees and agents.

Section 15.141 Seller Name.

"***Seller Name***" has the meaning set forth in Section 7.6(a).

Section 15.142 Seller Portion.

"***Seller Portion***" has the meaning set forth in Section 10.1(k).

Section 15.143 Seller Union Pension Plans.

"***Seller Union Pension Plans***" has the meaning set forth in Section 10.1(e).

Section 15.144 Seller Upper Sandusky Union Defined Contribution Plan.

"***Seller Upper Sandusky Union Defined Contribution Plan***" means the Dana Corporation Savings Works Plan for Collectively Bargained Employees at Certain Facilities (Dana Plan No. 146) in effect as of the date hereof.

Section 15.145 Seller Welfare Plans.

"***Seller Welfare Plans***" has the meaning set forth in Section 10.2(b).

Section 15.146 [Intentionally Omitted].

Section 15.147 Selling Subsidiaries.

"***Selling Subsidiaries***" has the meaning set forth in the Recitals.

Section 15.148 SLP I Real Property Leases.

"SLP I Real Property Leases" means all Real Property Leases listed on Schedule 15.126, other than the Real Property Lease for Rochester Hills.

Section 15.149 Statement of Net Assets.

"***Statement of Net Assets***" has the meaning set forth in Section 4.6.

Section 15.150 Straddle Period.

"***Straddle Period***" means any taxable period beginning on or prior to and ending after the Closing Date.

Section 15.151 Subsidiary.

"***Subsidiary***" means, with respect to any Person, any other Person of which such Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, a majority of the outstanding equity securities or securities carrying a majority of the voting power in the election of the board of directors or other governing body of such Person.

Section 15.152 Surveys.

"***Surveys***" means a plat of survey of each parcel of Real Property, dated no earlier than the date of this Agreement, showing lot lines and monuments; building lines, setback lines; zoning and land use information pertaining to the Real Property (including any F.A.R. or green space requirements, and any height restrictions); easements (both burdening and/or benefiting the Real Property); all other title exceptions of record (to the extent such items can be located by the surveyor); access locations; utilities (including, but not limited to, water, sewer, gas, electric and telephone lines to the point of connection with the public systems); other improvements (including, but not limited to, roads, streets, driveways, and sidewalks); location of water courses or water bodies; and the square footage of the Real Property. The Surveys shall evidence whether or not there are any encroachments of improvements from adjoining properties onto the Real Property or from the Real Property onto adjoining properties. The Surveys shall contain an accurate flood plain designation. The Surveys shall be certified by a state appropriate registered land surveyor as having been prepared in compliance with ALTA/ACSM land survey standards, which certification shall run to the benefit of the Purchaser, First American Title Insurance Company and any other party or parties designated by Purchaser. The Surveys shall also include any additional items required by Purchaser.

Section 15.153 Tax or Taxes.

"***Tax***" or "***Taxes***" means all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, VAT, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property, rollback and estimated taxes, customs duties, fees, assessments and other governmental charges of any kind whatsoever, together with all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority with respect to such amounts.

Section 15.154 Tax Proceeding.

"***Tax Proceeding***" means any audit, examination, contest, litigation or other proceeding by or against any taxing authority.

Section 15.155 Tax Return.

"***Tax Return***" means a report, return or other information required to be supplied to a governmental entity with respect to Taxes (including any amendments and Schedules thereto).

Section 15.156 Trade Secrets.

"***Trade Secrets***" means trade secret business information including ideas, formulas, compositions, technical documentation, operating manuals and guides, plans, designs, sketches, inventions, production molds, product specifications, equipment lists, engineering reports and drawings, architectural and engineering plans, manufacturing and production processes and techniques; drawings, specifications, plans, proposals, research records, inspection processes invention records and technical data; financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, licensing records, advertising and promotional materials, service and parts records, warranty records, maintenance records that have been and are maintained in confidence and that provide a competitive business advantage.

Section 15.157 Trademarks.

"***Trademarks***" means trademarks, service marks, brand names, logos, certification marks, trade dress, assumed names and trade names, including all applications for registration therefor, registrations and all renewals, modifications and extensions thereof and the goodwill associated with each of the foregoing.

Section 15.158 Transfer Taxes.

"***Transfer Taxes***" has the meaning set forth in Section 14.4.

Section 15.159 Transferred Employees.

"***Transferred Employees***" has the meaning set forth in Section 10.1(d).

Section 15.160 Transition Agreements.

"***Transition Agreements***" has the meaning set forth in Section 6.10.

Section 15.161 Trigger Level.

"***Trigger Level***" has the meaning set forth in Section 11.5(d)

Section 15.162 [Intentionally Omitted].

Section 15.163 Union Business Employees

"***Union Business Employees***" has the meaning set forth in Section 10.1(a).

Section 15.164 Union Transferred Employees.

"***Union Transferred Employees***" has the meaning set forth in Section 10.1(d).

Section 15.165 VAT.

"***VAT***" means any value added Tax, goods and services Tax, sales or turnover Tax or similar Tax, including such Tax as may be imposed by the Sixth Council Directive of the European Communities and national legislation implementing or supplemental to that directive.

Section 15.166 WARN ACT.

"***WARN ACT***" means the Worker Adjustment and Retraining Notification Act and any other similar law of any state, locality or other Governmental Body.

Section 15.167 Other Definitional and Interpretive Provisions.

(a) This Agreement is the result of the joint efforts of Purchaser and Seller, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there is to be no construction against either party based on any presumption of that party's involvement in the drafting thereof. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

(b) Unless otherwise specified, the terms "hereof," "herein," "hereunder," "herewith" and similar terms refer to this Agreement as a whole (including the exhibits, and Schedules to this Agreement), and references herein to Sections and Articles refer to sections and articles of this Agreement.

(c) Whenever used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders, and the terms "include" and "including" shall be inclusive and not exclusive and shall be deemed to be followed by the following phrase "without limitation."

(d) The terms "dollars" and "$" shall mean United States dollars.

(e) Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Notices.

Any notice or demand to be given hereunder shall be in writing and deemed given when personally delivered, sent by overnight courier or deposited in the mail, postage prepaid, sent

certified or registered, return receipt requested, and addressed as set forth below or to such other address as any party shall have previously designated by such a notice. Any notice so delivered personally shall be deemed to be received on the date of delivery; any notice so sent by overnight courier shall be deemed to be received on the date received; and any notice so mailed shall be deemed to be received on the date stamped on the receipt (rejection or other refusal to accept or inability to deliver because of a change of address of which no notice was given shall be deemed to be receipt of the notice).

If to Purchaser:

Coupled Products Acquisition LLC
88 Airport Road
Elgin, IL 60123
Attention: Paul Cumberland
Telephone No.: (847) 931-4838

With a copy to:

Sidley Austin LLP
One South Dearborn
Chicago, IL 60603
Attention: John Box
Fax No.: (312) 853-7036

If to Seller:

Dana Corporation
4500 Dorr Street
Toledo, OH 43615
Attention: General Counsel
Telephone No.: (419) 535-4500

With a copy to:

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, VA 23219-4074
Attention: Robert A. Acosta-Lewis, Esq.
Telephone No.: (804) 788-8200

Section 16.2 Amendment; Waiver.

Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Purchaser and Seller, or in the case of a waiver, by the party against whom the waiver is to be effective. No

failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law, except as otherwise expressly provided herein.

Section 16.3 Assignment.

(a) No party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement without the written consent of the other party hereto and any purported assignment or delegation without such consent shall be void and of no further effect; provided, however, that Purchaser shall be entitled to appoint one or more designees to acquire Purchased Assets from PTG Mexico S. de R.L. de C.V. and PTG Servicios S. de R.L. de C.V; provided that Purchaser delivers to Seller, on the Closing Date, a certificate signed on its behalf containing representations and warranties with respect to each such designee that are similar to those made by Purchaser in Sections 5.1 through 5.5 . Following the Closing, either party may assign any of its rights hereunder. No assignment or appointment of a designee shall relieve either party of its obligations hereunder.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns. The successors and permitted assigns hereunder shall include, in the case of Purchaser, any permitted assignee as well as the successors in interest to such permitted assignee (whether by merger, liquidation (including successive mergers or liquidations) or otherwise).

Section 16.4 Entire Agreement.

The Schedules and Exhibits attached to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein. Any matter disclosed by Seller on any one Schedule shall be deemed to have been disclosed on any other Schedule so long as the relevance of such matter to such other Schedule is reasonably apparent. This Agreement (together with the Schedules, Exhibits and other agreements referenced herein) contains, and is intended as, a complete statement of all of the terms and the arrangements between the parties hereto with respect to the matters provided for herein, and supersedes any previous agreements and understandings between the parties hereto with respect to those matters. It shall be expressly understood that this Agreement shall govern the transactions contemplated hereby as a whole and that any local agreements, instruments, certificates or other documents entered into or delivered in connection with this Agreement with respect to a particular jurisdiction shall not be construed as amendments or novations of this Agreement but rather shall be complemented by and interpreted in light of this Agreement.

Section 16.5 Fulfillment of Obligations.

Any obligation of any party to any other party under this Agreement, which obligation is performed, satisfied or fulfilled by an Affiliate of such party, shall be deemed to have been performed, satisfied or fulfilled by such party.

Section 16.6 Parties in Interest.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 16.7 No Third-Party Rights.

Except as otherwise provided in Sections 10.1, 10.2, 10.3 and 10.4, nothing in this Agreement, express or implied, is intended to confer on any Person not a party hereto, any rights or remedies by reason of this Agreement. No provision regarding any Employee Benefit Plan shall be interpreted as a part or amendment thereof.

Section 16.8 Public Disclosure.

Notwithstanding anything herein to the contrary, each of the parties to this Agreement hereby agrees with the other party or parties hereto that the parties shall agree in advance as to the contents of any press release or other public statement or disclosure with respect to the transactions contemplated by this Agreement issued through the time of Closing, except as may be required to comply with the requirements of any applicable Laws and the rules and regulations of any stock exchange upon which the securities of one of the parties (or its Affiliate) is listed, in which case such party shall use its reasonable best efforts to consult with the other party before releasing such information.

Section 16.9 Confidentiality

Subject to Section 16.8, the transactions contemplated by this Agreement shall be kept confidential by Seller, Purchaser and their respective representatives and Affiliates. In the event that the transactions contemplated by the Agreement are not consummated, Purchaser shall, for a period of three years following the termination of this Agreement, hold any information obtained by it from Seller or its Subsidiaries or their Affiliates or representatives in strict confidence and, without the prior written consent of Seller, shall not use any of such information for any purpose (except as required by applicable law, regulation or legal process), unless such information (i) is or becomes generally available to the public other than as a result of a disclosure by Purchaser or its officers, employees or agents in breach of this Agreement, (ii) was already known to Purchaser or its officers, employees or agents prior to its disclosure to Purchaser by or at the request of Seller or its Subsidiaries, (iii) becomes available to Purchaser on a non-confidential basis from a source other than Seller or its Subsidiaries; provided, however, that such source is not bound by a confidentiality agreement with Seller or its Subsidiaries or otherwise prohibited from disclosing such information to Purchaser by a contractual, legal or fiduciary obligation; (iv) is independently developed by Purchaser or its officers, employees or agents without any use of or reliance upon disclosure hereunder; or (v) is approved for release by written authority of Seller. In the event that Purchaser, or any of its Affiliates or representatives, is required by applicable law, regulation or legal process to disclose any of such information, Purchaser will notify Seller promptly (unless prohibited by law) so that Seller may seek an appropriate protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained or Seller does not waive compliance with this Section and Purchaser or any of its representatives are nonetheless legally compelled to disclose such information, Purchaser

or its representatives, as the case may be, will furnish only that portion of the information which Purchaser is, or such representatives are, advised by counsel is legally required to be furnished and will give Seller written notice (unless prohibited by law) of the information to be disclosed as far in advance as practicable and exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the information.

Section 16.10 Return of Information.

If for any reason whatsoever the transactions contemplated by this Agreement are not consummated, Purchaser shall promptly return to Seller all books, records and other materials furnished by Seller or any of its agents, employees or representatives (including all copies, if any, thereof), and shall not use or disclose the information contained in such books, records and other materials for any purpose or make such information available to any other entity or person.

Section 16.11 Expenses.

Subject to Sections 6.6, 13.2 and 14.4, each of the parties hereto shall bear its own expenses (including fees and disbursements of its counsel, accountants and other experts) incurred by it in connection with the preparation, negotiation, execution, delivery and performance hereof, each of the other documents and instruments executed in connection herewith or contemplated hereby and the consummation of the transactions contemplated hereby and thereby. In addition, Purchaser shall be solely responsible for all expenses in connection with its due diligence review of the Business, including without limitation environmental testing or inspections, building inspections, UCC lien and other searches, the cost of the Surveys, and the premium for issuing the Endorsements; provided, however, that Seller shall be solely responsible for the cost of title work, title inspections, title searches and Commitments, as well as the base form title policies referred to in Section 3.2(j) but not the cost of the Endorsements.

Section 16.12 Bulk Sales Laws.

Purchaser hereby waives compliance by Seller and its Subsidiaries with any applicable bulk sales law. The Non-Debtor Seller agrees to indemnify Purchaser and hold Purchaser harmless from and against any and all liability under any bulk sales law for the sale of assets by the Non-Debtor Seller under this Agreement, provided, however, that this indemnity shall not affect the obligation of Purchaser to pay and discharge the Assumed Liabilities and no indemnity is made under this Section 16.12 with respect to the Assumed Liabilities.

Section 16.13 Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, including all matters of construction, validity and performance (including sections 5-1401 and 5-1402 of the New York General Obligations Law but excluding all other choice of law and conflict of law rules.)

Section 16.14 Submission to Jurisdiction; Selection of Forum.

Each party hereto agrees that any action or proceeding for any claim arising out of or related to this Agreement or the transactions contained in or contemplated by this Agreement and the other Operative Documents, whether in tort or contract or at law or in equity, shall be brought only in either the Bankruptcy Court, while the Debtors' Cases are pending, or thereafter, in any other New York federal court sitting in the City of New York, or in any New York State court sitting in the Borough of Manhattan in the City of New York(each such court, a "Chosen Court"), and each party irrevocably (a) submits to the jurisdiction of the Chosen Courts (and of their appropriate appellate courts), (b) waives any objection to laying venue in any such action or proceeding in either Chosen Court, (c) waives any objection that such Chosen Court is an inconvenient forum for the action or proceeding, (d) agrees that, in addition to other methods of service provided by law, to the fullest extent provided by applicable law service of process in any such action or proceeding shall be effective if provided in accordance with Section 16.1 of this Agreement, and the effective date of such service of process shall be as set forth in Section 16.1, and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 16.15 Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

Section 16.16 Headings.

The heading references herein and the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 16.17 Severability.

The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

COUPLED PRODUCTS ACQUISITION LLC

By: /s/ Paul J. Cumberland
Name: Paul J. Cumberland
Title: Managing

DANA CORPORATION

By: /s/ E. P. Haag
Name: Eric P. Haag
Title: Manager, Corporate Development

EXECUTIVE BONUS AGREEMENT
BONUSVEREINBARUNG FÜR LEITENDE ANGESTELLTE

[German translation omitted]

This Agreement (the "Agreement") made and entered into on June 14, 2007, by and between Dana Corporation, a Virginia corporation, whose principal place of business is located at 4500 Dorr Street, Toledo, Ohio (the "Corporation"), and Mr. Ralf Göttel (the "Executive"), effective as of December 31, 2006.

WHEREAS, on March 3, 2006, the Corporation and forty of its Subsidiaries (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York, Case No. 06-10354 (BRL) (Jointly Administered), (the "Bankruptcy Cases");

WHEREAS, in accordance with the Memorandum Opinion of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") dated November 30, 2006 (the "Opinion"), as supplemented by an Order of the Bankruptcy Court dated December 18, 2006 (the "Order"), the Corporation desires to enter into this agreement, subject to certain conditions and limitations, as provided herein (the "Agreement") and the Order; and

WHEREAS, the Executive, in his capacity as President Engine Products Group, is exclusively employed by Reinz-Dichtungs-GmbH (the "GmbH"), a limited liability company established under the laws of the Federal Republic of Germany and a subsidiary of the Corporation.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements set forth herein, the

Corporation and the Executive agree as follows:

1. Employment and Base Salary. The Executive shall continue to be exclusively employed by the GmbH under his existing employment agreement, as last amended June 27, 2005 (the "German Agreement"), and nothing in this Agreement shall be interpreted to establish an employment relationship between the Executive and the Corporation. The Corporation shall ensure that the GmbH will fix the Executive's base gross salary at the rate of [euros] 305,100 per annum (the "Annual Base Salary"). The Annual Base Salary shall continue to be paid by the GmbH and not be a payment obligation of the Corporation.

2. (a) Additional Benefits and Compensation.

   (i) Annual Bonus. During the Executive's employment, the Executive shall be eligible to receive annual short-term incentive awards or bonuses (each such award or bonus is hereinafter referred to as an "Annual Bonus") pursuant to the Dana Corporation Annual Incentive Plan, and any successor or replacement plan (the Dana Corporation Annual Incentive Plan and such successor or replacement plans being referred to herein collectively as the "AIP"), in accordance with the terms thereof. Each Annual Bonus shall be determined and paid in accordance with the terms of the AIP.

   (ii) The EIC Plan. The

Corporation hereby adopts an Executive Incentive Compensation Plan for the Executive (the "EIC Plan") under which the Executive shall be eligible for a 2007 performance based incentive bonus (the "2007 EIC") and a 2008 performance based incentive bonus (the "2008 EIC"), subject to the terms and conditions set forth herein and in the Order. Except as otherwise provided for herein, the EIC payment shall only be earned and payable if the Executive is employed at the end of the applicable fiscal year.

(1) The Executive shall be eligible for a 2007 EIC payment of up to $633,333. The first $422,222 shall be earned by the Executive upon the achievement by the Corporation of EBITDAR for 2007 of $250 million and shall be paid in cash on the later of (a) 30 days following the filing of the Corporation's audited 2007 financial statements with the Securities and Exchange Commission (the "SEC") and (b) 30 days after the Corporation's Emergence (the applicable date, the "2007 EIC Payment Date"), provided that in the event that the Corporation achieves EBITDAR for 2007 in excess of $250 million, the Executive shall earn an additional 2007 EIC payment equal to 10.55555 basis points on EBITDAR for 2007 in excess of $250 million, up to a cap of $450 million (the

"Additional 2007 EIC Payment"). For purposes of this Agreement, the term "EBITDAR" shall have the meaning set forth in the term sheet attached as Exhibit A to the Order which is attached hereto as Exhibit 1 and incorporated herein by reference. For purposes of this Agreement, "Emergence" shall mean consummation by the Corporation of (i) a plan of reorganization under the Bankruptcy Code (the "Plan") or (ii) a sale of all or substantially all of the Corporation's assets pursuant to section 363 of the Bankruptcy Code. The Additional 2007 EIC Payment shall be paid in common stock ("Common Stock") of the reorganized Corporation on the 2007 EIC Payment Date.

(2) The Executive shall be eligible for a 2008 EIC payment of up to $316,667. The first $70,370 shall be earned by the Executive upon the achievement by the Corporation of EBITDAR for 2008 of $375 million, provided that in the event the Corporation achieves EBITDAR for 2008 in excess of $375 million, the Executive shall earn an additional 2008 EIC payment equal to (a) 14 basis points on EBITDAR for 2008 in excess of $375 million, up to a cap

of $450 million, and (b) 7 basis points on EBITDAR for 2008 in excess of $450 million, up to a cap of $650 million. The entire 2008 EIC payment shall be paid in Common Stock on the later of (i) 30 days following the filing of the Corporation's audited 2008 financial statements with the SEC and (ii) 30 days after the Corporation's Emergence (the "2008 EIC Payment Date").

(3) For purposes of determining the number of shares of Common Stock to be issued to the Executive under Sections 2(a)(ii)(1) and (2), the value of the Common Stock will be its average closing price on the principal U.S. stock exchange on which it is traded during the thirty days before the 2007 EIC Payment Date or the 2008 EIC Payment Date, as applicable.

(4) The 2007 EIC and 2008 EIC awards earned shall be subject to reduction under the "EBITDAR Adjustment Mechanism." Under the EBITDAR Adjustment Mechanism, EBITDAR for the purposes of determining the minimum payment threshold for the 2007 EIC (excluding the first $422,222 cash payment in respect of the 2007 EIC award) and the 2008 EIC shall be reduced by unsecured claims allowed in the Bankruptcy Cases in excess of an unsecured claims threshold of $2.85 billion, as

follows:

(A) 12.5% of the first $75 million in additional claims;

(B) 25% of the next $100 million in additional claims in excess of $75 million but not more than $175 million; and

(C) 75% of any additional claims in excess of $175 million.

For purposes of this Agreement, the term "allowed in the Bankruptcy Cases" shall mean the earlier of (a) the allowance of an unsecured claim in the Bankruptcy Cases or (b) an agreement regarding potentially allowable claims between the Corporation and the official committee of unsecured creditors appointed in the Bankruptcy Cases, or its successor, as designated in the Plan.

(b) Maximum Bonus Compensation. Notwithstanding anything set forth herein, while the Bankruptcy Cases are pending the maximum annual compensation with respect to 2007 under Section 2(a) shall not exceed $1,333,127 (the "Maximum Annual Bonus Compensation"). For avoidance of doubt, the Maximum Annual Bonus Compensation shall not include (i) the Annual Base Salary and (ii) any payment made during a relevant fiscal year in respect of performance measures related to prior years, regardless whether such payment is made by the

Corporation or the GmbH.

3. Certain Definitions. For purposes of this Agreement,

(a) "Disability" shall mean the absence of the Executive from the Executive's duties with the Corporation and/or the GmbH, as the case may be, on a full-time basis for 120 consecutive days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a German 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), whereby the Executive or the Executive's legal representative explicitly waives the physician's duty to keep confidential patient examination results and shall instruct the physician to disclose to the Corporation the examination result;

(b) "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Corporation and/or the GmbH, as the case may be, (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board of Directors of the

Corporation (the "Board"), or a committee thereof, or the Chief Executive Officer, which specifically identifies the manner in which the Board, the committee or the Chief Executive Officer, as applicable, believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Corporation or any company affiliated with the Corporation, including but not limited to the GmbH.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Corporation or any company affiliated with the Corporation, including but not limited to the GmbH. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or a committee thereof or upon the instructions of the Chief Executive Officer, or based upon the advice of counsel for the Corporation or any instruction by the management or the shareholder(s) of the GmbH shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Corporation and/or its affiliated companies, including the GmbH, as the case may be.

4. Employment with the GmbH; Obligations of the Corporation and

the GmbH upon Termination of Employment. The Corporation and the Executive agree that the GmbH is and shall continue to be the only and exclusive employer of the Executive, and that this Agreement shall not be construed to be part of the German Agreement. The Corporation and the Executive also agree that the compensation paid by the GmbH to the Executive under the German Agreement constitutes full and adequate remuneration for the Executive's work and that the Corporation has no obligation to offer the Executive the chance and opportunity to earn the remuneration provided for under this Agreement. The Corporation and the Executive further agree that U.S. managers on the same level as the Executive are employed under at will agreements which offer less termination protection than German law does with respect to the Executive and that it accordingly is fair and appropriate to approximate the Executive's legal position under this Agreement to the position of a comparable U.S. manager whose employment can be terminated by himself or the Corporation at any time and for any reason. Accordingly, following the termination of the Executive's employment, the Executive shall be entitled to the compensation and benefits provided for in this Section, as applicable depending on the circumstances of such termination.

(a) Termination by the GmbH or Deemed Termination by the Corporation without Cause or due to death or Disability. If the GmbH actually shall terminate the Executive's employment without Cause or

if the Executive's employment is terminated due to death or Disability, or if the Corporation vis-à-vis the Executive (by way of a written notification in line with Section 8(b) approximates the termination without Cause of a U.S. manager (the "Deemed Termination Without Cause") (regardless whether the German Agreement remains un-terminated or not), subject to and conditioned upon the execution by the Executive (or, if applicable, his estate) of, and his (or, as applicable, his estate) not revoking, a release in a form reasonably acceptable to the Corporation, the Executive (or, as applicable, his estate) shall be entitled to the following:

a contingent receivable for his 2007 EIC and 2008 EIC payments if the applicable EBITDAR thresholds have been or are subsequently met; provided, however, that the 2007 EIC and 2008 EIC shall each be pro rated for the time worked during the applicable year, such pro rata EIC to be determined by multiplying the 2007 EIC or 2008 EIC, as applicable, by a fraction, the numerator of which is the number of days in the applicable year through the date of termination, and the denominator of which is 365.

The Deemed Termination Without Cause pursuant to Section 4 (a) shall contain a

reference to this Agreement and the Corporation's declaration that it would terminate the Executive's employment without Cause if the Executive had an at will employment relationship with the Corporation; it does not require an actual termination by the GmbH or any justification German law would require for a termination of employment. The Deemed Termination Without Cause shall take effect at the same time a respective termination without Cause would take effect vis-à-vis a U.S. manager, irrespective of a notice period under the Executive's German Agreement. Payments made pursuant to Section 4 shall be made in lump sum on the later of (A) such time as they would otherwise be payable under this Agreement or the applicable benefit plans and (B) earliest date permissible under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

(b) Cause; Termination by the Executive. If the Executive's employment shall be terminated by the GmbH for cause under German law (*außerordentliche Kündigung*), or if the Corporation vis-à-vis the Executive (by way of a written notification in line

with Section 8(b) approximates the termination with Cause of a U.S. manager (the "Deemed Termination With Cause") (regardless whether the German Agreement remains un-terminated or not), or if the Executive terminates his employment, the Corporation shall have no further obligations to the Executive under this Agreement other than the obligation to pay to the Executive through the date of termination any compensation previously earned, any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon), his vested benefits under any employee benefit plans maintained by the Corporation, in each case to the extent not theretofore paid.

The Deemed Termination With Cause pursuant to Section 4 (b) shall contain a reference to this Agreement and the Corporation's declaration that it would terminate the Executive's employment with Cause if the Executive had an at will employment relationship with the Corporation; it does not require an actual termination for cause by the GmbH or any justification German law would require for a termination for cause. For the avoidance of doubt, it is understood that Cause shall exclusively have the meaning as defined in this Agreement and shall not be influenced by the requirements of a

termination for cause under German law, except that an actual termination for cause served to the Executive by the GmbH shall in any case also be considered a termination with Cause under this Agreement.

5. 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.

6. Successors. Except as otherwise provided herein, this Agreement shall be binding upon and shall inure to the benefit of the Executive, the Executive's heirs and legal representatives, and the Corporation and its successors.

7. 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 (and, if the Corporation is still operating under Chapter 11, the Bankruptcy Court) 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.

8. 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, and exclusive venue and jurisdiction shall lie in any federal or state court located in Ohio. 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, at the most recent address for the Executive in the GmbH records,

If to the Corporation:

Dana Corporation
P.O. Box 1000
Toledo, Ohio 43697
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 English language version of this Agreement shall govern, notwithstanding the existence of the German language translation which serves information purposes only.

(d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. The Executive agrees that the fact of his employment under the German Agreement, as concluded between him and the GmbH, may raise issues of interpretation of this Agreement. The Executive agrees that in such case the interpretation of this Agreement shall be made in such way that the economic purpose of this Agreement is approximated in the best possible way and that there is no duplication of benefits to the Executive should the Executive be entitled under the German Agreement to any payment or benefit which is also provided

under this Agreement with a comparable intent.

(e) 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. The same shall apply with respect to the GmbH, and the Executive shall undertake to correctly and in a timely manner inform the GmbH of any payments under this Agreement of relevance for the German Agreement and the German payroll calculation.

(f) This Agreement (including exhibits hereto) contain the entire agreement of the parties concerning the subject matter hereof, and all promises, representations, understandings, arrangements and prior agreements concerning the subject matter are merged herein and superseded hereby.

(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) 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.

(i) To the extent necessary to effectuate the terms of this Agreement, the terms of this Agreement (and the exhibits) which must survive the termination of the Executive's employment or the termination of this Agreement (and the exhibits) shall so survive.

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

(k) 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. Where appropriate, this provision shall refer to German legal

holidays.

(l) Section 409A of the Code. To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code. This Agreement shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A and may be made by the Corporation without the consent of the Executive).

(m) To the extent this Agreement is inconsistent with the terms and conditions of the Order, the Order shall govern.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be signed by its duly authorized representative, and the Executive has executed this Agreement, as of the day and year first written above.

DANA CORPORATION

By: _____

Chairman, Compensation Committee/
Vorsitzender, Gehaltsausschuss

/s/ R. Göttel

Ralf Göttel

Dated 18 July 2007

(1) **DANA EUROPE FINANCING (IRELAND) LIMITED**, as Borrower

(2) **DANA INTERNATIONAL LUXEMBOURG SARL**, as Servicer

(3) The persons from time to time party hereto as Lenders

(4) **GE LEVERAGED LOANS LIMITED**, as Administrative Agent

(5) **DANA INTERNATIONAL LUXEMBOURG SARL**, as Performance Undertaking Provider

RECEIVABLES LOAN AGREEMENT

LONDON

CONTENTS

THIS AGREEMENT (this **"Agreement"**) is dated 18 July 2007 and made between:

(1) **DANA EUROPE FINANCING (IRELAND) LIMITED**, a limited liability company incorporated under the laws of Ireland, as Borrower;

(2) **DANA INTERNATIONAL LUXEMBOURG SARL**, a company organised under the laws of Luxembourg, as Servicer;

(3) the Lenders from time to time parties hereto;

(4) **GE LEVERAGED LOANS LIMITED**, as Administrative Agent; and

(5) **DANA INTERNATIONAL LUXEMBOURG SARL**, a company organised under the laws of Luxembourg, as Performance Undertaking Provider.

BACKGROUND:

(A) The Borrower and the other Purchasers shall from time to time acquire certain Receivables and any Related Security with respect thereto from the Originators pursuant to Originator Sale Agreements.

(B) In the case of Receivables and Related Security acquired by Purchasers other than the Borrower, the Borrower will make loans secured by, or otherwise acquire Borrower Receivables Interests in, such Receivables and Related Security from such other Purchasers pursuant to the Intermediate Transfer Agreements.

(C) The Borrower shall charge or otherwise pledge as security all of its right, title and interest in such Receivables and Related Security, Borrower Receivables Interests, the Borrower Operating Accounts and any other Collateral to or for the benefit of the Secured Parties pursuant to the Security Documents.

(D) To fund its acquisitions under the Originator Sale Agreements and Intermediate Transfer Agreements, as the case may be, the Borrower may from time to time request Loans from the Lenders on the terms and conditions of this Agreement.

(E) The Lenders have agreed that they shall make Loans in any Approved Currency so requested from time to time, subject to the terms and conditions of this Agreement.

IT IS AGREED that:

1. **DEFINITIONS**

1.1 **Certain defined terms**

Unless otherwise defined herein, capitalised terms which are used herein shall have the meanings assigned to such terms in Clause 2.1 (*Certain defined terms*) of the Master Schedule of Definitions, Interpretation and Construction, dated 2007 and signed by the parties hereto and others for the purposes of identification (the **"Schedule of Definitions"**). In the case of any inconsistency between such terms and the terms defined in this Agreement, the terms defined in this Agreement shall prevail for all purpose of this Agreement.

1.2 **Other terms**

The principles of interpretation set forth in Clauses 2.2 (*Other terms*) and 2.3 (*Computation of time periods*) of the Schedule of Definitions shall apply to this Agreement as if fully set forth herein.

2. **AMOUNTS AND TERMS OF THE LOANS**

2.1 **The Loans**

(a) On the terms and subject to the conditions hereof, on the Closing Date and thereafter from time to time prior to the Facility Termination Date, each Lender shall make Loans to the Borrower in an amount in any Approved Currency equal to its Pro Rata Share of the amount requested by the Borrower pursuant to Clause 2.2 (*Borrowing procedures*); provided that, after giving effect to such Loans:

(i) the Euro Equivalent of the aggregate outstanding principal amount of the Loans made by any Lender shall not exceed such Lender's Commitment; and

(ii) the Aggregate Principal Balance will not exceed the Maximum Aggregate Principal Balance.

Each Borrowing hereunder shall be in a minimum principal amount equal to such amount as will ensure that (A) no Borrowing would be less than €1,000,000 and no Borrowing denominated in a Local Currency would be less than €250,000 (or the Euro Equivalent thereof). Subject to the foregoing and to the limitations set forth herein, the Borrower may borrow, prepay and reborrow the Loans hereunder.

(b) The Performance Undertaking Provider may, from time to time upon at least five (5) Business Days prior written notice to the Administrative Agent and each Lender, elect to reduce the Facility Limit; provided, that the Facility Limit may not be reduced below €25,000,000 unless the Facility Limit is reduced to €0; provided, further, that after giving effect to any such reduction and any principal payments on such date, the Aggregate Principal Balance will not exceed the Maximum Aggregate Principal Balance. Any such reduction shall reduce each Lender's Commitment ratably in accordance with each Lender's Pro Rata Share. Once the Facility Limit is reduced pursuant to this Clause 2.1(b) it may subsequently be reinstated only by increasing, with the prior written consent of the relevant Lenders and the Administrative Agent, the Commitment of one or more Lenders.

2.2 **Borrowing procedures**

(a) Borrowing Request.

(i) The Borrower shall request a Borrowing hereunder by submitting (or causing the Servicer to submit on behalf of the Borrower) to the Administrative Agent a written notice, substantially in the form of

Exhibit B (*Form of Borrowing Request*) (each, a **"Borrowing Request"**) prior to 2:00 p.m. (London time) on the third Business Day prior to the date of the proposed Borrowing (each, a **"Borrowing Date"**) or such other times agreed upon by the Borrower, the Servicer and the Administrative Agent.

(ii) Each Borrowing Request shall, among other things (A) specify (I) the desired Approved Currencies for the requested Borrowing, determined in accordance with Clause 2.2(d), (II) for each such Approved Currency, the amount of the requested Borrowing and the Spot Rate (used for the purposes of the Daily Report in connection with which such Borrowing Request is delivered) with respect to each such Approved Currency, (III) the Aggregate Principal Balance after giving effect to such Borrowing, and (IV) the desired Borrowing Date (which shall be an Intra-Month Settlement Date (or such other date as may be agreed by the Borrower, the Servicer and the Administrative Agent)), and (B) certify that, after giving effect to the proposed Borrowing, the Aggregate Principal Balance will not exceed the Maximum Aggregate Principal Balance on such Borrowing Date. Each Borrowing Request shall be irrevocable and binding on the Borrower.

(b) Lender's Commitment.

(i) Any Loan requested by the Borrower in a Borrowing Request shall be made by the Lenders on a pro rata basis in accordance with their respective Pro Rata Shares of such Loan.

(ii) The obligations of any Lender to make Loans hereunder are several from the obligations of any other Lenders. The failure of any Lender to make Loans hereunder shall not release the obligations of any other Lender to make Loans hereunder, but no Lender shall be responsible for the failure of any other Lender to make any Loan hereunder.

(iii) Notwithstanding anything herein to the contrary, a Lender shall not be obligated to fund any Loan at any time on or after the Facility Termination Date, at any time a Facility Event exists or would exist after making such Loan, or if, after giving effect thereto (A) the Euro Equivalent of the aggregate outstanding principal balance of the Loans made by such Lender would exceed such Lender's Commitment (B) the Aggregate Principal Balance will exceed the Maximum Aggregate Principal Balance.

(iv) In the event that the initial Borrowing does not occur before the date falling three (3) months after the date of this Agreement the Commitments of the Lenders shall be immediately cancelled on that date.

(c) Disbursement of Funds.

By no later than 11:00 a.m. (London time) on each Borrowing Date, each Lender shall remit its Pro Rata Share of the aggregate amount of the Loans

requested by the Borrower as determined above in immediately available funds to the account specified by the Administrative Agent. To the extent that it is in actual receipt of such funds from each Lender, the Administrative Agent shall remit the amount of the Loans requested by the Borrower to the account specified by the Borrower in the relevant Borrowing Request by wire transfer of same day funds. In the event that one or more such Lenders fails to remit such Pro Rata Share (a **"Loan Deficit"**) as required hereunder (each, a **"Defaulting Lender"**), GE and any other non-defaulting Lenders who agree to fund the whole or part of their Pro Rata Share of any Loan Deficit (each, a **"Non-Defaulting Lender"**) shall lend their Pro Rata Share of such Loan Deficit (without giving effect to such Defaulting Lender's Commitment) subject to the other terms and conditions hereof (including Clause 2.2(b)(iii) (*Lender's Commitment*)).

Notwithstanding anything herein to the contrary, each Non-Defaulting Lender shall have the right, without the consent of any Transaction Party, any other Lender or the Administrative Agent, to assign to any such Defaulting Lender, upon demand, the portion of the Loan funded by such Non-Defaulting Lender pursuant to this Clause 2.2(c) for an amount equal to the outstanding principal amount of such portion of the Loan funded by such Non-Defaulting Lender.

(d) Denomination of Loans.

(i) Each Loan made by the Lenders hereunder shall be denominated in an Approved Currency. Notwithstanding anything herein or in any other Transaction Document to the contrary, the Borrower shall not request any Loan, and the Lenders shall not be obligated to make any Loan, hereunder if, after giving effect thereto, the Euro Equivalent of the aggregate Principal Balance of the Loans held by the Lenders in each Approved Currency would exceed the product of (A) the Currency Percentage for such Approved Currency set forth in the most recent Portfolio Report delivered under the Servicing Agreement and (B) the Maximum Aggregate Principal Balance, as determined by reference to the most recent Portfolio Report delivered under the Servicing Agreement.

(ii) On each Intra-Month Settlement Date, the Borrower shall, to the extent necessary, make such prepayments and new Borrowings hereunder as may be necessary to cause the Euro Equivalent of the aggregate Principal Balance of the Loans held by the Lenders in each Approved Currency to be equal to or less than the product of (A) the Currency Percentage for such Approved Currency set forth in the most recent Portfolio Report delivered under the Servicing Agreement and (B) the Maximum Aggregate Principal Balance, as determined by reference to the most recent Portfolio Report delivered under the Servicing Agreement.

(e) Redenomination of Local Currencies.

(i) Each obligation of any party to this Agreement to make a payment denominated in the national currency unit of any member state of the

European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption (in accordance with the EMU Legislation). If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London Interbank Market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(ii) Without prejudice and in addition to any method of conversion or rounding prescribed by any EMU Legislation and (A) without limiting the liability of the Borrower for any amount due under this Agreement and (B) without increasing any Commitment of any Lender, all references in this Agreement to minimum amounts (or integral multiples thereof) denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall, immediately upon such adoption, be replaced by references to such minimum amounts (or integral multiples thereof) as shall be specified herein with respect to Borrowings denominated in Euro.

(iii) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time agree with the Performance Undertaking Provider to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

2.3 **Use of proceeds**

The Borrower shall use the proceeds of the Loans only to (a) pay the purchase price for Receivables or otherwise acquire Borrower Receivables Interest, in each case, pursuant to and in accordance with the terms of the Originator Sale Agreements and Intermediate Transfer Agreements, (b) refinance Loans denominated in one Approved Currency with Loans denominated in another Approved Currency for the purpose of satisfying the requirements set forth in Clause 2.2(d) (*Denomination of Loans*), (c) pay transaction fees, costs and expenses incurred in connection with the consummation of the transactions contemplated by the Transaction Documents and (d) make payments of principal and interest in respect of the Subordinated Loan pursuant to the Subordinated Loan Agreement to the extent that such proceeds when applied as Collections pursuant to Clause 2.6 (*Application of Collection prior to Facility Termination Date*) are available for such application in accordance with Clause 2.6(g)(iii); provided, that, notwithstanding anything herein or in any other Transaction Document to the contrary, the Borrower shall not use all or any portion of the proceeds of any Loan to pay the purchase price for, or grant or otherwise acquire Borrower Receivables Interests in, any Receivable (i) if a Daily Report has not been

delivered on such day pursuant to and in accordance with Clause 2.3 (*Reporting requirements*) of the Servicing Agreement, or (ii) that was originated by an Originator with respect to which a Seller Event has occurred and is continuing.

2.4 **Interest and Fees**

(a) On each Monthly Settlement Date for a Loan, the Borrower shall pay (in immediately available funds in the currency of such Loan) to the Administrative Agent, all accrued and unpaid Interest with respect to such Loan.

(b) The Borrower shall pay to the Administrative Agent for and on behalf of itself, the Structuring Agent and the Lenders certain Fees in the amounts and on the dates set forth in (i) the fee agreement of even date herewith between the Borrower, the Performance Undertaking Provider and the Administrative Agent (the **"Administrative Agent Fee Letter"**), (ii) the fee agreement of date herewith between the Performance Undertaking Provider and the Structuring Agent (the **"Structuring Agent Fee Letter"**) and (iii) the fee agreement of even date herewith between the Borrower, the Performance Undertaking Provider, the Administrative Agent and the Lenders (the **"Lender Fee Letter"**).

2.5 **Payment and prepayment of Loans**

(a) The Borrower shall repay the outstanding principal amount of each Loan on the Maturity Date. Prior thereto, the Borrower:

(i) shall, immediately upon any acceleration of the Loans pursuant to Clause 7.3 (*Acceleration of maturity*), repay the amount of the Loans to the extent so accelerated;

(ii) shall, if on any date the Aggregate Principal Balance exceeds the Maximum Aggregate Principal Balance, as determined by reference to the most recent Portfolio Report delivered under the Servicing Agreement, make a prepayment of the Loans on such date (which prepayment shall be effected by making a deposit to the applicable Borrower Operating Account (Principal) for application in accordance with Clause 2.6 (*Application of Collections prior to Facility Termination Date*) or Clause 2.7 (*Application of Collections after Facility Termination Date*), as applicable) in an amount sufficient to cause the Aggregate Principal Balance to be less than or equal to the Maximum Aggregate Principal Balance, as determined by reference to such Portfolio Report;

(iii) shall, if on any date the Euro Equivalent of the aggregate outstanding principal amount of the Loans for all Lenders exceeds the Maximum Aggregate Principal Balance, make a prepayment of the Loans on such date (which prepayment shall be effected by making a deposit to the applicable Borrower Operating Account (Principal) for application in accordance with Clause 2.6 (*Application of Collections prior to Facility Termination Date*) or Clause 2.7 (*Application of Collections*

after Facility Termination Date), as applicable) in an amount sufficient to cause the Euro Equivalent of the aggregate outstanding principal amount of the Loans for all Lenders to be less than or equal to the Maximum Aggregate Principal Balance;

(iv) from and after the Facility Termination Date, shall repay the Loans out of Collections available for such purpose pursuant to Clause 2.7 (*Application of Collections after Facility Termination Date*); and

(v) shall prepay the Loans in the manner specified in, and to the extent required by, Clause 2.2(d) (*Denomination of Loans*).

(b) The Borrower may, at its option after consultation with the Performance Undertaking Provider, prepay on any Business Day all or any portion of the Loans upon prior written notice delivered by it to each Lender not later than five (5) Business Days prior to the date of such payment. Each such notice shall be in the form attached as Exhibit C (*Form of Prepayment Notice*) and shall (i) specify the aggregate amount and Approved Currency of the prepayment to be made on the Loans and the Loans to which such prepayment is to be applied and (ii) specify the Business Day on which the Borrower will make such prepayment. Each such prepayment shall be made ratably among the Lenders based on the Aggregate Principal Balance of the Loans held by each.

(c) If:

(i) any amendment or waiver that requires the consent of the Required Lenders does not receive the consent of the Required Lenders, but does receive the consent of Lenders representing more than 51% of the Aggregate Commitments or, if the Commitments have been terminated, Lenders that represented more than 51% of the Aggregate Commitments immediately prior to such termination (any Lender that voted or was deemed to have voted against such amendment or waiver a **"Dissenting Lender"**);

(ii) any sum payable to any Lender by the Borrower is required to be increased under Clause 2.15(a) (*Indemnity for Taxes*);

(iii) any Lender claims indemnification from the Borrower under Clause 2.15(c) (*Indemnity for Taxes*), Clause 2.14 (*Indemnity for reserves and expenses*) or Clause 2.17 (*Mandatory costs*);

(iv) any Lender's Loans are converted into Alternative Rate Loans under Clause 2.12(a) (*Illegality*);

(v) any Lender becomes a Defaulting Lender under Clause 2.2(c) (*Disbursement of Funds*),

the Borrower may, at its option after consultation with the Performance Undertaking Provider:

(A) prepay on any Business Day upon prior written notice delivered by it to the Administrative Agent not later than five (5) Business Days prior to the date of such payment all, and not just a portion of, the participation in the Loans of any Dissenting Lender or Defaulting Lender or, as the case may be, whilst the circumstance giving rise to the requirement, indemnification or conversion continues, of any Lender to whom payments are required to be increased or that is claiming indemnification or whose Eurocurrency Loans have been converted into Alternative Rate Loans pursuant to the clauses mentioned above. The Commitment of such Lender shall be automatically cancelled upon delivery to the Administrative Agent of the Borrower's prepayment notice. Each such notice shall be in the form attached as Exhibit C (*Form of Prepayment Notice*) and shall specify (i) the Lender whose participation in the Loans is to be prepaid, (ii) the aggregate amount and Approved Currency of the prepayment to be made on the Loans and the Loans to which such prepayment is to be applied and (iii) the Business Day on which the Borrower will make such prepayment; or

(B) on five (5) Business Days' prior written notice to the Administrative Agent and such Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 10.3 (Assignability) all (and not part only) of its rights and obligations under this Agreement to a Lender or other Eligible Assignee (a **"Replacement Lender"**) selected by the Performance Undertaking Provider, and which is acceptable to the Administrative Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the Aggregate Principal Balance and all accrued Interest and/or Liquidation Fees, break costs and other amounts payable in relation thereto under the Transaction Documents. The replacement of a Lender pursuant to this Clause shall be subject to the following conditions:

(I) neither the Borrower nor the Performance Undertaking Provider shall have any right to replace the Administrative Agent;

(II) neither the Administrative Agent nor the Lender shall have any obligation to the Borrower or the Performance Undertaking Provider to find a Replacement Lender;

(III) in the event of a replacement of a Dissenting Lender such replacement must take place no later than 90 days after the date the Dissenting Lender notifies the Borrower and the Administrative Agent of its failure or refusal to agree to any consent, waiver or amendment to the Transaction Documents requested by the Borrower; and

(IV) in no event shall the Lender replaced under this Clause 2.5(c)(B) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Transaction Documents.

(d) Each prepayment of the Loans (whether optional or mandatory) must be accompanied by a payment of all accrued and unpaid Interest on the amount prepaid and any other amounts (including amounts payable under Clause 2.11 (*Breakage costs*)) due hereunder in respect of such prepayment.

2.6 **Application of Collections prior to Facility Termination Date**

(a) On each Business Day prior to the Facility Termination Date, the Borrower shall (and shall cause the Servicer to) cause:

(i) (x) all Collections and other amounts deposited into any Existing Collection Account (other than any amount deposited into an Existing Collection Account solely for the purpose of funding an Other Permitted Payment), and (y) any Collections or other amounts otherwise received by any Transaction Party in respect of the Receivables, in each case, to be deposited into a New Collection Account no later than the Business Day immediately following the day on which such amounts were deposited into such Existing Collection Accounts or otherwise received;

(ii) all Collections and other amounts deposited into any New Collection Account to be deposited into a Borrower Operating Account no later than the Business Day immediately following the day on which such amounts were deposited into such New Collection Accounts; and

(iii) (x) all Collections and other amounts in respect of the Pool Receivables, the Related Security or the Collateral deposited to any Borrower Operating Account to be retained in such Borrower Operating Account, and (y) all other amounts deposited to any Borrower Operating Account to be deposited to the applicable Originator's Designated Account, in each case, no later than the second (2nd) Business Day immediately following the day on which such amounts were identified by the Borrower (or the Servicer on behalf of the Borrower) as having been deposited into such New Collection Accounts.

(b) On each Business Day prior to the Facility Termination Date, the Borrower shall (and shall cause the Servicer to) cause all Collections retained in such Borrower Operating Accounts pursuant to Clause 2.6(a)(ii) (including, if applicable, any investment earnings received with respect to funds on deposit in such Borrower Operating Accounts) to be applied in the following order of priority:

(i) on a pro rata basis in no order of priority amongst themselves:

(A) pay all operating costs, expenses, Agreed Annual Income and Taxes of the Borrower and the Spanish Account SPV then due and payable, as instructed by the Borrower or the Spanish Account SPV; provided that the aggregate amount so paid during any calendar year pursuant to this Clause 2.6(b)(i)(A) shall not exceed €100,000;

(B) deposit to the Borrower Operating Account (Interest) for the benefit of the Administrative Agent an amount equal to (i) any Fees then due and payable to the Administrative Agent pursuant to the Administrative Agent Fee Letter, and (ii) any unreimbursed Transaction Party Obligations then due and payable to the Administrative Agent in respect of costs and expenses incurred in connection with the enforcement of any Transaction Document or the collection of any amounts due thereunder; and

(C) deposit to the Borrower Operating Account (Interest) for the benefit of the Lenders, an amount equal to the aggregate Interest and Fees accrued through such day and not previously deposited to a Borrower Operating Account (Interest) (such amount to be allocated among the Lenders ratably in accordance with the proportion of such amounts owing to each such Person) (provided, that for purposes of determining the amount of Interest and Fees accrued through (x) any day (other than a day described in sub-clause (y) below), such determination shall be made based on the relevant rate, percentage or other item or amount as of the immediately preceding Monthly Settlement Date, unless the actual rate, percentage or other item or amount has been notified to the Borrower and the Servicer, and (y) any day falling prior to the initial Monthly Settlement Date, any such determination shall be made on a basis agreed between the Borrower, the Servicer and the Administrative Agent);

(ii) if the Aggregate Principal Balance exceeds the Maximum Aggregate Principal Balance as determined by reference to the most recent Portfolio Report delivered under the Servicing Agreement, deposit to the applicable Borrower Operating Account (Principal) an amount necessary to cause the Aggregate Principal Balance to be less than or equal to the Maximum Aggregate Principal Balance, as determined by reference to such Portfolio Report;

(iii) if any Transaction Party Obligations (other than any amount described in Clauses 2.6(b)(i) and (ii)) are then due and payable by the Borrower to any Secured Party, pay to each such Secured Party (ratably in accordance with the amounts owing to each) the Transaction Party Obligations so due and payable (in the currency in which such Transaction Party Obligations are payable);

(iv) retain in one or more Borrower Operating Accounts for the benefit of the Servicer, an amount equal to the aggregate Servicing Fee accrued through such day and not previously retained for such purpose pursuant to this sub-clause (iv);

(v) pay all operating costs, expenses, Agreed Annual Income and Taxes of the Borrower and the Spanish Account SPV then due and payable and not paid pursuant to Clause 2.6(b)(i)(A) above, as instructed by the Borrower or the Spanish Account SPV, as the case may be;

(vi) pay to the Servicer, for the benefit of the applicable Italian Originators, an amount equal to any unreimbursed RIBA Advances; and

(vii) remit any remaining Collections to the Borrower for application in accordance with Clause 2.6(g) below (any such remittance, a **"Release"**); provided that, if the conditions precedent for such Release set forth in Clause 3.2 (*Conditions precedent to all borrowings and releases*) are not satisfied, the Borrower shall (and shall cause the Servicer to) cause any such remaining Collections to be retained in the Borrower Operating Accounts and shall apply such Collections in accordance with this Clause 2.6 or Clause 2.7 (*Application of Collections after Facility Termination Date*) on the next Business Day.

(c) (i) On each Monthly Settlement Date, the Borrower shall (and shall cause the Servicer to) pay to the Administrative Agent for the account of the Lenders all Interest accrued during the relevant calendar month from Collections deposited to the Borrower Operating Account (Interest) for such purpose pursuant to Clause 2.6(b)(i)(C).

(ii) On each date on which any Fees are payable pursuant to the Fee Letters, the Borrower shall (and shall cause the Servicer to) pay such Fees to the Persons entitled thereto pursuant to the Fee Letters out of Collections deposited to the Borrower Operating Account (Interest) for such purpose pursuant to Clauses 2.6(b)(i)(B) and 2.6(b)(i)(C), as applicable.

(iii) Notwithstanding anything to the contrary in Clause 2.6(b)(i)(C), it is understood and agreed that the Interest and Fees payable hereunder will be based on the actual rates, percentages, and other items and amounts during the relevant period. In the event that the amount allocated during any relevant period in respect of Interest and Fees pursuant to Clause 2.6(b)(i)(C) is (A) greater than the actual Interest and Fees for such period, the excess shall (on the relevant date of determination) be deposited to one or more Borrower Operating Accounts and applied in accordance with Clause 2.6(b) and (B) less than the actual Interest and Fees for such period, the Borrower shall (and shall cause the Servicer to) cause an additional amount equal to such shortfall to be deposited into the applicable Borrower Operating Account (Interest) (on the relevant date of determination).

(d) To the extent practicable, the Servicer shall cause all Collections applied pursuant to Clause 2.6(b) in respect of any Transaction Party Obligations to be denominated in the same currency in which such Transaction Party Obligations are payable. To the extent that Transaction Party Obligations payable or to become payable in any currency exceed the amount of Collections in that currency and available for such payment, and Collections in any other currency are available (after giving effect to the order of priority set forth in Clause 2.6(b)) for such payment, the Servicer shall allocate such other Collections to the payment of such Transaction Party Obligations, and on the relevant payment date the Servicer shall cause such other Collections to be converted into the relevant currency of payment in accordance with Clause 2.16 (*Conversion of Currencies*) and shall apply the amounts so converted to the making of such payment.

(e) In the event any deposit is made to a Borrower Operating Account (Principal) pursuant to Clause 2.6(b)(ii), the amount of such deposit shall be allocated among all Lenders by the Administrative Agent ratably in proportion to the Aggregate Principal Balance of the Loans held by each. On the next Settlement Date, the Borrower shall (and shall cause the Servicer to) distribute to the Administrative Agent for payment to each Lender its allocable share of such deposit for application to the repayment of the Loans held by such Lender. Notwithstanding the foregoing, if on any Business Day after such deposit is made and prior to the distribution of such deposit pursuant to this Clause 2.6(e), the Servicer delivers a Portfolio Report with more recent data indicating that the Aggregate Principal Balance is less than or equal to the Maximum Aggregate Principal Balance, the Borrower may (or may cause the Servicer to) withdraw the Collections so deposited for application in accordance with Clause 2.6(b) to the extent that, after giving effect to such withdrawal and application, the Aggregate Principal Balance is less than or equal to the Maximum Aggregate Principal Balance, as determined by reference to such Portfolio Report.

(f) On each Servicing Fee Payment Date, the Borrower shall (and shall direct the Servicer to) pay to the Servicer the accrued and unpaid Servicing Fee allocable to it out of Collections retained in the Borrower Operating Accounts for such purpose pursuant to Clause 2.6(b)(iv).

(g) Any Collections remitted to the Borrower pursuant to Clause 2.6(b)(vii) shall be applied by the Servicer, on behalf of the Borrower:

(i) first, if so requested by the Borrower (acting upon the instructions of the Servicer), to pay or prepay (or set aside for the payment or prepayment of) Loans or other Transaction Party Obligations that are then due and payable;

(ii) second, to pay the purchase price for Receivables or to grant or otherwise acquire Borrower Receivables Interests, in each case pursuant to (and in accordance with) the Originator Sale Agreements or Intermediate Transfer Agreements, as the case may be (provided, that, notwithstanding anything herein or in any other Transaction Document to the contrary, the Borrower shall not use all or any portion

of the proceeds of any Release to pay the purchase price for, or grant or otherwise acquire Borrower Receivables Interests in, any Receivable that was originated by an Originator with respect to which a Seller Event has occurred and is continuing);

(iii) third, only if no Facility Event then exists or the Final Payout Date has occurred, to make payments of principal and interest in respect of the Subordinated Loans and any other amounts owing to the Subordinated Lender pursuant to the Subordinated Loan Agreement; and

(iv) fourth, in such other manner as the Borrower (acting upon the instructions of the Servicer) may specify and that is permitted by the terms of the Transaction Documents; provided that, if all or any portion of the Collections remitted to the Borrower pursuant to Clause 2.6(b)(vii) are not applied pursuant to this Clause 2.6(g), the Borrower shall (and shall cause the Servicer to) cause any such remaining Collections to be retained in one or more Borrower Operating Accounts and shall apply such Collections in accordance with this Clause 2.6 or Clause 2.7 (*Application of Collections after Facility Termination Date*) on the next Business Day; provided, further, that after the Final Payout Date any funds available pursuant to this Clause 2.6(g)(iv) shall be paid by the Borrower to the Subordinated Lender as additional interest under the Subordinated Loan Agreement.

(h) Unless otherwise agreed by the Originators, in each case, to the extent affected thereby, the amount of Collections remitted to the Borrower pursuant to Clause 2.6(b)(vii) or Clause 2.7(b)(ix) (*Application of Collections after Facility Termination Date*), as the case may be, on any day shall be applied to the payment of amounts described in Clauses 2.6(g)(ii) or Clause 2.7(d)(i) (*Application of Collections after Facility Termination Date*), as applicable, on a pro rata basis according to the amounts owing to such Persons.

2.7 **Application of Collections after Facility Termination Date**

(a) On the Facility Termination Date, and on each Business Day thereafter until the Final Payout Date, the Borrower shall (and shall cause the Servicer to) cause:

(i) (x) all Collections and other amounts deposited into any Existing Collection Account, and (y) any Collections or other amounts otherwise received by any Transaction Party in respect of the Receivables, in each case, to be deposited into a New Collection Account no later than the Business Day immediately following the day on which such amounts were deposited into such Existing Collection Accounts or otherwise received;

(ii) all Collections and other amounts deposited into any New Collection Account to be deposited into a Borrower Operating Account no later than the Business Day immediately following the day on which such amounts were deposited into such New Collection Accounts; and

(iii) (x) all Collections and other amounts in respect of the Pool Receivables, the Related Security or the Collateral deposited to any Borrower Operating Account to be retained in such Borrower Operating Account, and (y) all other amounts deposited to any Borrower Operating Account to be deposited to the applicable Originator's Designated Account, in each case, no later than the second (2nd) Business Day immediately following the day on which such amounts were identified by the Borrower (or the Servicer on behalf of the Borrower) as having been deposited into such Borrower Operating Accounts;

(b) On each Settlement Date to occur on or after the Facility Termination Date, the Borrower (or the Administrative Agent acting on behalf of the Borrower) shall cause all funds on deposit in the Borrower Operating Accounts from time to time, including any investment earnings received with respect to such funds, (collectively, **"Borrower Operating Account Funds"**), to be distributed in the following order of priority:

(i) first, to pay, on a pro rata basis in no order of priority amongst themselves:

(A) to the Administrative Agent an amount equal to any unreimbursed Transaction Party Obligations then owing to the Administrative Agent in respect of costs and expenses incurred in connection with the enforcement of any Facility Account or Transaction Document or the collection of any amounts due thereunder; and

(B) all operating costs, expenses, Agreed Annual Income and Taxes of the Borrower and the Spanish Account SPV then due and payable, as instructed by the Borrower or the Spanish Account SPV; provided that the aggregate amount so paid during any calendar year pursuant to this Clause 2.7(b)(i)(B), when combined with the aggregate amount paid during such calendar year pursuant to Clause 2.6(b)(i)(C), shall not exceed €100,000;

(ii) second, if the Servicer is a Person other than a Transaction Party or an Affiliate thereof, to pay to such Servicer the accrued and unpaid Servicing Fee;

(iii) third, to pay to the Lenders and the Administrative Agent an amount equal to the aggregate accrued and unpaid Interest and Fees payable to each such Person (ratably in accordance with the proportion of such amounts owing to each such Person);

(iv) fourth, to pay to the Lenders an amount equal to the Aggregate Principal Balance of the Loans (ratably in accordance with the Euro Equivalent of the outstanding Principal Balance of the Loans held by each);

(v) fifth, if any Transaction Party Obligations (other than any amount described in Clauses 2.7(b)(i) to (iv) above are then due and payable to any Secured Party, to pay to each such Secured Party (ratably in accordance with the amounts owing to each) the Transaction Party Obligations so due and payable;

(vi) sixth, to pay all operating costs, expenses, Agreed Annual Income and Taxes of the Borrower and the Spanish Account SPV then due and payable and not paid pursuant to Clause 2.7(b)(i)(B) above, as instructed by the Borrower or the Spanish Account SPV, as the case may be;

(vii) seventh, if the Servicer is a Transaction Party or an Affiliate thereof, pay to the Servicer the accrued and unpaid Servicing Fee;

(viii) eighth, pay to the Servicer, for the benefit of the applicable Italian Originators, an amount equal to any unreimbursed RIBA Advances; and

(ix) ninth, after all Transaction Party Obligations are paid in full, pay to the Borrower any remaining Collections for application in accordance with Clause 2.7(d).

(c) To the extent practicable, the Borrower (or the Administrative Agent acting on behalf of the Borrower) shall apply Borrower Operating Account Funds denominated in a currency to the payment of amounts payable pursuant to Clause 2.7(b) in the same currency. To the extent that aggregate amounts payable or to become payable in any currency exceed the amount of Borrower Operating Account Funds denominated in that currency and available for such payment, and Borrower Operating Account Funds denominated in any other currency are available (after giving effect to the order of priority set forth in Clause 2.7(b)) for such payment, the Borrower (or the Administrative Agent acting on behalf of the Borrower) shall allocate such other Borrower Operating Account Funds to the payment of such amount, and on the relevant payment date the Borrower (or the Administrative Agent acting on behalf of the Borrower) shall cause such other Borrower Operating Account Funds to be converted into the relevant currency of payment using commercially reasonable methods and shall apply the amounts so converted to the making of such payment.

(d) Any Collections remitted to the Borrower pursuant to Clause 2.7(b)(ix) shall be applied by the Servicer, on behalf of the Borrower (i) first, to make payments of principal and interest in respect of the Subordinated Loans and any other amounts owing to the Subordinated Lender pursuant to the Subordinated Loan Agreement; and (ii) second, in such other manner as the Borrower may specify and that is permitted by the terms of the Transaction Documents; provided, that after the Final Payout Date any funds available pursuant to this Clause 2.7(d) shall be paid by the Borrower to the Subordinated Lender as additional interest under the Subordinated Loan Agreement.

2.8 **Deemed Collections; application of payments**

(a) Each of the parties hereto agrees that, unless otherwise required by contract or applicable Law or clearly indicated by facts or circumstances or unless an Obligor designates that a payment be applied to a specific Receivable, all Collections from an Obligor shall be applied to the oldest Receivables (whether or not such Receivables are Pool Receivables) of such Obligor.

(b) If and to the extent the Administrative Agent, any Lender or any Indemnified Party shall be required for any reason to pay over to an Obligor, any Transaction Party or any other Person (other than in accordance herewith) any amount received on its behalf hereunder, such amount shall be deemed not to have been so received but rather to have been retained by the Borrower and, accordingly, the Administrative Agent, such Lender or such Indemnified Party, as the case may be, shall have a claim against the Borrower for such amount, payable when and to the extent that any distribution from or on behalf of such Obligor is made in respect thereof.

(c) If on any day a Pool Receivable or any part thereof becomes a Diluted Receivable, the Borrower shall be deemed to have received on such day a Collection of such Pool Receivable in the amount of such Diluted Receivable or part thereof.

(d) If on any day it is determined that any of the representations or warranties in Clause 4.1 (*Representations and warranties of the Borrower*) was untrue with respect to a Pool Receivable or the nature of any Purchaser's or the Administrative Agent's interest in such Pool Receivable, the Borrower shall be deemed to have received on such day a Collection of such Pool Receivable in an amount equal to the Unpaid Balance thereof.

(e) If on any day a RIBA Dilution occurs, the Borrower shall be deemed to have received on such day a Collection in the amount of such RIBA Dilution.

(f) Not later than the first Business Day after the Borrower is notified in writing or otherwise becomes aware that it has been deemed pursuant to this Clause 2.8 to have received a Deemed Collection, the Borrower shall deposit in a Borrower Operating Account, in same day funds, the amount of such Deemed Collection; provided that the amount so payable by the Borrower shall not exceed the amount (if any) required (after giving effect to any Deemed Collection to be paid by any other Transaction Party on such day) in order to cause the Aggregate Principal Balance to be less than or equal to the Maximum Aggregate Principal Balance. Any such amount shall be applied as a Collection in accordance with Clauses 2.6 (*Application of Collections prior to Facility Termination Date*) or 2.7 (*Application of Collections after Facility Termination Date*), as applicable.

2.9 **Payments and computations, etc**

(a) All amounts to be paid by the Borrower or the Servicer to the Administrative Agent, any Lender or any other Secured Party shall be paid no later than 11:00 a.m. (London time) on the day when due in immediately available funds

(without counterclaim, setoff, deduction, defense, abatement, suspension or deferment) to the account designated by such Person. All amounts to be deposited by the Borrower or the Servicer into any Facility Account, the Administrative Agent's Account or any other account shall be deposited in immediately available funds no later than 11:00 a.m. (London time) on the date when due.

(b) The Borrower shall (and shall cause the Servicer to), to the extent permitted by Law, pay interest on any amount not paid or deposited by it when due hereunder (after as well as before judgment), at an interest rate per annum equal to the Default Rate, payable on demand.

(c) All computations of Interest and other amounts hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the date of payment) elapsed, except that (i) computations of Interest with respect to any amount denominated in Sterling or any amount in respect of Fees shall be made on the basis of a year of 365 days (or 366, as applicable), and (ii) in any case where the practice of the relevant interbank market differs, computations of interest and Interest shall be made in accordance with that market practice. Whenever any payment or deposit to be made hereunder shall be due on a day other than a Business Day, such payment or deposit shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of such payment or deposit. Any computations by the Administrative Agent or the applicable Lender of amounts payable by the Borrower hereunder shall be binding upon the Borrower absent manifest error.

(d) All payments of principal and interest in respect of any Loan shall be made in the same Approved Currency as the Approved Currency in which such Loan is denominated. All other payments to be made by the Servicer or the Borrower hereunder shall be made solely in Euro.

2.10 **Consolidation**

(a) When an Interest Period for a Loan denominated in one Approved Currency ends on the same day as the current Interest Period for any other Loan denominated in the same Approved Currency, those Loans will be consolidated and treated as one Loan.

2.11 **Breakage costs**

(a) The Borrower shall indemnify each Lender and the Administrative Agent against any loss, cost or expense incurred by it as a result of the failure of any Borrowing to be made for any reason on the date specified by the Borrower pursuant to, and in accordance with, Clause 2.2 (*Borrowing procedures*), (other than by reason of default, gross negligence or wilful misconduct of that Person alone).

(b) The Borrower further agrees to pay all Liquidation Fees associated with a reduction of the Principal Balance of any Loan other than on an Intra-Month Settlement Date.

(c) A certificate as to any loss, expense or Liquidation Fees payable pursuant to this Clause 2.11 submitted by any Lender to the Borrower shall be conclusive in the absence of manifest error.

2.12 **Illegality**

(a) Notwithstanding any other provision of this Agreement, if the adoption of or any change in any Law or in the interpretation or application thereof by any relevant Official Body shall make it unlawful for any Lender to make or maintain Loans for which Interest is calculated by reference to the Adjusted Eurocurrency Rate (each a **"Eurocurrency Loan"**) as contemplated by this Agreement or to obtain in the interbank Eurocurrency market the funds with which to make or maintain any such Eurocurrency Loan (a) such Lender shall promptly notify the Administrative Agent, the Servicer and the Borrower thereof, (b) the obligation of such Lender to fund or maintain Eurocurrency Loans or continue Eurocurrency Loans as such shall forthwith be cancelled and (c) such Lender's Loans then outstanding as Eurocurrency Loans, if any, shall be converted on the last day of the Interest Period for such Loans or within such earlier period as required by Law into a Loan that accrues Interest based on the Alternative Rate (each an **"Alternative Rate Loan"**).

(b) In this Agreement, **"Alternative Rate"** means the rate of interest determined by the Administrative Agent pursuant to a substitute basis for determining the rate of interest agreed between the Administrative Agent and the Performance Undertaking Provider, provided that if the Administrative Agent and the Performance Undertaking Provider have not agreed a substitute basis for determining the rate of interest hereunder within 10 Business Days of the date on which the circumstances necessitating the determination of the Alternative Rate were notified to the Administrative Agent, the Alternative Rate shall be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably request.

(c) Any substitute basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Performance Undertaking Provider, be binding on all Parties.

2.13 **Inability to determine Eurocurrency Rate**

If prior to the commencement of any Interest Period for a Eurocurrency Loan:

(a) the applicable Lender determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining on a timely basis the Adjusted Eurocurrency Rate or the Eurocurrency Rate, as applicable, for such Interest Period; or

(b) the applicable Lender determines that the Adjusted Eurocurrency Rate or the Eurocurrency Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lender of making or maintaining the related Loan for such Interest Period;

then, such Lender shall give notice thereof to the Borrower and the Administrative Agent by telephone or facsimile as promptly as practicable thereafter and, until the circumstances giving rise to such notice no longer exist any Eurocurrency Loan shall as of the last day of the Interest Period applicable thereto be converted to or continued as an Alternative Rate Loan.

2.14 **Indemnity for reserves and expenses**

(a) If any Change in Law shall:

(i) impose or modify any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Indemnified Party (except any such reserve requirement reflected in the Adjusted Eurocurrency Rate or those for which payment has been made pursuant to Clause 2.17 (*Mandatory Costs*)); or

(ii) impose on any Indemnified Party (or on the U.S. market for certificates of deposit or the London interbank market) any other cost affecting or with respect to this Agreement or any other Transaction Document or Eurocurrency Loans made or maintained by such Indemnified Party (except those for which payment has been made pursuant to Clause 2.15 (*Indemnity for Taxes*) or 2.17 (*Mandatory Costs*)) or the maintenance or financing of the Loans hereunder, directly or indirectly;

and the result of any of the foregoing shall be to increase the cost to such Indemnified Party of making or maintaining any Loan (or of maintaining its obligation to fund any such Loan) or to reduce the amount of any sum received or receivable by such Indemnified Party hereunder (whether of principal, interest or otherwise), or to reduce the rate of return from a Loan or on an Indemnified Party's overall capital, then on the tenth (10th) day immediately following notification thereof pursuant to Clause 2.14(d) the Borrower will pay to such Indemnified Party such additional amount or amounts as will compensate such Indemnified Party for such additional costs incurred or reduction suffered.

(b) A certificate of an Indemnified Party setting forth the amount or amounts necessary to compensate such Indemnified Party or its holding company, as applicable, as specified in clause (a) of this Clause 2.14 shall be delivered to the Borrower and the Servicer and shall be conclusive absent manifest error.

(c) Promptly after any Indemnified Party has determined that it will make a request for compensation pursuant to this Clause 2.14, such Indemnified Party shall notify the Borrower of such determination. Failure or delay on the part of any Indemnified Party to demand compensation pursuant to this Clause 2.14 shall not constitute a waiver of such Indemnified Party's right to demand such compensation.

(d) Notwithstanding anything in this Clause 2.14 to the contrary, the Borrower shall not be required to pay to any Indemnified Party any amount pursuant to

this Clause 2.14 to the extent (i) such amount has been fully and finally paid in cash to such Indemnified Party pursuant to any other provision of this Agreement or any other Transaction Document or (ii) such amounts constitute Excluded Taxes.

2.15 **Indemnity for Taxes**

(a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes provided that if the Borrower shall be required to deduct any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Clause 2.15) the recipient of such payment receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, and (iii) the Borrower shall pay the full amount deducted to the relevant Official Body in accordance with applicable Law.

(b) The Borrower is not required to make an increased payment to a Lender under paragraph (a) above, if on the date on which the payment falls due the payment could have been made to the relevant Lender without a deduction for Indemnified Taxes if it was a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change in Law after the date it became a Lender under this Agreement.

(c) The Borrower shall indemnify each Indemnified Party within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes paid by such Indemnified Party on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Clause 2.15) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to the Borrower by an Indemnified Party, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes by the Borrower to an Official Body, the Borrower shall deliver to the applicable Person the original or a certified copy of a receipt issued by such Official Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to such Person.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding Tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent) and file with the appropriate Official Body (if required), at the time or times prescribed by applicable Law, such properly completed and executed documentation prescribed by applicable Law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate.

(f) If the Borrower makes a payment to an Indemnified Party under this Clause 2.15 and the relevant Indemnified Party determines that:

(i) a Tax Credit is attributable to such payment; and

(ii) that Indemnified Party has obtained, utilised and retained that Tax Credit, that Indemnified Party shall pay an amount to the Borrower which that Indemnified Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the payment not been required to be made by the Borrower. For the purpose of this Clause 2.15(f) **"Tax Credit"** means a credit against, relief on remission for, or repayment of, any tax.

This Clause 2.15 shall not be construed to require any Indemnified Party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or any other Person.

(g) Notwithstanding anything in this Clause 2.15 to the contrary, the Borrower shall not be required to pay to any Indemnified Party any amount pursuant to this Clause 2.15 to the extent (i) such amount has been fully and finally paid in cash to such Indemnified Party pursuant to any other provision of this Agreement or any other Transaction Document or (ii) such amounts constitute Excluded Taxes.

(h) Each of the initial Lenders hereby represents and warrants to the Borrower that as of the Closing Date it is a Qualifying Lender.

2.16 **Conversion of currencies**

(a) If, on any day a payment is due and payable hereunder or under any other Transaction Document, it is necessary for funds in one currency to be converted into another currency in order to make any payment required to be made pursuant to Clauses 2.6 (*Application of Collections prior to Facility Termination Date*) or 2.7 (*Application of Collections after Facility Termination Date*), as applicable, the Borrower shall (and shall cause the Servicer to) solicit offer quotations from at least two foreign exchange dealers reasonably acceptable to the Administrative Agent for effecting such exchange and shall select the quotation which provides for the best exchange rate. The Borrower shall (and shall cause the Servicer to) effect such exchange (or, if applicable, shall instruct the Administrative Agent to effect such exchange) as soon thereafter as is reasonably practicable but in no event later than two Business Days thereafter.

(b) On each Exchange Rate Determination Date, the Borrower shall (and shall cause the Servicer to) determine the Spot Rate for each Local Currency and give notice thereof to the Administrative Agent. In the event the Spot Rate for such Local Currency cannot be determined by the Servicer because the relevant exchange rate does not appear on any European Central Bank or Bloomberg historical pricing page for such currency as set forth in the definition of Spot Rate, then the Spot Rate shall be determined by the

Administrative Agent and notified to the Borrower and the Servicer in accordance with such definition.

(c) Whenever any computation or calculation hereunder requires the aggregation of amounts denominated in more than one currency, all amounts that are denominated in a Local Currency shall be converted to Euro using the Spot Rate determined for the Exchange Rate Determination Date immediately preceding the date of such calculation.

2.17 **Mandatory costs**

(a) In order to compensate each Lender for the cost of its compliance (if any) with the requirements of the Bank of England, the Financial Services Authority and/or the European Central Bank (or, in each case, any other authority which replaces all or any of its functions), each such Lender may (only to the extent not reflected in the Statutory Reserves and the Eurocurrency Rate Reserve Percentage) require the Borrower to pay, contemporaneously with each payment of Interest on each of such Loans, additional interest on such Loan at a rate per annum equal to the Mandatory Costs Rate calculated in accordance with the formula and in the manner set forth in Schedule 3 (*Mandatory Cost Rate*).

(b) Any additional interest owed pursuant to Clause 2.17(a) shall be determined by the applicable Lender, which determination shall be conclusive absent manifest error, and notified to the Borrower (with a copy to the Administrative Agent) at least five (5) Business Days before each date on which Interest is payable for the applicable Loan, and such additional interest so notified to the Borrower by such Lender shall be payable to such Lender on each date on which Interest is payable for such Loan.

2.18 **Mitigation obligations**

If an event occurs as a result of which any Indemnified Party requests compensation under Clause 2.11 (*Breakage costs*), Clause 2.14 (*Indemnity for reserves and expenses*) or 2.17 (*Mandatory costs*), or if any cancellation occurs under Clause 2.12 (*Illegality*) or if the Borrower is required to pay any additional amount to any Indemnified Party or any Official Body for the account of any Indemnified Party pursuant to Clause 2.15 (*Indemnity for Taxes*), then such Indemnified Party shall, in consultation with the Borrower, use reasonable efforts to mitigate or avoid the effects of such event. For the avoidance of doubt, an Indemnified Party is not obliged to take any steps under this Clause 2.18 if in the opinion of that Indemnified Party (acting reasonably) to do so might be prejudicial to it and the Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Indemnified Party in connection with any action taken by such Indemnified Party pursuant to, or in connection with, this Clause 2.18.

2.19 **Proceeds of Subordinated Loans**

(a) On the Closing Date the Borrower shall request a Subordinated Loan in an amount equal to the excess of (i) the aggregate purchase price of the Receivables to be transferred to the Borrower pursuant to the Intermediate

Transfer Agreements and the Originator Sale Agreements, over (ii) the aggregate amount of the Loans made by the Lenders to the Borrower on the Closing Date in respect of such Receivables.

(b) If on any day the Borrower has insufficient funds to pay the full purchase price of Receivables to be purchased on such day pursuant to, and in accordance with the terms and conditions of, the Intermediate Transfer Agreements and the Originator Sale Agreements, the Borrower shall request a Subordinated Loan on such day in amount equal to such insufficiency.

2.20 **Adjustments to the Applicable MAPB Percentage**

If as at the end of any Calculation Period, (i) from and including the Calculation Period commencing on 1 October 2007 but prior to the end of the Initial Ratio Period the Dilution Ratio exceeds 6% or thereafter the three month rolling average Dilution Ratio exceeds the Dilution Benchmark Percentage plus 3.5% or (ii) the Days Sales Outstanding exceeds 85 days, the Administrative Agent may (and, if instructed by the Required Lenders, shall) upon six (6) Business Days' written notice to the Borrower and the Servicer make such adjustments to the Applicable MAPB Percentage as it shall see fit acting in good faith. Any notice of an adjustment to the Applicable MAPB Percentage shall also indicate the percentage level of the Dilution Ratio and number of days Days Sales Outstanding that shall be required to trigger a further review and increase or reduction by the Administrative Agent of the Applicable MAPB Percentage. Any adjustment to the Applicable MAPB Percentage pursuant to this Clause shall cease to apply to the Applicable MAPB Percentage after the third consecutive Ratio Reporting Date on which the three month rolling average Dilution Ratio is less than or equal to the Dilution Benchmark Percentage plus 3.5% or the Days Sales Outstanding is less than or equal to 85 days, as applicable.

3. **CONDITIONS TO BORROWINGS**

3.1 **Conditions precedent to initial borrowing**

The occurrence of the Closing Date and the initial Borrowing under this Agreement is each subject to the conditions precedent that:

(a) consummation of the transactions contemplated herein shall have occurred or shall occur simultaneously with the initial purchase by the Purchasers under the applicable Originator Sale Agreements; and

(b) the Administrative Agent shall have received on or before the date of such Borrowing all of the instruments, documents, agreements and certificates specified on Schedule 2 (*Conditions Precedent Documents*), each (unless otherwise indicated) dated the Closing Date, in form and substance satisfactory to the Administrative Agent and such other instruments, documents, agreements, certificates and opinions as the Administrative Agent shall otherwise require. The Administrative Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.

3.2 **Conditions precedent to all borrowings and releases**

Each Borrowing (including the initial Borrowing) and each Release hereunder shall be subject to the further conditions precedent that (a) each Lender shall have received any necessary approvals, documents, instruments, certificates and opinions for that Borrowing and (b) on the date of such Borrowing or Release the following statements shall be true (and acceptance of the proceeds of any such Borrowing or Release shall be deemed a representation and warranty by the Borrower that such statements are then true by reference to the facts and circumstances existing on the date of such Borrowing or Release):

(i) In the case of a Borrowing, the making of such Loan does not violate any provisions of Clause 2.1 (*The Loans*);

(ii) In the case of a Borrowing, the Borrower has delivered a Borrowing Request, appropriately completed, within the time period required by Clause 2.2 (*Borrowing procedures*);

(iii) In the case of any Borrowing or Release, the Servicer shall have delivered a Daily Report pursuant to and in accordance with Clause 2.3 (*Reporting requirements*) of the Servicing Agreement on the date of such Borrowing or Release;

(iv) The Facility Termination Date has not occurred and no event exists, or would result from such Borrowing or Release, that constitutes a Facility Termination Event or Facility Suspension Event or, in the case of a Borrowing only, a Potential Facility Termination Event or Potential Facility Suspension Event;

(v) All Fees required to be paid on or prior to the date of such Borrowing or Release in accordance with the Fee Letters and the Commitment Letter and all fees and expenses described in Clauses 10.4 (*Costs and expenses*) to the extent then due and payable shall have been paid in full in accordance with the terms thereof;

(vi) No portion of the proceeds of such Borrowing or Release will be used by the Borrower to pay the purchase price for, or grant or otherwise acquire Borrower Receivables Interests in, any Receivable that was originated by an Originator with respect to which a Seller Event has occurred and is continuing;

(vii) After giving effect to such Borrowing or Release and the use of the proceeds thereof in accordance with Clause 2.3 (*Use of proceeds*) the Aggregate Principal Balance does not exceed the Maximum Aggregate Principal Balance; and

(viii) Any Subordinated Loan requested on the date of such Borrowing or Release shall have been (or shall simultaneously with such Borrowing or Release be) made by the Subordinated Lender.

4. REPRESENTATIONS AND WARRANTIES

4.1 Representations and warranties of the Borrower

The Borrower hereby represents and warrants to the Administrative Agent and the Lenders that on the Closing Date:

(a) It (i) is a limited liability company duly incorporated and validly existing under the laws of its jurisdiction of incorporation, (ii) is duly qualified to do business in every other jurisdiction where the nature of its business requires it to be so qualified, unless the failure to so qualify would not reasonably be expected to have a Material Adverse Effect, and (iii) has all corporate or other organisational power and authority and all licences, authorisations, consents, approvals and qualifications of and from all Official Bodies and other third parties required to perform its obligations under the Transaction Documents to which it is a party and to carry on its business in each jurisdiction in which its business is now conducted unless the failure to have such power, authority licences, authorisations, consents, approvals and qualifications would not reasonably be expected to have a Material Adverse Effect.

(b) The execution, delivery and performance by it of this Agreement and the other Transaction Documents to which it is a party, including the Borrower's use of the proceeds of Loans (i) are within its corporate powers, (ii) have been duly authorised by all necessary corporate action, (iii) are in its interest and it will receive the corporate benefit as a result of the transactions contemplated hereby and thereby and the value of the consideration obtained by it under the transactions contemplated hereby and thereby is not less than the value of, and is fully and fairly equivalent to, the consideration which it provides, (iv) do not contravene or constitute a default under (A) its Organic Documents, (B) any applicable Law, (C) any contractual restriction binding on or affecting it or its property or (D) any order, writ, judgment, award, injunction or decree which is valid and binding on or affecting it or its property except in each case where any such contravention or default would not reasonably be expected to have a Material Adverse Effect and (v) do not result in or require the creation or imposition of any Adverse Claim (other than Permitted Adverse Claims) upon or with respect to any of its properties. Each Transaction Document to which the Borrower is a party has been duly executed and delivered by the Borrower.

(c) No authorisation or approval or other action by, and no notice to or filing or registration with, any Official Body or official thereof or any third party is required for the due execution, delivery and performance by it of this Agreement or any other Transaction Documents to which it is a party or any other document to be delivered by it hereunder or thereunder, except for the actions taken or referred to in Schedule 2 (*Conditions Precedent Documents*) all of which have been (or on or before the Closing Date will have been) duly made or taken, as the case may be, and are in full force and effect and except where the failure to have obtained any such authorization or approval or taken any such action or made any such filing or notice would not reasonably be expected to have a Material Adverse Effect.

(d) Each of this Agreement and the other Transaction Documents to which it is a party constitutes the legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms, subject to the Legal Reservations.

(e) There are no actions, suits, investigations by an Official Body, litigation or proceedings at law or by or before any Official Body or in arbitration now pending or, to its knowledge, threatened against or affecting the Borrower or its Subsidiaries or any of its businesses, properties or revenues (i) which involve or question the validity of this Agreement or any other Transaction Documents to which it is a party or any of the transactions contemplated hereby or thereby (excluding any litigation or proceeding against any Obligor) or (ii) which, individually or in the aggregate, are reasonably likely to be adversely determined and if so determined would reasonably be expected to have a Material Adverse Effect. The Borrower is not in default or violation of any valid and binding order, judgment or decree of any Official Body or arbitrator which would reasonably be expected to have a Material Adverse Effect.

(f) No event has occurred and is continuing, or would result from any Borrowing or application of the proceeds therefrom, which constitutes a Facility Event which has not been (i) notified to the relevant parties to the Transaction Documents or (ii) remedied or waived, in each case, in accordance with the Transaction Documents.

(g) Each Receivable treated as or represented to be a Pool Receivable is owned by the applicable Purchaser, free and clear of any Adverse Claim (other than Permitted Adverse Claims). The Administrative Agent, for the benefit of the Secured Parties, has a valid and perfected first priority charge, security interest or pledge, ranking ahead of any other charge, security interest or pledge and the interest of any other creditor of any Transaction Party (other than Permitted Adverse Claims) in each Pool Receivable and in the Related Security and Collections related thereto, all of the Borrower Receivables Interests acquired by, or granted to, the Borrower, the Borrower Operating Accounts and all other Collateral, in each case, free and clear of any Adverse Claim (other than Permitted Adverse Claims). No effective financing statement or other instrument similar in effect is filed in any recording office listing any Transaction Party as debtor, covering any Receivable, Related Security, Borrower Receivables Interest or other Collateral, or any interest therein or proceeds thereof, other than in respect of a Permitted Adverse Claim.

(h) (i) Each Portfolio Report, Data Feed, Roll-Forward Report and Monthly Ratio Report is complete and accurate in all material respects as of its date, (ii) all other non-verbal information, data, exhibits, documents, books, records and reports furnished by or on behalf of the Borrower in connection with this Agreement, any other Transaction Document or any transaction contemplated hereby or thereby is complete and accurate in all material respects as of its date and no such item contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not

misleading, and (iii) all financial statements which have been furnished by or on behalf of the Borrower (A) have been prepared in accordance with GAAP consistently applied and (B) fairly present in all material aspects, the financial condition of the Borrower and, if applicable, its consolidated Subsidiaries as of the dates set forth therein and the results of any operations of the Borrower and, if applicable, its consolidated Subsidiaries for the periods ended on such dates.

(i) It has (i) timely filed or caused to be filed all material Tax returns required to be filed and (ii) paid or made adequate provision for the payment of all Taxes, assessments and other governmental charges due and payable by it except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

(j) For the purposes of the EU Insolvency Regulation, the Borrower's centre of main interest (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated in Ireland and it has no "establishment" (as that term is used in Article 2(h) of the EU Insolvency Regulation) in any other jurisdiction.

(k) (i) The names and addresses of all the Borrower Operating Account Banks together with the account numbers of the Borrower Operating Accounts at such Borrower Operating Account Banks are as specified in Schedule 8 (*Facility Accounts and Account Banks*) of the Schedule of Definitions, as such Schedule 8 (*Facility Accounts and Account Banks*) may be updated from time to time pursuant to Clause 5.1(g) (*Deposits to Borrower Operating Accounts*). (ii) All Borrower Operating Accounts are subject to a valid and enforceable Security Document and the Administrative Agent, on behalf of the Secured Parties, has a valid and perfected security interest or pledge of the Borrower Operating Accounts, free and clear of any Adverse Claims (other than Permitted Adverse Claims). Only Collections and other amounts payable in respect of Pool Receivables are deposited into the Borrower Operating Accounts. Each of the Borrower Operating Account Banks is an Eligible Account Bank.

(l) Since its incorporation, the Borrower has not used any company name, tradename or doing-business-as name other than the name in which it has executed this Agreement.

(m) The Borrower was incorporated on 21 December 2006 under the Laws of Ireland and the Borrower did not engage in any business activities prior to such date. The Borrower has no Subsidiaries (other than the Spanish Account SPV).

(n) The Borrower is able to pay its debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured. The Borrower is not insolvent within the meaning of Section 214 of the Irish Companies Act, 1963 or Section 2(3) of the Irish Companies (Amendment) Act, 1990. The Borrower does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay such debts and liabilities as they mature, taking into account the timing and amounts of

cash to be received by it and the timing and amounts of cash to be payable on or in respect of its Indebtedness.

(o) With respect to each Receivable treated as or represented to be a Pool Receivable, the applicable Purchaser purchased such Receivable from the applicable Originator in accordance with the terms of the applicable Originator Sale Agreement in exchange for payment (made by the applicable Purchaser to such Originator in accordance with the provisions of the applicable Originator Sale Agreement) of cash, in an amount which constituted fair consideration, reasonably equivalent value and fair market value. With respect to each Borrower Receivables Interest made by, granted to or acquired by, the Borrower, such Borrower Receivables Interest has been made by, granted to or acquired by the Borrower in accordance in all material respects with the terms of the applicable Intermediate Transfer Agreement. Each such purchase, acquisition or other transaction referred to above shall not have been made for or on account of an antecedent debt owed by the applicable Originator to the Borrower, or by the Intermediate Transfer to the Borrower, as the case may be, and no such sale, acquisition or other transaction is or may be voidable or subject to avoidance under any section of any applicable Insolvency Law or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(p) None of the Borrower or any of its Subsidiaries has operations, property, assets or employees in the U.S.

(q) The Borrower is in compliance with any material provisions of all applicable Data Protection Laws applicable to it or its business or properties, except where the failure to comply would not reasonably be expected to have a Material Adverse Effect.

4.2 **Times when representations made**

(a) All the representations and warranties in this Clause 4 (*Representations and Warranties*) are deemed to be made by the Borrower on the Closing Date and as of the date of each Borrowing and each Release hereunder.

(b) The representations and warranties in Clauses 4.1(g), (h) and (o) are deemed to be made by the Borrower as of each Reporting Date, and in the case of all non-verbal information, data, exhibits, documents, books and records furnished by or on behalf of the Borrower in connection with this Agreement, any other Transaction Document or any transaction contemplated hereby or thereby on the date on which such information, data, exhibits, documents, books and records are furnished.

(c) Each representation or warranty deemed to be made after the Closing Date shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

5. **COVENANTS**

5.1 **Covenants of the Borrower**

Until the Final Payout Date:

(a) **Compliance with laws, etc**

The Borrower will comply in all material respects with all applicable Laws and preserve and maintain its corporate existence, rights, franchises, qualifications, and privileges except to the extent that the failure so to comply with such Laws or the failure so to preserve and maintain such existence, rights, franchises, qualifications, and privileges would not reasonably be expected have a Material Adverse Effect.

(b) **Offices, records and books of account**

The Borrower will keep its records concerning the Receivables and Borrower Receivables Interests at (i) the address of the Borrower in Ireland, the address of the Servicer in Luxembourg or the address of Dana Europe S.A. in Switzerland in each case specified in Clause 10.2 (*Notices, etc*) as of the date of this Agreement or (ii) upon thirty (30) days prior written notice to the Administrative Agent, at any other locations in jurisdictions where all actions reasonably requested by the Administrative Agent to protect and perfect its security interest in the Collateral have been taken and completed. The Borrower also will maintain and implement, or cause the Servicer to maintain and implement, administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the loss or destruction of the originals thereof), and keep and maintain all Records and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable). The Borrower shall give the Administrative Agent prompt notice of any material change in its administrative and operating procedures referred to in the previous sentence.

(c) **Notice of Borrower's interest**

In the event that the Borrower shall sell, hold in trust or otherwise transfer any interest in any financial assets relating to any Pool Receivable, any Related Security or any other Collateral (other than as contemplated by the Transaction Documents), any computer tapes or files or other documents or instruments provided in connection with any such sale or transfer shall disclose the applicable Purchaser's ownership of the Pool Receivables and the Administrative Agent's and Secured Parties' interest therein.

(d) **Sales, Liens, etc.**

The Borrower will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim (except for Permitted Adverse Claims) upon or with respect to, the Pool Receivables, any

Borrower Operating Account, any other Collateral or any other asset of the Borrower, or assign any right to receive income in respect thereof and the Borrower shall not issue any Equity Interest to any other Person other than the Equity Holder or permit any such Equity Interests or any Equity Interest in the Spanish Account SPV to be subject to any Adverse Claim, except as otherwise expressly provided for in the Transaction Documents. Nothing in this Clause 5.1(d) shall prevent the Borrower from making Restricted Payments otherwise permitted under Clause 5.1(n).

(e) **Extension or amendment of Pool Receivables and Contracts**

Except as provided in Clause 2.2(c) (*Duties of the Servicer*) of the Servicing Agreement, the Borrower will not (i) extend, amend or otherwise modify the terms of any Pool Receivable or any Related Security, or (ii) amend, modify or waive any term or condition of any Contract related thereto in a manner that would reasonably be expected to have a Material Adverse Effect.

(f) **Change in Business**

The Borrower will not make any substantial change to the general nature of its business.

(g) **Change in payment instructions to Obligors**

The Borrower will not add or terminate any Borrower Operating Account from those listed in Schedule 8 (*Facility Accounts and Account Banks*) of the Schedule of Definitions, or make any change in any instruction to Obligors regarding payments to be made in respect of the Receivables or payments to be made to any Borrower Operating Account unless each Lender shall have received at least fifteen (15) days prior written notice of such addition, termination or change (including an updated Schedule 8 (*Facility Accounts and Account Banks*) to the Schedule of Definitions) and a fully executed Security Document with respect to each new Borrower Operating Account has been delivered to the Administrative Agent. Each Borrower Operating Account shall be maintained at all times in the name of the Borrower, except as otherwise agreed by the Administrative Agent.

(h) **Deposits to Borrower Operating Accounts**

If the Borrower shall receive any Collections directly, the Borrower shall (or will cause the Servicer to) promptly (and in any event within one (1) Business Day) cause such Collections to be deposited into a Borrower Operating Account. The Borrower will not permit and will (and will cause the Servicer Parties to) use all reasonable efforts to prevent funds which do not constitute Collections of Receivables from being deposited into any Borrower Operating Account.

(i) **Further Assurances; Change in Name or Jurisdiction of Organisation, etc**

(i) With the exception of the notifications and other actions referred to in Clause 6.2 (*Certain rights of the Administrative Agent*) which need

only be given or taken in accordance with that Clause, the Borrower agrees from time to time, at its expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be reasonably necessary, or that the Administrative Agent may reasonably request, to perfect, protect or more fully evidence the Administrative Agent's security interest in the Borrower Operating Accounts and the Collateral, or to enable the Lenders or the Administrative Agent to exercise and enforce their respective rights and remedies under this Agreement. Without limiting the foregoing, the Borrower will at its expense, upon the request of the Administrative Agent, duly execute, file or serve in or on the appropriate filing office, Official Body or other Person in each jurisdiction reasonably deemed necessary or desirable all registrations, notices, financing or continuation statements, or amendments thereto, and such other instruments and documents, that may be necessary, or that the Administrative Agent may reasonably request, to perfect, protect or evidence the Administrative Agent's security interest in the Borrower Operating Accounts and the Collateral. The Borrower authorises the Administrative Agent to file financing or continuation statements or similar instruments, and amendments thereto and assignments thereof, relating to the Borrower Operating Accounts and the Collateral for the purpose of evidencing or protecting its security interest in connection therewith without the signature of the Borrower. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by Law.

(ii) The Borrower will at all times be incorporated under the laws of Ireland and will not take any action to change its jurisdiction of organisation.

(iii) The Borrower will not change its name, identity, corporate structure, location, registered office, its centre of main interests, its principal place of management or tax identification number or make any other change which could render any financing statement or similar instrument filed in connection with any Transaction Document seriously misleading or otherwise ineffective under applicable Law, unless the Administrative Agent shall have received at least thirty (30) days advance written notice of such change prior to the effectiveness thereof and all action by the Borrower necessary or appropriate to perfect or maintain the perfection of the Administrative Agent's security interest in the Borrower Operating Accounts and the Collateral (including the filing of all financing statements or similar instruments and the taking of such other action as the Administrative Agent may request in connection with such change) shall have been duly taken.

(j) **Separateness**

(i) The Borrower will pay its own liabilities out of its own funds.

(ii) The Borrower will hold itself out and identify itself as a separate and distinct entity under its own name and not as a division or part of any other Person.

(iii) The Borrower will promptly correct any misunderstanding of which it has knowledge regarding its separate existence and identity.

(iv) The Borrower will prepare and maintain its own full and complete books, records and financial statements separate from any other Person. The Borrower's financial statements will comply with GAAP.

(v) The Borrower will maintain at least one bank account in its own name.

(vi) The Borrower will not assume or guarantee or become obligated for debts of any Person and no Person will assume or guarantee or become obligated for the debts of the Borrower, other than as provided in the Transaction Documents. The Borrower will not hold its credit out as being available to satisfy the obligations of any other Persons.

(vii) The Borrower will not acquire obligations or securities of any Person (other than the Equity Interest in the Spanish Account SPV) except as otherwise expressly contemplated in the Transaction Documents. The Borrower will not make loans, advances or otherwise extend credit to any Person except as expressly contemplated by the Transaction Documents.

(viii) Except to the extent provided in the Transaction Documents, the Borrower will not commingle any of its money or other assets with the money or assets of any other Person.

(ix) Except as expressly contemplated in the Transaction Documents, the Borrower will engage in transactions and conduct all other business activities solely in its own name and through its own authorised officers and agents. The Borrower will present itself to the public as a separate company. Except to the extent provided in, or anticipated by, the Transaction Documents, no Person will be appointed agent of the Borrower.

(x) The Borrower will duly observe, in a timely manner in all material respects, all material obligations, including any filing and publication requirements, of a private limited liability company incorporated under the laws of Ireland.

(k) **Transaction Documents**

(i) Except as permitted under Clause 10.12 (*Limitation on the addition and termination of Originators*) or as otherwise expressly permitted by the Transaction Documents, the Borrower will not terminate, amend, waive or modify, or consent to any termination, amendment, waiver or modification of, any provision of any Transaction Document or grant any other consent or other indulgence under any Transaction Document, in each case, without the

prior written consent of the Administrative Agent and the Required Lenders (such consent not to be unreasonably withheld); provided that the consent of each Lender shall be required for any such amendment, waiver, modification, consent or other indulgence that would (A) release any portion of the Collateral or (B) release the Performance Undertaking Provider from its obligations under the Performance Undertaking. (ii) The Borrower will perform in all material respects all of its obligations under the Transaction Documents and will enforce the Transaction Documents in accordance with their respective terms. The Borrower will take all actions to perfect and enforce its rights and interests (and the rights and interests of the Administrative Agent and the Secured Parties as assignees of Borrower) under the Transaction Documents as the Administrative Agent or the Required Lenders may from time to time reasonably request, including making claims to which it may be entitled under any indemnity, reimbursement or similar provision contained in any Transaction Document.

(l) **Nature of Business; No Subsidiaries**

The Borrower will not engage in any business other than the financing of Receivables, Related Security and Collections originated by the Originators pursuant to and in accordance with terms of the Transaction Documents. The Borrower will not create or form any Subsidiary (other than the Spanish Account SPV). The Borrower will not amend, modify, change or repeal any of its Organic Documents without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed). The Borrower will not make any change in the Credit and Collection Policies or the Standard Terms and Conditions without the prior written consent of the Administrative Agent, except in either case for any such change in a Credit and Collection Policy or Standard Terms and Conditions that would not (A) impair the collectibility of any Pool Receivables in any material respect, (B) otherwise reasonably be expected to have a Material Adverse Effect or (C) materially adversely affect the interests or remedies of the Secured Parties. The Borrower will not have any employees.

(m) **Mergers, etc**

Except to the extent expressly permitted by the Transaction Documents, the Borrower will not liquidate or dissolve or merge with or into or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets or capital stock or other ownership interest of, or enter into any joint venture or partnership agreement with, any Person.

(n) **Distributions, etc**

The Borrower will not (i) declare or make any dividend payment or other distribution of assets, properties, cash (other than as permitted pursuant to the Declaration of Trust entered into on the date hereof by the Equity Holder), rights, obligations or securities on account of any membership interests or other Equity Interests in the Borrower, or return any capital to its members or

other equity holders as such, or purchase, retire, defease, redeem or otherwise acquire for value or make any payment in respect of any membership interests or other equity of the Borrower or any warrants, rights or options to acquire any membership interests or other equity of the Borrower, now or hereafter outstanding, (ii) prepay, purchase or redeem any Indebtedness (other than Indebtedness hereunder), (iii) lend or advance any funds or (iv) repay any loans or advances to, for or from any of its Affiliates (the amounts described in Clauses 5.1(n)(i) to (iv) being referred to as **"Restricted Payments"**); provided, however, that the Borrower may (x) purchase Receivables and any Related Security and Collections related thereto and make, purchase or otherwise acquire Borrower Receivables Interests, and (y) pay amounts owing in respect of the Subordinated Loans, in each case, pursuant to and in accordance with the terms and conditions of the Transaction Documents, including Clause 2.6 (*Application of Collections prior to Facility Termination Date*), Clause 2.7 (*Application of Collections after Facility Termination Date*) and Clause 3 (*Conditions to Borrowings*).

(o) **Indebtedness**

The Borrower will not create, incur, guarantee, assume or suffer to exist any Indebtedness or other liabilities, whether direct or contingent, funded or unfunded, other than (i) as a result of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) the incurrence of obligations under this Agreement, (iii) the incurrence of other obligations pursuant to, and, as expressly set forth in, the Transaction Documents or (iv) the incurrence of operating expenses in the ordinary course of business in an amount not to exceed €10,000 at any time outstanding.

(p) **Taxes**

The Borrower will file all tax returns and reports required by Law to be filed by it and will promptly pay all Taxes and governmental charges at any time owing by it. The Borrower will pay when due any Taxes (other than Excluded Taxes) payable by the Borrower in connection with the Collateral.

(q) **Enforcement**

The Borrower on its behalf, and on behalf of the Secured Parties, shall (or shall cause the Servicer Parties to) promptly enforce all covenants and obligations in its favour of the Intermediate Transferor contained in the Intermediate Transfer Agreements, all covenants and obligations in its favour of the Spanish Account SPV contained in any Transaction Document and all covenants and obligations in its favour of the Originators under the Originator Sale Agreements. The Borrower shall also use reasonable efforts to deliver consents, approvals, acknowledgements, directions, notices, waivers and take such further actions thereunder as may be reasonably directed by the Administrative Agent.

(r) **Borrower Operating Accounts and New Collection Accounts**

The Borrower will cause all Borrower Operating Accounts to be subject at all times to a Security Agreement. The Borrower will ensure that each New Collection Account (other than any New Spanish Collection Account) shall be maintained at all times in the name of the Borrower and will cause each New Spanish Collection Account to be maintained at all times in the name of the Spanish Account SPV.

(s) **Change in accountants or accounting policies**

The Borrower shall promptly notify the Administrative Agent of any change in its accountants or material change in its accounting policy.

(t) **Power of Attorney**

The Borrower will not revoke or attempt to revoke any power of attorney granted by it in connection with the transactions contemplated by the Transaction Documents.

(u) **Instruments**

The Borrower shall not take any action to cause any Pool Receivable not evidenced by a negotiable instrument upon origination to become evidenced by a negotiable instrument, except in connection with the enforcement or collection of a Defaulted Receivable.

(v) **Delivery of Financial Statements**

The Borrower shall deliver to the Administrative Agent, within 120 days after the close of each of its fiscal years, a copy of its statutory accounts prepared in accordance with GAAP.

(w) **Licences, etc.**

The Borrower shall maintain in full force and effect all licences, approvals, authorisations, consents, registrations and notifications which are at any time required in connection with the performance of its duties and obligations hereunder and under the other Transaction Documents, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(x) **Notices under Transaction Documents**

Promptly after receipt thereof by the Borrower, the Borrower shall furnish or cause to be furnished to the Administrative Agent copies of all notices received by the Borrower from any Originator or the Intermediate Transferor in connection with any Transaction Document to the extent not previously provided to the Administrative Agent by another Transaction Party.

5.2 **Inspections; agreed upon procedures audit**

Until the Final Payout Date the Borrower will, at the expense of the Borrower, from time to time during regular business hours as requested by the Administrative Agent upon reasonable prior notice, permit the Administrative Agent or its agents or representatives (including independent accountants, which may be the Borrower's or the Servicer's independent accountants), (i) to conduct periodic audits of the Borrower's accounting records, correspondence and such other documents as the Administrative Agent may reasonably require including the Receivables, the Related Security, the other Collateral and the related books and records, including the Contracts, and collections systems of the Borrower, as agreed upon from time to time between the Administrative Agent and the Master Servicer, such audits to include procedures to satisfy the Administrative Agent as to the existence of the receivables, (ii) to examine and (to the extent permitted by applicable law) make copies of and abstracts from all documents, purchase orders, invoices, agreements, books, records and other information (including computer programs, tapes, discs, punch cards, data processing software, storage media and related property and rights subject to any restrictions in any licence with respect thereto) relating to Receivables, the Related Security and the other Collateral, including the Contracts and (iii) to visit the offices and properties of the Borrower for the purpose of examining such materials described in Clauses 5.2(i) and (ii), and to discuss matters relating to Receivables, the Related Security and the other Collateral or the Borrower's performance under the Transaction Documents or under the Contracts with any of the officers or employees of the Borrower having knowledge of such matters.

6. **ADMINISTRATION AND COLLECTION OF POOL RECEIVABLES**

6.1 **Designation of Servicer**

The servicing, administration and collection of the Pool Receivables shall be conducted by the Servicer so designated under the Servicing Agreement from time to time.

6.2 **Certain Rights of the Administrative Agent**

(a) The Administrative Agent may (and if so directed by the Required Lenders, shall), at any time following the occurrence and during the continuation of an Exercise Event, have each Borrower Operating Account transferred into the name of the Administrative Agent for the benefit of the Secured Parties and/or assume exclusive control of the Borrower Operating Accounts and, in each case, take such actions to effect such transfer or assumption as it may determine to be necessary or appropriate (including delivering the notices attached to the applicable Security Documents).

(b) At any time following the occurrence and during the continuation of an Exercise Event:

(i) At the Administrative Agent's request (acting either on its own initiative or at the request of the Required Lenders) and at the Borrower's expense, the Borrower shall, or shall cause each Servicer Party to (and if any Servicer Party shall fail to do so within two (2)

Business Days, the Administrative Agent may) (i) notify each Obligor of Pool Receivables of the transfer, sale, trust, assignation and assignment of the Pool Receivables and the Related Security with respect thereto pursuant to the Transaction Documents and of the applicable Purchaser's ownership of, and the Administrative Agent's security interest in, the Pool Receivables and the Related Security with respect thereto, (ii) direct such Obligors that payments under any Pool Receivable or any Related Security with respect thereto be made directly to the Administrative Agent or its designee and (iii) execute any power of attorney or other similar instrument and/or take any other action reasonably necessary or desirable to give effect to such notice and directions, including any action required (x) to convey or perfect the relevant Purchaser's title or the Administrative Agent's security interest in the Pool Receivables and Related Security, or (y) to be taken so that the obligations or other indebtedness of such Obligors in respect of any Pool Receivables and any Related Security with respect thereto may no longer be legally satisfied by payment to the applicable Originator or any of its Affiliates.

(ii) At the Administrative Agent's request (acting either on its own initiative or at the request of the Required Lenders) and at the Borrower's expense, the Borrower shall, or shall cause each Servicer Party to (A) assemble all of the Contracts, documents, instruments and other records (including computer tapes and disks) that evidence or relate to the Collateral, or that are otherwise reasonably necessary or desirable to collect the Collateral, and shall make the same available to the Administrative Agent at a place selected by the Administrative Agent or its designee and (B) segregate all cash, cheques and other instruments received by it from time to time constituting Collections of Collateral in a manner acceptable to the Administrative Agent and, promptly upon receipt, remit all such cash, cheques and instruments, duly endorsed or with duly executed instruments of transfer, to the Administrative Agent or its designee.

(c) The Borrower authorises the Administrative Agent, following the occurrence and during the continuation of an Exercise Event, to take any and all steps in the Borrower's name and on behalf of the Borrower that are necessary or desirable, in the determination of the Administrative Agent, to collect amounts due under the Collateral, including (i) endorsing the Borrower's or any other Transaction Party's name on cheques and other instruments representing Collections, (ii) enforcing the Receivables and the Related Security and the Security Agreements and other Transaction Documents, including to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with therewith and (iii) to file any claims or take any action or institute any proceedings that the Administrative Agent (or such designee) may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of, or to perform any obligations or enforce any rights of the Borrower or any other Transaction Party in respect of, the Receivables and the Related Security and the other Transaction Documents.

6.3 **Performance of obligations**

(a) If the Servicer or the Borrower fails to perform any of its material obligations under this Agreement or any other Transaction Document, the Administrative Agent may (but shall not be required to) itself perform, or cause performance of, such obligation; and the Administrative Agent's costs and expenses reasonably incurred in connection therewith shall be payable by the Servicer or the Borrower, as applicable.

(b) The Borrower shall, and shall cause the Servicer to, perform their respective obligations, and exercise their respective rights, under the Contracts and the Transaction Documents to the same extent as if a security interest therein had not been granted to the Administrative Agent. The exercise by the Administrative Agent on behalf of the Secured Parties of their rights under this Agreement shall not release the Servicer or the Borrower from any of their duties or obligations with respect to any Contracts or Transaction Documents. None of the Administrative Agent or the Lenders shall have any obligation or liability with respect to any Transaction Documents or Contracts, nor shall any of them be obligated to perform the obligations of any Transaction Party under any Transaction Document or Contract.

(c) The Administrative Agent's rights and powers under this Clause 6 and under the Servicing Agreement shall not subject the Administrative Agent to any liability if any action taken by it proves to be inadequate or invalid nor shall such powers confer any obligation whatsoever upon the Administrative Agent.

7. **SUSPENSION AND TERMINATION EVENTS**

7.1 **Facility Suspension Events**

Each of the events or circumstances set out in this Clause 7.1 is a Facility Suspension Event.

(a) any Facility Party shall fail to make any payment or deposit required to be made by it hereunder or under any other Transaction Document to which it is a party when due hereunder or thereunder and such failure remains unremedied for three (3) Business Days;

(b) any representation, warranty, certification or statement made by any Facility Party in any Transaction Document shall prove to have been incorrect in any material respect when made or deemed made (other than any breach of a representation, warranty, certification or statement solely relating to a Pool Receivable for which a Deemed Collection has been received in an amount equal to the full Unpaid Balance thereof pursuant to any Specified Deemed Collection Clause (unless not required to be so remitted pursuant to the terms of the Transaction Documents)) and, if the circumstances causing such representation, warranty, certification or statement to be incorrect are capable of being remedied, such Facility Party shall have failed to remedy such circumstances in a manner such that such representation, warranty, certification or statement is true and correct in all material respects within five

(5) Business Days after a Responsible Officer of such Facility Party obtained knowledge or received notice thereof;

(c) any Facility Party shall fail to perform or observe any term, covenant or agreement in any Transaction Document in any material respect, and, if such failure is capable of being remedied, such Facility Party shall have failed to remedy such failure within seven (7) Business Days after a Responsible Officer of such Facility Party obtained knowledge or received notice thereof; or

(d) any Material Indebtedness (or any amount in respect of Material Indebtedness) of any Transaction Party or any other Dana European Entity (i) is not paid when due (after the expiry of any originally applicable grace period), or is declared or otherwise becomes due prior to its scheduled maturity as a result of any event of default (however described), or (ii) is capable of being declared by or on behalf of a creditor to be prematurely due and payable or of being placed on demand as a result of any event of default (however described), or (iii) any pledge, charge or security interest securing the Material Indebtedness of any Dana European Entity is enforced, in whole or in part as a result of any event of default (however described);

(e) a Servicer Default shall occur and be continuing;

(f) the Aggregate Principal Balance exceeds the Maximum Aggregate Principal Balance for three (3) consecutive Business Days;

(g) as at the end of any Calculation Period, from and including the Calculation Period commencing on 1 October 2007 but prior to the end of the Initial Ratio Period the Dilution Ratio exceeds 8.0% on two consecutive Ratio Reporting Dates or thereafter the three month rolling average Dilution Ratio exceeds the Dilution Benchmark Percentage plus 5%;

(h) as at the end of any Calculation Period, Days Sales Outstanding is greater than 90 days;

(i) the failure by any Facility Party or any other Dana European Entity (other than the Spanish Account SPV or Originator) to pay one or more final judgments requiring such Person to pay a sum or sums of money (whether or not such judgment may be stayed or further appealed) aggregating in excess of €5,000,000 or the Euro Equivalent thereof in any other currency, which judgments are not discharged or effectively waived or stayed for a period of thirty (30) consecutive days, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of any such Person to enforce any such judgment;

(j) the failure by the Borrower to pay one or more final judgments requiring the Borrower to pay a sum or sums of money (whether or not such judgment may be stayed or further appealed) which judgments are not discharged or effectively waived or stayed for a period of thirty (30) consecutive days, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Borrower to enforce any such judgment; or

(k) the Subordinated Lender fails for any reason (including as the result of the failure to meet any condition precedent) to make a Subordinated Loan under the Subordinated Loan Agreement following delivery by the Borrower of a Subordinated Loan Borrowing Request; or

(l) the Servicer shall have failed to commence providing Roll-Forward Reports after each Intra-month Settlement Date in accordance with Clause 2.3(d) (*Roll-Forward Reports*) of the Servicing Agreement by 31 December 2007.

7.2 **Facility Termination Events**

If any of the following events (each a **"Facility Termination Event"**) shall occur and be continuing:

(a) an Event of Bankruptcy shall occur with respect to:

(i) any Transaction Party; or

(ii) any Dana European Entity (other than a Transaction Party) and the occurrence of such Event of Bankruptcy has, or is reasonably expected to have, a Material Adverse Effect;

(b) the Administrative Agent, on behalf of the Secured Parties, shall, for any reason, fail or cease to have a valid and perfected first priority charge, security interest or pledge in the Collateral prior to all other interests, or there shall exist any Adverse Claims on such Collateral other than Permitted Adverse Claims;

(c) any Change of Control shall occur with respect to any Facility Party or any other Dana European Entity (other than the Spanish Account SPV or any Originator);

(d) the Fixed Charge Coverage Ratio shall at any time be less than:

(i) 1.25:1 and the Fixed Charge Coverage Ratio has not been recalculated and increased back up to at least 1.25:1 in accordance with Clause 10.3 (*Financial covenant*) of the Performance Undertaking within the time specified in such Clause; or

(ii) 1.15:1;

(e) except in the case of a termination expressly permitted under Clause 10.12 (*Limitation on the addition and termination of Originators*), any Transaction Document (other than any Originator Sale Agreement, Account Security Agreement or the Spanish Account Agency Agreement, in each case, to the extent any termination thereof constitutes a Seller Termination Event under an Originator Sale Agreement) or any material provision thereof shall cease, for any reason, to be in full force and effect, or any Transaction Party shall so assert in writing or any Transaction Party shall otherwise seek to terminate or disaffirm its material obligations under any such Transaction Document;

(f) any Facility Suspension Event is continuing after, or not otherwise remedied prior to, 15 Business Days after such Facility Suspension Event occurred;

(g) the issue of a moral hazard notice by tPR to any Dana European Entity;

then, and in any such event, the Administrative Agent may, in its discretion, and shall, at the direction of the Required Lenders, declare the Facility Termination Date to have occurred upon notice to the Borrower (in which case the Facility Termination Date shall be deemed to have occurred); provided that automatically upon the occurrence of any event (without any requirement for the giving of notice) described in Clause 7.2(a), the Facility Termination Date shall occur. Upon any such declaration or upon such automatic termination, the Lenders and the Administrative Agent shall have, in addition to the rights and remedies which they may have under this Agreement, all other rights and remedies provided after default under applicable Law, which rights and remedies shall be cumulative.

7.3 **Acceleration of maturity**

If a Facility Termination Event shall have occurred and be continuing, then and in every such case the Administrative Agent may, and if so directed by the Required Lenders shall, declare all of the Loans to be immediately due and payable by a notice in writing to the Borrower, and upon any such declaration the unpaid principal amount of the Loans, together with accrued and unpaid interest thereon, shall become immediately due and payable; provided that in the case of any event described in Clause 7.2(a), the Loans shall become immediately and automatically due and payable, without notice of any kind being given to the Borrower.

8. **THE ADMINISTRATIVE AGENT**

8.1 **Authorisation and Action**

Each Lender hereby irrevocably appoints and authorises the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are delegated to the Administrative Agent by the terms hereof and the other Transaction Documents, together with such powers as are reasonably incidental thereto. Without limiting the foregoing, the Administrative Agent is empowered and authorised, on behalf of the Secured Parties, to hold and administer the Collateral as trustee for the benefit of the Secured Parties under the Security Documents. The Administrative Agent shall not have any duties other than those expressly set forth in the Transaction Documents, and no implied obligations or liabilities shall be read into any Transaction Document, or otherwise exist, against the Administrative Agent. The Administrative Agent does not assume, nor shall it be deemed to have assumed, any duty of care or obligation to, or relationship of trust or agency with, any Transaction Party, the Lenders or any other Secured Party, except as expressly set out in the Transaction Documents. Notwithstanding any provision of this Agreement or any other Transaction Document, in no event shall the Administrative Agent ever be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to any provision of any Transaction Document or applicable Law. Without limiting the generality of the foregoing sentence, the use of the term “agent” in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or

other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. With respect to any Belgian Account Security Agreement governed by the laws of Belgium, the Administrative Agent acts as an agent (*représentant*), as defined in Article 5 of the Belgian law of 15 December 2004 "*relative aux sûretés financières et portant des dispositions fiscales diverses en matière de conventions constitutives de sûreté réelle et de prêts portant sur les instruments financiers"*. With respect to the applicable Italian Account Security Agreement, each Lender also appoints the Administrative Agent as "*mandatario con rappresentanza*" pursuant to Section 1704 of the Italian Civil Code in relation to the entering into, holding and administering collateral under, and exercising all rights and powers under, the applicable Italian Accounts Security Agreement, in each case in the name and on behalf of the Secured Parties.

8.2 **Liability of Agent**

Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Administrative Agent under or in connection with the Transaction Documents (including the Administrative Agent's servicing, administering or collecting Receivables as Servicer pursuant to Clause 6 (*Administration and Collection of Receivables*)), in the absence of its or their own gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Administrative Agent:

(a) may consult with legal counsel (including counsel for the Borrower or any Servicer Party), independent accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;

(b) makes no warranty or representation to any Lender or other Secured Party (whether written or oral) and shall not be responsible to any Lender or other Secured Party for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement or any other Transaction Document;

(c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Transaction Document on the part of any Transaction Party or to inspect the property (including the books and records) of any Transaction Party;

(d) shall not be responsible to any Lender or other Secured Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Transaction Document; and

(e) shall incur no liability under or in respect of this Agreement or any other Transaction Document by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be

by facsimile) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

8.3 **GE and Affiliates**

The obligation of GE to fund Loans under this Agreement may be satisfied by GE or any of its Affiliates. With respect to any Loan or interest therein owned by it, GE shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Administrative Agent. GE and any of its Affiliates may generally engage in any kind of business with the Transaction Parties or any Obligor, any of their respective Affiliates and any Person who may do business with or own securities of the Transaction Parties or any Obligor or any of their respective Affiliates, all as if GE were not the Administrative Agent and without any duty to account therefor to the Lenders or other Secured Parties.

8.4 **Indemnification of Administrative Agent and Intermediate Transferor**

Whether or not the transactions contemplated hereby are consummated, each Lender severally agrees to indemnify the Administrative Agent and the Intermediate Transferor (to the extent not reimbursed by the Transaction Parties), ratably based on the Commitment of such Lender (or, if the Commitments have terminated, ratably according to the respective Commitment of such Lender immediately prior to such termination), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent or the Intermediate Transferor, as the case may be, in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by the Administrative Agent or the Intermediate Transferor, as the case may be, under this Agreement or any other Transaction Document, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or Intermediate Transferor's gross negligence or willful misconduct; provided, however, that no action taken in accordance with the direction of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Clause 8.4. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorney's fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Transaction Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Clause 8.4 shall survive payment on the Final Payout Date and the resignation or replacement of the Administrative Agent.

8.5 **Delegation of Duties**

The Administrative Agent may execute any of its duties through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the

negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

8.6 **Action or inaction by Administrative Agent**

The Administrative Agent shall in all cases be fully justified in failing or refusing to take action under any Transaction Document unless it shall first receive such advice or concurrence of the Required Lenders and assurance of its indemnification by the Lenders, as it deems appropriate. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or at the direction of the Required Lenders, and such request or direction and any action taken or failure to act pursuant thereto shall be binding upon all Lenders. Unless any action to be taken by the Administrative Agent under a Transaction Document specifically provides that it be taken by the Administrative Agent alone or without any advice or concurrence of any Lender, then the Administrative Agent may (and shall, to the extent required hereunder) take action based upon the advice or concurrence of the Required Lenders.

8.7 **Notice of Facility Events; Action by Administrative Agent**

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Facility Event or any other default or termination event under the Transaction Documents, as the case may be, unless the Administrative Agent has received notice from any Lender, any Servicer Party or the Borrower stating that a Facility Event has occurred hereunder or thereunder and describing such termination event or default. If the Administrative Agent receives such a notice, it shall promptly give notice thereof to each Lender. The Administrative Agent shall take such action concerning a Facility Event or any other matter hereunder as may be directed by the Required Lenders, (subject to the other provisions of this Clause 8), but until the Administrative Agent receives such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, as the Administrative Agent deems advisable and in the best interests of the Lenders.

8.8 **Non-Reliance on Administrative Agent and Other Parties**

Each Lender expressly acknowledges that neither the Administrative Agent nor any of its directors, officers, agents or employees has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Transaction Parties, shall be deemed to constitute any representation or warranty by the Administrative Agent. Each Lender represents and warrants to the Administrative Agent that, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of each Transaction Party and the Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Transaction Document. Except for items expressly required to be delivered under any Transaction Document by the Administrative Agent to any Lender, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any information concerning the Transaction Parties or any of their

Affiliates that comes into the possession of the Administrative Agent or any of its directors, officers, agents, employees, attorneys-in-fact or Affiliates.

8.9 **Successor Administrative Agent**

The Administrative Agent may, upon at least thirty days notice to the Borrower, the Servicer and each Lender, resign as Administrative Agent. Except as provided below, such resignation shall not become effective until a successor Administrative Agent is appointed by the Required Lenders (with the consent of the Servicer, such consent not to be unreasonably withheld or delayed) and has accepted such appointment. If no successor Administrative Agent shall have been appointed within 30 days after the departing Administrative Agent's giving of notice of resignation, the departing Administrative Agent may appoint a successor Administrative Agent, which successor Administrative Agent shall be either a commercial bank having a combined capital and surplus of at least $250,000,000 or a Subsidiary of such an institution and shall be acceptable to the Servicer (such acceptance not to be unreasonably withheld or delayed). If no successor Administrative Agent shall have been appointed within 60 days after the departing Administrative Agent's giving of notice of resignation, the departing Administrative Agent may petition a court of competent jurisdiction to appoint a successor Administrative Agent, which successor Administrative Agent -shall be either a commercial bank having a combined capital and surplus of at least $250,000,000 or a Subsidiary of such an institution. Upon such acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from any further duties and obligations under the Transaction Documents. After any retiring Administrative Agent's resignation hereunder, the provisions of Clause 2.6 (*Indemnities by Servicer*) of the Servicing Agreement and Clause 9 (*Indemnities by the Borrower*) and this Clause 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent.

8.10 **Consent to agreed upon procedures**

Each Lender, by becoming a party to this Agreement, authorises the Administrative Agent (a) to execute on its behalf a letter agreement with respect to the limited engagement of, and consenting to the agreed upon procedures to be performed by, a firm of nationally recognised independent accountants acceptable to the Administrative Agent in connection with the transactions contemplated by the Transaction Documents so long as such procedures are consistent with Clause 5.2 (*Inspections; agreed upon procedures audit*); and (b) to approve additional agreed upon procedures.

9. **INDEMNITIES BY THE BORROWER**

Without limiting any other rights that the Administrative Agent, the Lenders, the Intermediate Transferor or any of their respective officers, directors, agents, employees, controlling Persons or Affiliates of any of the foregoing (each, an **"Indemnified Party"**) may have hereunder, under any other Transaction Document or under applicable Law the Borrower hereby agrees to indemnify and hold harmless each Indemnified Party from and against any and all damages, losses, claims,

liabilities, deficiencies, costs, disbursements and expenses, including interest, penalties, amounts paid in settlement and reasonable internal and external attorneys' fees and out-of-pocket expenses (all of the foregoing being collectively referred to as **"Indemnified Amounts"**) incurred by any Indemnified Party (including in connection with or relating to any investigation by an Official Body, litigation or lawsuit (actual or threatened) or order, consent decree, judgment, claim or other action of whatever sort (including the preparation of any defense with respect thereto)), in each case, arising out of or resulting from this Agreement or any other Transaction Document or any transaction contemplated hereby or thereby, excluding, however (a) Indemnified Amounts to the extent that such Indemnified Amounts resulted from the gross negligence, fraud or wilful misconduct on the part of such Indemnified Party, (b) recourse (except as otherwise specifically provided in this Agreement or any other Transaction Document) for uncollectible Pool Receivables and Related Security with respect thereto, (c) any Excluded Taxes, and (d) any Indemnified Amount to the extent the same has been fully and finally paid in cash to such Indemnified Party pursuant to any other provision of this Agreement or any other Transaction Document.

10. MISCELLANEOUS

10.1 Amendments, etc

No failure on the part of the Lenders or the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No amendment or waiver of any provision of this Agreement or consent to any departure by any Transaction Party therefrom shall be effective unless in writing signed by the Administrative Agent, with the prior written consent of the Required Lenders (and, in the case of any amendment, also signed by the Borrower, the Servicer and the Performance Undertaking Provider), and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no amendment, waiver or consent shall, unless in writing and signed by each Lender (or, in the case of Clause 10.1(b), each Lender having its fees reduced or delayed or its Commitment increased) and the Administrative Agent be effective, if the effect of such amendment:

(a) reduces the Principal Balance of, or Interest that is payable on, account of any Loan or delay any scheduled date for payment thereof;

(b) reduces the fees payable by the Borrower to the Lenders, increases a Lender's Commitment or delays the dates on which such fees are payable;

(c) extends the Scheduled Commitment Facility Termination Date or the Maturity Date;

(d) releases any portion of the Collateral if a Facility Event has occurred and is continuing or would result therefrom;

(e) changes any of the provisions of this Clause or the definition of "Required Lenders";

(f) amends the definition of Facility Suspension Event or any Facility Termination Event set forth in Clause 7.1 (*Facility Termination Events*);

(g) amends the definition of "Approved Currency", "Defaulted Receivable", "Maximum Aggregate Principal Balance" or increase the Applicable MAPB Percentage or any Concentration Limit; or

(h) releases the Performance Undertaking Provider from its obligations under the Performance Undertaking;

and provided, further, that no amendment, waiver or consent shall increase the Commitment of any Lender unless in writing and signed by such Lender.

Any Lender that does not respond to any request for a waiver, consent or amendment pursuant to this Agreement within 30 Business Days' (or such longer time as may be agreed by the Administrative Agent and the Servicer) of the date of such Lender's receipt of such request shall be deemed to have voted in favour of such request.

10.2 **Notices, etc**

All communications and notices provided for hereunder shall be provided in the manner described in Schedule 1 (*Address and Notice Information*) of the Schedule of Definitions.

10.3 **Assignability**

(a) **General**

This Agreement and each Lender's rights and obligations hereunder shall be assignable by such Lender and its successors and permitted assigns to any Eligible Assignee subject to Clauses 10.3(b). Each assignor of a Loan or any interest therein shall notify the Administrative Agent and the Borrower of any such assignment. Each assignor of a Loan or any interest therein may, in connection with the assignment or participation, disclose to the assignee or participant any information relating to the Transaction Parties, including the Collateral, furnished to such assignor by or on behalf of any Transaction Party or by the Administrative Agent; provided that, prior to any such disclosure, the assignee or participant agrees to preserve the confidentiality of any confidential information relating to the Transaction Parties received by it from any of the foregoing entities in a manner consistent with Clause 10.5(b) (*Confidentiality*).

(b) **Assignment by Lenders**

Each Lender may assign to any Eligible Assignee all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and any Loans or interests therein owned by it); provided, however that:

(i) notwithstanding that the consent of the Borrower, the Servicer or any other person is not required for an assignment by a Lender to an Eligible Assignee, prior to the occurrence of a Facility Suspension

Event or Facility Termination Event such Lender shall consult with the Servicer prior to any such assignment;

(ii) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement;

(iii) the amount being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than the lesser of (A) €10,000,000 (in Euro or the Euro Equivalent) and (B) all of the assigning Lender's Commitment;

(iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with a processing and recordation fee of €2,500. The Borrower shall have no responsibility for such fee; and

(v) if a Lender assigns or transfers any of its rights or obligations under this Agreement and as a result of circumstances existing at the date the assignment or transfer occurs, the Borrower would be obliged to make a payment to the Eligible Assignee under Clause 2.14 (*Indemnity for reserves and expenses*) or Clause 2.15 (*Indemnity for Taxes*), then the Eligible Assignee is only entitled to receive payment under those Clauses to the same extent as the assigning Lender would have been if the assignment, transfer or change had not occurred.

Upon such execution, delivery, acceptance and recording from and after the effective date specified in such Assignment and Acceptance, (x) the assignee thereunder shall be a party to this Agreement and, to the extent that rights and obligations under this Agreement have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (y) the assigning Lender shall, to the extent that rights and obligations have been assigned by it pursuant to such Assignment and Acceptance, relinquish such rights and be released from such obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto). In addition, any Lender or any of its Affiliates may assign any of its rights (including rights to payment of Principal Balance and Interest) under this Agreement to any U.S. Federal Reserve Bank without notice to or consent of any Transaction Party, any other Lender or the Administrative Agent.

(c) **Register**

At all times during which any Loan is outstanding, the Administrative Agent shall maintain at its address referred to in Clause 10.2 (or such other address of the Administrative Agent notified by the Administrative Agent to the other parties hereto) a register as provided herein (the **"Register"**). All Loans and any interest therein, and any Assignments and Acceptances of any Loans and any interest therein delivered to and accepted by the Administrative Agent,

shall be registered in the Register, and the Register shall serve as a record of ownership that identifies the owner of each Loan and any interest therein. Notwithstanding any other provision of this Agreement, no transfer of any Loan or any interest therein shall be effective unless and until such transfer has been recorded in the Register. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Servicer, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender under this Agreement for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) **Procedure**

Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Eligible Assignee, the Administrative Agent shall, if such Assignment and Acceptance has been duly completed, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(e) **Participations**

Each Lender may sell participations to one or more banks or other entities that are Eligible Assignees on the date of such sale (each a **"Participant"**) in or to all or a portion of its rights and obligations under this Agreement (including all or a portion of its interests in the Loans owned by it and its Commitment); provided, however, that:

(i) such Lender's obligations under this Agreement shall remain unchanged;

(ii) such Lender shall remain solely responsible to the other parties to this Agreement for the performance of such obligations;

(iii) the Administrative Agent, the other Lenders, the Borrower and the Servicer shall have the right to continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; and

(iv) any such participation is notified to the Administrative Agent and the Servicer.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that the Participant shall not have any right to direct the enforcement of this Agreement or other Transaction Documents or to approve any amendment, modification or waiver of any provision of this Agreement or the other Transaction Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver of a type that would require the consent of each Lender affected thereby pursuant to Clause 10.1 (*Amendments, etc.*).

(f) **Borrower and Servicer Assignment**

Neither the Borrower nor the Servicer may assign any of its rights or obligations hereunder or any interest herein without the prior written consent of the Administrative Agent and the Required Lenders.

(g) **Cooperation**

The Borrower and the Servicer agree to assist each Lender, upon its reasonable request, in syndicating their respective Commitments hereunder, including making management and representatives of the Servicer and the Borrower reasonably available to participate in informational meetings with potential assignees.

10.4 **Costs and Expenses**

In addition to the rights of indemnification granted under Clause 9 (*Indemnities by the Borrower*) and the other obligations herein, the Borrower agrees to pay on demand all reasonable out-of-pocket costs and expenses (including reasonable counsel's fees and expenses) plus, in each case, any applicable VAT thereon, of (a) the Administrative Agent and GE in its capacity as Lender, incurred in connection with the preparation, execution, delivery, administration, amendment or modification of, or any waiver or consent issued in connection with this Agreement, the Transaction Documents and the other documents to be delivered thereunder, and (b) any Indemnified Party incurred in connection with the amendment or modification of, or any waiver or consent issued in connection with this Agreement, the Transaction Documents and the other documents to be delivered thereunder or in connection therewith, including, without limitation (i) the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its respective rights and remedies under the Transaction Documents and the other documents to be delivered in connection therewith, (ii) all reasonable fees and expenses of GE associated with any due diligence conducted by it or on behalf of the other Indemnified Parties prior to the Closing Date and (iii) all reasonable fees and expenses associated with any collateral audits and field examinations conducted by the Administrative Agent or on behalf of the other Indemnified Parties after the Closing Date in accordance with the Transaction Documents. In addition, the Borrower agrees to pay on demand all out of pocket costs and expenses, if any (including reasonable counsel's fees and expenses), plus, in each case, any applicable VAT thereon, incurred by the Lenders, the Administrative Agent and the other Indemnified Parties in connection with the enforcement of this Agreement, the other Transaction Documents and any other document to be delivered in connection therewith, including any restructuring, workout or administration in connection with any Transaction Documents to which it is a party or such other documents.

10.5 **Confidentiality**

(a) Subject to Clause 10.5(c), the Fee Letters (including any prior drafts thereof) and any other pricing information relating to the facility contemplated by the Transaction Documents (including such information set forth in any commitment letter, term sheet or proposal prior to the Closing Date)

(collectively, **"Product Information"**) is confidential. Each of the Borrower, the Performance Undertaking Provider and the Servicer agrees:

(i) to keep all Product Information confidential and to disclose Product Information only to those of its officers, employees, agents, accountants, legal counsel and other representatives (collectively **"Representatives"**) who have a need to know such Product Information for the purpose of assisting in the negotiation, completion and administration of the facility contemplated hereby (the **"Facility"**);

(ii) to use the Product Information only in connection with the Facility and not for any other purpose; and

(iii) to cause its Representatives to comply with these provisions and to be responsible for any failure of any Representative to so comply.

The provisions of this Clause 10.5 shall not apply to Product Information that is or hereafter becomes (other than as a result of a breach of this Clause 10.5(b)) a matter of general public knowledge. The provisions of this Clause 10.5 shall not prohibit the Borrower, the Performance Undertaking Provider or the Servicer from filing with any governmental or regulatory agency any information or other documents with respect to the Facility as may be required by applicable Law.

(b) Each Lender and the Administrative Agent agrees to maintain the confidentiality of all non-public information with respect to the Transaction Parties, the Receivables, the Collections, the Related Security, the Collection Accounts or any other matters furnished or delivered to it pursuant to or in connection with the Commitment Letter, the term sheet, this Agreement or any other Transaction Document; provided, that such information may be disclosed (i) to such party's Affiliates and its and their respective officers, employees, agents, accountants, legal counsel and other representatives (collectively **"Lender Representatives"**) who have a need to know such information for the purpose of assisting in the negotiation, completion and administration of the facility contemplated hereby, (ii) to such party's permitted assignees and participants to the extent such disclosure is made pursuant to a written agreement of confidentiality substantially similar to this Clause 10.5(b), (iii) to the extent required by applicable Law or by any Official Body and (iv) to the extent necessary in connection with the enforcement of any Transaction Document.

The provisions of Clause 10.5(b) shall not apply to information that is or hereafter becomes (through a source other than the applicable Lender or the Administrative Agent or any Lender Representative associated with such party) a matter of general public knowledge. The provisions of this Clause 10.5 shall not prohibit any Lender or the Administrative Agent from filing with or making available to any governmental or regulatory agency any information or other documents with respect to the Facility as may be required by applicable Law or requested by such governmental or regulatory agency.

10.6 **Execution in Counterparts**

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by electronic file in a format that is accessible by the recipient shall be effective as delivery of a manually executed counterpart of this Agreement.

10.7 **Integration; Binding Effect; Survival of Termination; Severability**

This Agreement and the other Transaction Documents executed by the parties hereto on the date hereof contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns (including any trustee in bankruptcy). Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until the Final Payout Date; provided, however, that the provisions of Clauses 2.11 (*Breakage Costs*), 2.12, 2.13, 2.14, 2.15, 9, 10.4, 10.5, 10.9, 10.11, 10.13, 10.15 and 10.16 shall survive any termination of this Agreement. If any one or more of the provisions of this Agreement shall for any reason whatsoever be held invalid, then such provisions shall be deemed severable from the remaining provisions of this Agreement and shall in no way affect the validity or enforceability of such other provisions.

10.8 **Governing law; submission to jurisdiction; appointment of process agent**

(a) This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with English law.

(b) Each party hereto agrees that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Agreement, any other Transaction Document or the transaction contemplated hereby or thereby and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts.

(c) Each of the parties hereto irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 10.8(b) being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Agreement, any other Transaction Document or the transactions contemplated hereby or thereby and agrees not to claim any such court is not a convenient or appropriate forum.

(d) Each of the parties hereto (other than such parties as are registered in England and Wales or otherwise have a place of business in England and Wales) agrees that the process by which any suit, action or proceeding is begun may be served on it by being delivered in connection with any suit, action or proceeding in England to the English Process Agent for such party.

(e) The submission to the jurisdiction of the courts referred to in Clause 10.8(b) shall not (and shall not be construed so as to) limit the right of any party to take proceedings against any other party or any of its respective property in any other court of competent jurisdiction nor shall the taking of proceedings in any other jurisdiction preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

10.9 **Right of Setoff**

Each Lender is hereby authorised (in addition to any other rights it may have) at any time after the occurrence of the Facility Termination Date due to the occurrence of a Facility Termination Event to set off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any amounts and any other indebtedness held or owing by such Lender to, or for the account of, the Borrower against the amount of the Transaction Party Obligations owing by the Borrower to such Person.

10.10 **Ratable payments**

If any Lender, whether by setoff or otherwise, has payment made to it with respect to any Transaction Party Obligation in a greater proportion than that received by any other Lender entitled to receive a ratable share of such Transaction Party Obligation, such Lender agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Transaction Party Obligation held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of such Transaction Party Obligation; provided that if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

10.11 **Limitation of Liability**

No claim may be made by any party against any other party or their respective Affiliates, directors, officers, employees, attorneys or agents (each a **"Default Party"**) for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any other Transaction Document, or any act, omission or event occurring in connection herewith or therewith, except with respect to any claim arising out of the willful misconduct or gross negligence of such Default Party; and each party hereto hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favour.

10.12 **Limitation on the addition and termination of Originators**

(a) Without limiting the right of any Originator to terminate its rights and obligations to sell Receivables to a Purchaser pursuant to and in accordance with the applicable Originator Sale Agreement, the Borrower shall not consent to any request made to terminate any Originator Sale Agreement or to terminate the right or obligation of any Originator to continue selling its Receivables to the Borrower or the Intermediate Transferor (as applicable) thereunder, nor will any Originator which is the subject of such request be terminated under an Originator Sale Agreement, in each case unless (i) the Servicer provides the Administrative Agent with a certificate (signed by a Responsible Officer of the Servicer) which attaches a Daily Report giving pro forma effect to any reduction in the Net Eligible Receivables Balance and Net Eligible Funding Balance resulting from the termination of such Originator or Originator Sale Agreement, and which certifies that, after giving pro forma effect to such termination and any prepayments of Loans on or prior to the date of such termination, the Aggregate Principal Balance does not exceed the Maximum Aggregate Principal Balance, (ii) no Facility Event (other than with respect to the Originator so terminated) has occurred and is continuing (both before and after giving effect to such termination) and (iii) the Administrative Agent will have received five (5) Business Days' prior written notice of such termination.

(b) The Borrower will not consent to the addition of a new Originator under an Originator Sale Agreement except (i) with the consent of the Administrative Agent and the Required Lenders (such consent not to be unreasonably withheld), (ii) upon the satisfaction of the conditions precedent specified in such Originator Sale Agreement and (iii) upon the delivery of an amendment hereto reflecting the addition of such new Originator.

(c) The Borrower will not enter into any new Originator Sale Agreement and the Borrower will not enter into any new Intermediate Transfer Agreement unless (i) each Person proposed to become a new Originator thereunder is organised under the laws of an Approved Originator Jurisdiction, and to the extent permitted by Law, has become a party to the Servicing Agreement as a Sub-Servicer and, with respect to a new Intermediate Transferor, is reasonably satisfactory to each Lender, (ii) the Originator Sale Agreement is in form and substance reasonably satisfactory to the Required Lenders, (iii) the Borrower shall have delivered such instruments, opinions and other documents as the Required Lenders (or all Lenders with respect to any new Intermediate Transferor) may reasonably request in connection therewith (including amendment of the Performance Undertaking to include the obligations of any new Originator and amendment of Clause 2.6 (*Application of Collections prior to Facility Termination Date*) to adjust the allocations therein), all of which shall be in form and substance reasonably satisfactory to the Required Lenders, (iv) no Facility Event has occurred and is continuing or would result therefrom and (v) the Administrative Agent shall have received an amendment hereto reflecting such new Originator Sale Agreement and/or Intermediate Transfer Agreement.

(d) The provisions of paragraphs (b) and (c) above shall not apply to the addition of an Originator the accession of whom to the Transaction Documents is effected in accordance with Clause 4 (*Accession of Originators*) in connection with the satisfaction of the relevant conditions precedent to the Initial Effective Date applicable to such Originator.

10.13 **Judgment Currency**

(a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of the Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the **"Applicable Creditor"**) shall, notwithstanding any judgment in a currency (the **"Judgment Currency"**) other than the currency in which such sum is stated to be due hereunder (the **"Agreement Currency"**), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Borrowers contained in this Clause 10.13 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

10.14 **Contracts (Rights of Third Parties) Act (1999)**

(a) Except in respect of the Indemnified Parties, Transaction Parties and Secured Parties not party hereto which Persons (including, for the avoidance of doubt their respective successors and permitted assigns) are intended to have the benefit of this Agreement pursuant to the Contracts (Rights of Third Parties) Act (1999), the parties hereto do not intend any terms of this Agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Act (1999).

(b) Notwithstanding Clause 10.14(a) and any other term or condition of this Agreement, but subject to Clause 10.1 (*Amendments, etc.*), the consent of any Person who is not a party hereto (other than the Transaction Parties) is not required to rescind or vary this Agreement at any time.

10.15 **USA Patriot Act**

Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of US Pub. L. 107-56 (signed into law October 26, 2001))

and any similar Law in any relevant jurisdiction (the **"Acts"**), it is required to obtain, verify and record information that identifies the Transaction Parties, which information includes the name and address of each Transaction Party and other information that will allow such Lender to identify such Transaction Party in accordance with the Acts.

10.16 **No proceeding; limited recourse**

(a) Each of the parties hereto hereby agrees that (i) it will not institute against any Transaction SPV any proceeding of the type referred to in the definition of Event of Bankruptcy until there shall have elapsed two years plus one day since the Final Payout Date (or, in the case of the Spanish Account SPV, the Seller Payout Date with respect to all Originators related to the Spanish Account SPV) and (ii) notwithstanding anything contained herein or in any other Transaction Document to the contrary, the obligations of each Transaction SPV under the Transaction Documents are solely the corporate obligations of such Transaction SPV and shall be payable solely to the extent of funds which are received by such Transaction SPV pursuant to the Transaction Documents and available for such payment in accordance with the terms of the Transaction Documents and shall be non-recourse other than with respect to such available funds and, without limiting Clause 10.16, if ever and until such time as such Transaction SPV has sufficient funds to pay such obligation shall not constitute a claim against such Transaction SPV.

(b) No recourse under any obligation, covenant or agreement of any Transaction SPV contained in this Agreement or any other Transaction Document shall be had against any incorporator, stockholder, officer, director, member, manager, employee or agent of such Transaction SPV by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement and the other Transaction Documents are solely a corporate obligation of such Transaction SPV, and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer, director, member, manager, employee or agent of any Transaction SPV or any of them under or by reason of any of the obligations, covenants or agreements of such Transaction SPV contained in this Agreement or any other Transaction Document, or implied therefrom, and that any and all personal liability for breaches by any Transaction SPV of any of such obligations, covenants or agreements, either at common law or at equity, or by statute, rule or regulation, of every such incorporator, stockholder, officer, director, member, manager, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; provided that the foregoing shall not relieve any such Person from any liability it might otherwise have as a result of fraudulent actions taken or fraudulent omissions made by them.

[Schedules and Exhibits Omitted]

EXECUTION of Receivables Loan Agreement:

The parties have shown their acceptance of the terms of this Agreement by executing it below.

The Borrower

Given under the Common Seal

of Dana Europe Financing (Ireland) Limited:

/s/ Frank Heffernan

Director

/s/ Michelle Hall

Secretary
Structured Finance Management (Ireland) Limited
as Secretary

EXECUTION of Receivables Loan Agreement:

The Servicer

DANA INTERNATIONAL LUXEMBOURG SARL

Signature: /s/ Cornelia v. Künsberg

Name: Cornelia von Künsberg

Title/Authority: Authorised Director and PoA Holder

EXECUTION of Receivables Loan Agreement:

Lender

Signed by Adrian Spurling as attorney
for GE Leveraged Loans Limited

/s/ Adrian Spurling

under a power of attorney dated 22 March 2007

Attorney for GE Leveraged Loans Limited

EXECUTION of Receivables Loan Agreement:

The Administrative Agent

Signed by Adrian Spurling as attorney
for GE Leveraged Loans Limited

/s/ Adrian Spurling

under a power of attorney dated 22 March 2007

Attorney for GE Leveraged Loans Limited

EXECUTION of Receivables Loan Agreement:

Performance Undertaking Provider

DANA INTERNATIONAL LUXEMBOURG SARL

Signature: /s/ Cornelia v. Künsberg

Name: Cornelia von Künsberg

Title/Authority: Authorised Director and PoA Holder

Dated 18 July 2007

(1) **DANA EUROPE FINANCING (IRELAND) LIMITED**

(2) **DANA INTERNATIONAL LUXEMBOURG SARL**

(3) The Originators

(4) **GE LEVERAGED LOANS LIMITED**

(5) **GE FACTOFRANCE SNC**

(6) **DANA EUROPE S.A.**

(7) The Lenders

(8) Certain other parties from time to time party to the Transaction Documents described herein.

MASTER SCHEDULE OF DEFINITIONS, INTERPRETATION AND CONSTRUCTION

LONDON

CONTENTS

Schedules

MASTER SCHEDULE OF DEFINITIONS, INTERPRETATION AND CONSTRUCTION

1. **SCHEDULE DOCUMENTS**

The Schedule Documents are as follows:

(a) this Master Schedule of Definitions, Interpretation and Construction;

(b) the Receivables Loan Agreement;

(c) the Servicing Agreement;

(d) the Performance Undertaking;

(e) the Subordinated Loan Agreement;

(f) each Originator Sale Agreement, other than the Italian RPA;

(g) each Intermediate Transfer Agreement;

(h) the Security Agreement;

(i) each Account Security Agreement;

(j) the Spanish Account Agency Agreement;

(k) the Spanish Seller Payout Call Option Agreements;

(l) the Corporate Services Agreements;

(m) each Fee Letter; and

(n) each other Transaction Document and each other instrument, document and other agreement from time to time executed in connection with the foregoing.

2. **DEFINITIONS**

2.1 **Certain defined terms**

Except where the context otherwise requires, the following terms used in the Schedule Documents have the following meanings:

"Account Security Agreements" means, as the context requires all or any one of, the Austrian Account Security Agreements, the Belgian Account Security Agreements, the French Account Security Agreements, the German Account Security Agreements, the Italian Account Security Agreements and the Spanish Account Security Agreements.

"Adjusted EBITDA" means, for any period determined on an aggregated basis for the Dana European Entities, the Borrower and the Spanish Account SPV in accordance with Modified GAAP, without duplication as calculated below:

(a) Net Income less (without duplication and to the extent included in Net Income) (i) income from forward contracts (on a mark-to-market basis), (ii) net income from discontinued operations (iii) interest income, (iv) corporate and income tax credits (v) non-recurring, transactional or unusual gains and (vi) equity earnings from Affiliates,

(b) plus (without duplication and to the extent deducted in calculating Net Income) (i) expense from forward contracts (on a mark-to-market basis), (ii) net losses from discontinued operations, (iii) interest expense, (iv) tax expense relating to corporate or income tax, (v) depreciation expense, (vi) amortisation expense, (vii) amounts deposited or invested in the Dana European Legal Group under the circumstances described in Clause 10.3(a) (*Financial covenant*) of the Performance Undertaking which amounts, for the avoidance of doubt, shall only be included in the calculation of Adjusted EBITDA under the circumstances where the Fixed Charges Coverage Ratio is to be recalculated treating such amounts as part of Adjusted EBITDA in accordance with the terms of the Transaction Documents, (viii) facility fees, unused commitment fees, letter of credit fees and similar fees, (ix) non-cash non-recurring transactional or unusual losses (provided such losses are adequately demonstrated to the Administrative Agent to be non-cash in nature), (x) non-cash Restructuring Charges (provided such Restructuring Charges are adequately demonstrated to the Administrative Agent to be non-cash in nature), (xi) cash non-recurring transactional or unusual losses and cash Restructuring Charges up to an aggregate amount of €5,000,000 in any rolling 12 month period, (xii) Transaction Fees, (xiii) equity losses from Affiliates and (xiv) minority interests.

"Adjusted Eurocurrency Rate" means, for any Interest Period, an interest rate per annum obtained by dividing (a) the Eurocurrency Rate for such Interest Period by (b) a percentage equal to 100% minus the Eurocurrency Rate Reserve Percentage for such Interest Period.

"Administrative Agent" means GE Leveraged Loans Limited, in its capacity as administrative agent for the Lenders, and any successor thereto in such capacity appointed pursuant to Clause 8 (*The Administrative Agent*) of the Receivables Loan Agreement.

"Administrative Agent Fee Letter" has the meaning specified in Clause 2.4(b) (*Interest and Fees*) of the Receivables Loan Agreement.

"Adverse Claim" means a mortgage, charge, pledge, lien or other security interest (including any lien by attachment, retention of title and any form of extended retention of title), securing any obligation of any Person or any other agreement or arrangement having a similar effect.

"Affiliate" means any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, another Person or any subsidiary of such other Person. A Person shall be deemed to control another Person if the controlling Person owns 51% or more of any class of equity voting securities or other ownership interests in the controlled Person or possesses, directly or indirectly, the

power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of share capital, by contract or otherwise.

"Agreed Annual Income" means, with respect to (a) the Spanish Account SPV, the amount payable to the Spanish Account SPV pursuant to the Transaction Documents to which the Spanish Account SPV is a party or such other amount as may otherwise be agreed between the Borrower, the Administrative Agent and the Spanish Account SPV and (b) the Borrower, €1,000 per annum or such other amount as may be agreed between the Borrower, the Servicer and the Administrative Agent.

"Agreed Form" in relation to any document means the form agreed by, and initialled for the purpose of identification by or on behalf of, the Administrative Agent and the Performance Undertaking Provider, as amended from time to time with the consent of the Performance Undertaking Provider and the Administrative Agent in writing.

"Aggregate Commitment" means, at any time, the sum of the Commitments then in effect. The initial Aggregate Commitment as of the Closing Date shall be equal to €170,000,000.

"Aggregate Principal Balance" means the aggregate outstanding Principal Balance (in Euro or the Euro Equivalent) of the Loans hereunder provided that, solely for the purposes of computing whether the Aggregate Principal Balance exceeds the Maximum Aggregate Principal Balance, the Aggregate Principal Balance on any day shall be deemed to be reduced by an amount equal to the aggregate amount of funds (in Euro or the Euro Equivalent) then held in the Borrower Operating Account (Principal) and which are then available to be withdrawn and applied to reduce the Aggregate Principal Balance on the date of such computation.

"Alternative Rate" has the meaning specified in Clause 2.12(b) (*Illegality*) of the Receivables Loan Agreement.

"Alternative Rate Loan" has the meaning specified in Clause 2.12(a) (*Illegality*) of the Receivables Loan Agreement.

"Applicable MAPB Percentage" means the sum of:

(a) (i) during a Trigger Period, 85%; or

(ii) during the period commencing on the last day of the immediately preceding Trigger Period and ending on the second consecutive quarterly Testing Date thereafter on which the Fixed Charges Coverage Ratio is at least 1.5:1, 92.5%; or

(iii) at all other times, 100%,

less:

(b) at all times whilst the Servicer is delivering Roll-Forward Reports pursuant to Clause 2.3(d) (*Roll-Forward Reports*) of the Servicing Agreement in respect of the Receivables of any Originator on a monthly basis in accordance with the proviso set forth in that Clause, 5%; and

(c) after 31 October 2007, at all times whilst the Servicer is delivery Roll-Forward Reports pursuant to Clause 2.3(d) (*Roll-Forward Reports*) of the Servicing Agreement in respect of the Receivables of any Originator on a monthly basis in accordance with the proviso set forth in that Clause, a further 5% (which further reduction in the Applicable MAPB Percentage is, for the avoidance of doubt, in addition to any reduction pursuant to paragraph (b) above); and

(d) during a Dilution Trigger Period, 5% or such other percentage as may otherwise be determined by the Administrative Agent and notified to the Borrower in accordance with Clause 2.20 (*Adjustments to the Applicable MAPB Percentage*) of the Receivables Loan Agreement; and

(e) during a DSO Trigger Period, 5% or such other percentage as may otherwise be determined by the Administrative Agent and notified to the Borrower in accordance with Clause 2.20 (*Adjustments to the Applicable MAPB Percentage*) of the Receivables Loan Agreement,

provided that for the purposes of determining the Applicable MAPB Percentage the Fixed Charges Coverage Ratio as of each Testing Date shall have been calculated without taking into account any Covenant Correction Amount.

"Applicable Margin" has the meaning specified in the Lender Fee Letter.

"**Approved Currency**" means Euros, U.S. Dollars and Sterling.

"Approved Obligor Jurisdiction" means any Approved Originator Jurisdiction, Australia, Canada (excluding the province of Quebec), Czech Republic, Finland, Ireland, Japan, the Netherlands, Norway, Portugal, Scotland, Sweden, Switzerland, England and Wales, the U.S. and any other jurisdiction approved in writing by the Administrative Agent.

"Approved Originator Jurisdiction" means Austria, Belgium, France, Germany, Italy and Spain and any other jurisdiction approved in writing by the Administrative Agent and the Required Lenders.

"Assignment and Acceptance" means an assignment and acceptance agreement entered into by a Lender, an Eligible Assignee and the Administrative Agent, pursuant to which such Eligible Assignee may become a party to the Receivables Loan Agreement in substantially the form of Exhibit A (*Form of Assignment and Acceptance*) to the Receivables Loan Agreement.

"Austrian Account Security Agreement" means any agreement designated as such in any Austrian RPA.

"Austrian Collection Account Bank" means any bank or other financial institution set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Austrian Collection Account Banks", as such Schedule may be amended from time to time in accordance herewith.

"Austrian Intermediate Transfer Agreement" means the Austrian Intermediate Transfer Agreement, dated on or about the Initial Austrian Effective Date, among the Intermediate Transferor and the Borrower.

"Austrian Originators" means each entity designated as a "Seller" under an Austrian RPA.

"Austrian RPA" means the receivables purchase agreement, dated on or about the Initial Austrian Effective Date, between Dana Austria GmbH and the Intermediate Transferor, and such additional Austrian law receivables purchase agreements as may be entered into from time to time pursuant to Clause 10.12(b) (*Limitation on the addition and termination of Originators*) of the Receivables Loan Agreement, for so long as such agreements remain in full force and effect.

"Belgian Account Security Agreement" means any agreement designated as such in any Belgian RPA.

"Belgian Collection Account Bank" means any bank or other financial institution set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Belgian Collection Account Banks", as such Schedule may be amended from time to time in accordance herewith.

"Belgian Originators" means each entity designated as a "Seller" under a Belgian RPA.

"Belgian RPA" means the receivables purchase agreement, dated on or about the Initial Belgian Effective Date, between Spicer Off-Highway Belgium and the Borrower, and such additional Belgian law receivables purchase agreements as may be entered into from time to time pursuant to Clause 10.12(b) (*Limitation on the addition and termination of Originators*) of the Receivables Loan Agreement, for so long as such agreements remain in full force and effect.

"Bills of Exchange Redirection Date" means in respect of an Originator, the day falling thirty (30) days after the Initial Effective Date applicable to such Originator.

"Borrower" means Dana Europe Financing (Ireland) Limited, a limited liability company incorporated under the laws of Ireland.

"Borrower Operating Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Borrower Operating Accounts", as such Schedule may be amended from time to time in accordance herewith.

"Borrower Operating Account Bank" means any bank or other financial institution set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Borrower Operating Account Bank", as such Schedule may be amended from time to time in accordance herewith.

"Borrower Operating Account (Interest)" means the internal sub-account or ledger of such name created and maintained by or on behalf of the Borrower as records in the books of the Borrower for the purposes of allocating the proceeds of

Collections paid into and standing to the credit of the Borrower Operating Accounts in accordance with the terms of the Transaction Documents.

"Borrower Operating Account (Principal)" means the internal sub-account or ledger of such name created and maintained by or on behalf of the Borrower as records in the books of the Borrower for the purposes of allocating the proceeds of Collections paid into and standing to the credit of the Borrower Operating Accounts in accordance with the terms of the Transaction Documents.

"Borrower Receivables Interest" means any ownership interest, participation interest, security interest or other interest or right of any nature in Receivables and any Related Security with respect thereto (together with rights to payment in respect of any loan secured by such security interest) that has been acquired by or has accrued to the benefit of the Borrower from an Intermediate Transferor pursuant to an Intermediate Transfer Agreement.

"Borrowing" means the amount requested by the Borrower in a Borrowing Request pursuant to Clause 2.2 (*Borrowing procedures*) of the Receivables Loan Agreement.

"Borrowing Date" has the meaning specified in Clause 2.2(a)(i) (*Borrowing procedures*) of the Receivables Loan Agreement.

"Borrowing Request" has the meaning specified in Clause 2.2(a)(i) *Borrowing procedures*) of the Receivables Loan Agreement.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York City, Dublin, Luxembourg, Paris, Amsterdam and Zurich and:

(a) (in relation to any date for payment or purchase of a currency other than Euro) the principal financial centre of the country of that currency;

(b) (in relation to any date for payment or purchase of Euro) any TARGET Day;

(c) for the purposes of the German RPA, a day (other than a Saturday or Sunday) on which banks are open for general business in Frankfurt;

(d) for the purposes of the Austrian RPA and the Austrian Intermediate Transfer Agreement, a day (other than a Saturday or Sunday) on which banks are open for general business in Vienna;

(e) for the purposes of the Belgian RPA, a day (other than a Saturday or Sunday) on which banks are open for general business in Brussels;

(f) for the purposes of the Spanish RPA, a day (other than a Saturday or Sunday) on which banks are open for general business in Madrid; or

(g) for the purposes of the Italian RPA and the Italian Intermediate Transfer Agreement, a day (other than a Saturday or Sunday) on which banks are open for general business in Milan.

"Calculation Period" means each period from and including the first day of a calendar month to and including the last day of such calendar month (whether such month occurs before or after the Closing Date).

"Capital Expenditures" means, for any period, the sum (without duplication) of all expenditures made, directly or indirectly, by the Dana European Entities, the Borrower and the Spanish Account SPV determined on an aggregated basis in accordance with Modified GAAP as reported by HFM during such period for equipment, fixed assets, real property or improvements, or for replacements or substitutions therefor or additions thereto, that should be, in accordance with Modified GAAP, reflected as additions to property, plant or equipment on a Person's balance sheet. For purposes of this definition, the purchase price of equipment that is purchased simultaneously with the trade in of existing equipment or with insurance proceeds shall be included in Capital Expenditures only to the extent of the gross amount of such purchase price less the credit granted by the seller of such equipment for the equipment being traded in at such time or the amount of such proceeds, as the case may be.

"Capitalised Lease Obligation" means, of any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for purposes hereof, the amount of such obligations at any time shall be the capitalised amount thereof at such time determined in accordance with GAAP.

"Change in Law" means (a) the adoption of any Law after the Closing Date, (b) any change in Law or in the interpretation or application thereof by any Official Body after the Closing Date or (c) compliance by any Indemnified Party, by any lending office of such Indemnified Party or by such Indemnified Party's holding company, if any, with any request, guideline or directive (whether or not having the force of law) of any Official Body made or issued after the Closing Date.

"Change of Control" means the occurrence of any of the following:

(a) there is any change in the aggregate outstanding Equity Interests owned (directly or indirectly) by Dana International Luxembourg SARL in any Originator (other than a Spanish Originator) or the Subordinated Lender from those shown on the organisational chart set forth on Schedule 9 (*Dana Europe Organisational Chart*);

(b) any Spanish Originator ceases to be a direct or indirect wholly-owned subsidiary of Dana Corporation or Dana International Luxembourg SARL;

(c) the Equity Holder ceases to own, directly or indirectly free and clear of any Adverse Claim, 100% of the outstanding Equity Interests of the Borrower;

(d) the Borrower ceases to own, free and clear of any Adverse Claim (other than a Permitted Adverse Claim), 100% of the outstanding Equity Interests of the Spanish Account SPV; or

(e) the Servicer (for so long as it is Dana International Luxembourg SARL) or the Performance Undertaking Provider ceases to be a direct or indirect wholly-owned Subsidiary of Dana Corporation.

"Closing Date" means 18 July 2007.

"Collateral" means (a) the "Charged Property" under and as defined in the Security Agreement and (b) any other assets, property, rights, interests, claims or benefits in respect of which an Adverse Claim has been created under or pursuant to the Security Documents.

"Collection Account Banks" means, as the context requires, all or any one of the Austrian Collection Account Banks, the Belgian Collection Account Banks, the French Collection Account Banks, the German Collection Account Banks, the Italian Collection Account Banks and the Spanish Collection Account Banks.

"Collection Accounts" means, as the context requires, all or any one of the Existing Collection Accounts or New Collection Accounts.

"Collections" means, collectively (without duplication) (a) all cash collections (including, if applicable, any value added taxes) and other cash proceeds of the Pool Receivables, including all Finance Charges, cash proceeds of Related Security with respect to any such Receivable, any Deemed Collections of such Receivables and any payments made by any Originator or the Servicer with respect to such Receivables (including any payments made with respect to a Diluted Receivable or other Deemed Collections pursuant to the terms of the relevant Originator Sale Agreement or the Servicing Agreement), (b) if applicable, all recoveries of value added tax from any relevant Official Body relating to any Pool Receivable that is a Defaulted Receivable and (c) all other cash collections and other cash proceeds of the Collateral.

"Commitment" means, in respect of any Lender the Euro amount set forth on Schedule 1 (*Commitments*) of the Receivables Loan Agreement opposite such Lender's name or, in the case of a Lender that became a party to the Receivables Loan Agreement pursuant to an Assignment and Acceptance, the Euro amount set forth therein as such Lender's Commitment, in each case as such amount may be (a) reduced or increased by any Assignment and Acceptance entered into by such Lender in accordance with the terms of the Receivables Loan Agreement and (b) reduced in accordance with Clause 2.1(b) (*The Loans*) of the Receivables Loan Agreement.

"Commitment Letter" means the commitment letter, dated 9 February 2007, between the Structuring Agent and Dana Europe S.A..

"Concentration Limit" means, with respect to any Obligor (treating each Obligor and its Affiliates as if they were a single Obligor) at any time, 10% of the aggregate Outstanding Balance of the Pool Receivables that qualify as Eligible Receivables at such time.

"Contract" means, in relation to any Receivable, any and all contracts, instruments, agreements, invoices, notes or other writings (including an agreement evidenced by a purchase order or similar document) pursuant to or under which an Obligor becomes or is obligated to make payments on or in respect of such Receivable.

“Contribution Notice” means a contribution notice issued by tPR under Section 38 or Section 42 of the Pensions Act.

“Corporate Services Agreements” means the Borrower corporate services agreement between, amongst others, the Borrower and Structured Finance Management (Ireland) Limited as Corporate Services Provider dated on or about the Closing Date, and the Spanish corporate services agreement between, amongst others, the Spanish Account SPV and Structured Finance Management (Spain), S.L. as Corporate Services Provider.

“Corporate Services Provider” means, in respect of the Borrower, Structured Finance Management (Ireland) Limited and, in respect of the Spanish Account SPV, Structured Finance Management (Spain), S.L.

“Covenant Correction Amount” means an amount, if any, in Euro equal to the Euro Equivalent of the aggregate amount deposited or invested or required to be deposited or invested in the Dana European Legal Group pursuant to Clause 10.3(a) (*Financial covenant*) of the Performance Undertaking as at the immediately preceding Testing Date so that a recalculation in accordance with such Clause of the Fixed Charges Coverage Ratio at as the relevant Testing Date would be at least 1.25:1.

“Credit and Collection Policies” means, with respect to any Originator, those credit and collection policies and practices of that Originator in effect on the Closing Date or, if applicable, the date on which such Person becomes an Originator pursuant to Clause 10.12 (*Limitation on the addition and termination of Originators*) of the Receivables Loan Agreement, and described in Schedule 2 (*Credit and Collection Policies*) of the relevant Originator Sale Agreement, as modified in compliance with the Receivables Loan Agreement, the relevant Originator Sale Agreement and the Servicing Agreement.

“Currency Percentage” means, on any date of determination for any Approved Currency, the percentage of the aggregate Outstanding Balance of the Pool Receivables that are Eligible Receivables represented by Eligible Receivables denominated in such Approved Currency, rounded up or down by up to two decimal points by the Servicer. The aggregate Currency Percentages for all Approved Currencies, as so rounded by the Servicer, shall in all cases be equal to 100%.

“Daily Report” means a report furnished by or on behalf of the Servicer pursuant to Clause 2.3 (*Reporting requirements*) of the Servicing Agreement substantially in the form attached as Exhibit A-1 (*Form of Daily Report*) to the Servicing Agreement.

“Dana European Entity” means any of (i) Dana Automocion S.A., (ii) Spicer Ayra Cardan, S.A., (iii) Dana International Luxembourg SARL, (iv) Dana SAS, (v) Thermal Products France SAS, (vi) Spicer France Sarl, (vii) Dana Two SAS, (viii) Dana Europe Holdings B.V., (ix) Spicer Nordiska Kardan AB, (x) Dana Europe SA, (xi) Dana Belgium BVBA, (xii) Spicer Off-Highway Belgium, (xiii) Dana Italia S.p.A., (xiv) Dana Hungary Gyor kft, (xv) Dana Investment GmbH, (xvi) Dana GmbH (Germany), (xvii) Dana (Deutschland) Grundstucksverwaltung GmbH, (xviii) Reinz-Dichtungs GmbH, (ixx) Dana Holding GmbH, (xx) Spicer Off-Highway GmbH, (xxi) Spicer Gelenkwellenbau GmbH and (xxii) Dana Austria GmbH but, as

the context may require, excluding the divisions of such entities that are scheduled for disposal as described on Schedule 10 (*Permitted Disposals*).

"Dana European Legal Group" means the Dana European Entities other than Dana Automocion, S.A. and Spicer Ayra Cardan, S.A. for so long as such entities are not Material Subsidiaries of Dana International Luxembourg SARL.

"Data Feed" means a report furnished by the Servicer pursuant to Clause 2.3 (*Reporting requirements*) of the Servicing Agreement substantially in the form attached as Exhibit A-2 (*Form of Data Feed*) to the Servicing Agreement.

"Data Protection Law" means the EU Data Protection Directive (95/46/EC), the Irish Data Protection Act, 1988 and the Irish Data Protection (Amendment) Act 2003 or any other applicable law or regulation relating to data protection or privacy.

"Days Sales Outstanding" in respect of any Calculation Period shall be calculated by comparing the aggregate Outstanding Balance of all Pool Receivables as at the end of the relevant Calculation Period (the "**Gross Outstanding Receivables Balance"**) against the aggregate Outstanding Balance of Pool Receivables generated in that Calculation Period and in each consecutive preceding Calculation Period until the aggregate Outstanding Balance (when generated) of Pool Receivables generated in those preceding Calculation Periods (the **"Look Back Aggregate Outstanding Receivables Balance"**) exceeds the Gross Outstanding Receivables Balance; the average number of days shall then be calculated by adding together (a) the number of days in each Calculation Period in which the Look Back Aggregate Outstanding Receivables Balance did not exceed the Gross Outstanding Balance and (b) the number of days in the Calculation Period in which the Look Back Aggregate Outstanding Receivables Balance exceeded the Gross Outstanding Receivables Balance multiplied by a fraction the numerator of which is the Gross Outstanding Receivables Balance less the Look Back Aggregate Outstanding Receivables Balance calculated for those Calculation Periods included in paragraph (a) above, and the denominator of which is the aggregate Outstanding Balance of Pool Receivables generated in that Calculation Period, as such calculation and applicable Calculation Periods may be more particularly described in the Agreed Form of the Monthly Ratio Report. For purposes of the definition of Days Sales Outstanding, the first Calculation Period shall be the first calendar month after the calendar month in which the Closing Date occurred and each subsequent Calculation Period for purposes of this definition shall be determined accordingly.

"Declaration of Trust" means the charitable share declaration of trust dated on or about the Closing Date given by the Share Trustee as trustee of the Dana Europe Trust.

"Deed of Accession" means a deed substantially in the form set out in 7 (*Form of Deed of Accession*).

"Deemed Collections" means any Collections on any Receivable paid or payable, as the context requires, by an Originator pursuant to an Originator Sale Agreement, by the Servicer or a Sub-Servicer pursuant to the Servicing Agreement or by the Borrower under the Receivables Loan Agreement (regardless of whether received by any Person).

"Default Rate" means a rate per annum equal to the Standard Rate plus 2.00%.

"Defaulted Receivable" means, without duplication, a Receivable (a) as to which any payment, or part thereof, remains unpaid for 91 or more days from the original due date for such Receivable, (b) as to which any payment, or part thereof, remains unpaid for 210 or more days from the invoice date of such Receivable, (c) as to which an Event of Bankruptcy has occurred and is continuing with respect to the Obligor thereof, (d) which has been identified by the relevant Originator as uncollectable in accordance with the applicable Credit and Collection Policy, or (e) which, in accordance with the applicable Credit and Collection Policies, has been or should be written off as uncollectable.

"Designated Account" means, with respect to any Originator, the Servicer, the Subordinated Lender, the Performance Undertaking Provider or the Spanish Account SPV, any bank account designated from time to time by such Person with the approval of the Performance Undertaking Provider and notified in writing to the Borrower, the Servicer and the Administrative Agent.

"Diluted Receivable" means any Receivable or part thereof which is either (a) reduced, cancelled or adjusted as a result of (i) any defective, rejected or returned goods, merchandise or services or any failure by the relevant Originator to deliver any merchandise or goods or provide any services or otherwise to perform under any related Contract, (ii) any change in the terms of, or cancellation of, a Contract or invoice or any rebate, administrative fee, discount, credit memo, refund, non-cash payment (other than payments by cheque), chargeback, allowance or any billing or other adjustment by the relevant Originator (except any such change or cancellation made in settlement of such Receivable in accordance with the Credit and Collection Policies resulting from the financial inability of the Obligor to pay such Receivable) or (iii) any set off or offset in respect of a claim by the relevant Obligor (whether such claim arises out of the same or a related transaction or an unrelated transaction), or (b) subject to any specific counterclaim or defence whatsoever (except the discharge in a proceeding under applicable Insolvency Law of the Obligor thereof).

"Dilution" means any (a) reduction, cancellation or adjustment in a Receivable as a result of (i) any defective, rejected or returned goods, merchandise or services or any failure by the relevant Originator to deliver any merchandise or goods or provide any services or otherwise to perform under any related Contract, (ii) any change in the terms of, or cancellation of, a Contract or invoice or any rebate, administrative fee, discount, credit memo, refund, non-cash payment (other than payments by cheque), chargeback, allowance or any billing or other adjustment by the relevant Originator or (iii) any set off or offset in respect of a claim by the relevant Obligor (whether such claim arises out of the same or a related transaction or an unrelated transaction), or (b) subject to any specific counterclaim or defence whatsoever, or (c) as to which an Event of Bankruptcy has occurred and is continuing with respect to the Obligor thereof, or (d) which has been identified by the relevant Originator as uncollectible in accordance with the applicable Credit and Collection Policy, or (e) which, in accordance with the applicable Credit and Collection Policies, has been or should be written off as uncollectible.

"Dilution Benchmark Percentage" means the average Dilution Ratio calculated on the basis of the actual Dilution Ratios calculated as at the end of each of the

Calculation Periods from and including 1 August 2007 to and including 30 November 2007 provided that, in calculating the Dilution Ratios for the purposes of determining the Dilution Benchmark Percentage, Pool Receivables generated by the Dana Austria Axel Assembly Plant in Voelkemarkt, Austria and Driveshaft Assembly Plant in Villefranche, France and Dilutions arising in respect of such Pool Receivables shall be excluded from the calculation.

"Dilution Ratio" means the ratio (expressed as a percentage) computed as of each Ratio Reporting Date for the immediately preceding Calculation Period by dividing (a) the aggregate amount (in Euro or the Euro Equivalent) of Dilutions arising during that Calculation Period in respect of Pool Receivables, by (b) the aggregate amount (in Euro or the Euro Equivalent) of all Pool Receivables that were generated during that Calculation Period, as such calculation and applicable Calculation Period may be more particularly described in the Agreed Form of Monthly Ratio Report. For purposes of the definition of Dilution Ratio, the first Calculation Period shall be the first calendar month after the calendar month in which the Closing Date occurred and each subsequent Calculation Period for purposes of this definition shall be determined accordingly.

"Dilution Trigger Period" means the period commencing on (i) during the first three months after 1st October 2007, the second consecutive Ratio Reporting Date on which the Dilution Ratio is calculated to be more than 4%, and (ii) at all other times, the first Ratio Reporting Date (and if there has been any Dilution Trigger Period prior to such Ratio Reporting Date, on the first Ratio Reporting Date after the end of such Dilution Trigger Period) that the three month rolling average Dilution Ratio is calculated to be more than the Dilution Benchmark Percentage plus 2% and in each case ending on the third consecutive Ratio Reporting Date thereafter on which the Dilution Ratio is less than or equal to the Dilution Benchmark Percentage plus 2%.

"DIP" means the senior secured superpriority debtor-in-possession credit agreement dated as of 13 April 2006 between, amongst others, Dana Corporation as debtor and debtor-in-possession, and Citigroup North America, Inc. as administrative agent.

"Dollar Equivalent" means, at any time in relation to an amount denominated in a currency other than U.S. Dollars, the U.S. Dollar equivalent of such amount determined by reference to the Spot Rate determined as of the most recent Exchange Rate Determination Date pursuant to Clause 2.16 (*Conversion of currencies*) of the Receivables Loan Agreement.

"DSO Trigger Period" means the period commencing on (i) during the first three months after the Closing Date, the second consecutive Ratio Reporting Date, and (ii) at all other times, the first Ratio Reporting Date (and if there has been any DSO Trigger Period prior to such Ratio Reporting Date, on the first Ratio Reporting Date after the end of such DSO Trigger Period) that the Days Sales Outstanding is calculated to be more than 79 days and ending on the third consecutive Ratio Reporting Date thereafter on which the Days Sales Outstanding is less than or equal to 79 days.

"Effective Redirection Percentage" means, as of any Ratio Reporting Date, the ratio (expressed as a percentage) computed by reference to the immediately preceding Calculation Period with respect to:

(a) the Originators (other than an Italian Originator), by dividing (i) the aggregate amount of Collections and other amounts payable in respect of Receivables originated by such Originators that were paid by the Obligors into the New Collection Accounts (other than the New Italian Collection Accounts) during such Calculation Period, by (ii) the aggregate amount of Collections and other amounts payable in respect of Receivables originated by such Originators that were paid by the Obligors into the Collection Accounts (other than the New Italian Collection Accounts and the Existing Italian Collection Accounts) during such Calculation Period; and

(b) the Italian Originators, by dividing (i) the aggregate amount of Collections and other amounts payable in respect of Receivables originated by such Italian Originators that were paid by the Obligors into the New Italian Collection Accounts during such Calculation Period, by (ii) the aggregate amount of Collections and other amounts payable in respect of Receivables originated by such Italian Originators that were paid by the Obligors into the New Italian Collection Accounts and the Existing Italian Collection Accounts during such Calculation Period.

"Effective Redirection Target Percentage" means, as of any Ratio Reporting Date with respect to which the immediately preceding Calculation Period was:

(a) in the case of each German Originator:

(i) the first or second Calculation Period falling after the Closing Date, 0%

(ii) the third, fourth or fifth Calculation Period falling after the Closing Date, 20%;

(iii) the sixth, seventh or eighth Calculation Period falling after the Closing Date, 75%; and

(iv) the ninth Calculation Period falling after the Closing Date or any Calculation Period thereafter, 95%;

(b) in the case of each Italian Originator:

(i) the first or second Calculation Period falling after the Initial Effective Date, 0%;

(ii) the third, fourth or fifth Calculation Period falling after the Initial Effective Date, 50%; and

(ii) the sixth Calculation Period falling after the Initial Effective Date or any Calculation Period thereafter, 95%; and

(c) in the case of an Originator other than a German Originator and an Italian Originator:

(i) the first or second Calculation Period falling after the Initial Effective Date applicable to such Originator, 0%

(ii) the third, fourth or fifth Calculation Period falling after the Initial Effective Date applicable to such Originator, 20%;

(iii) the sixth, seventh or eighth Calculation Period falling after the Initial Effective Date applicable to such Originator, 75%; and

(iv) the ninth Calculation Period falling after the Initial Effective Date applicable to such Originator or any Calculation Period thereafter, 95%;

provided, that solely for purposes of the definition of Effective Redirection Target Percentage, (i) in the case of the German Originator, the first Calculation Period shall be the first calendar month after the calendar month in which the Closing Date occurred; and (ii) in the case of an Originator other than a German Originator the first Calculation Period shall be the first calendar month after the calendar month in which the Initial Effective Date applicable to such Originator occurred, and each subsequent Calculation Period for purposes of this definition shall be determined accordingly.

"Eligible Account Bank" means

(a) in the case of an Existing Collection Account, the bank or other financial institution set forth on Schedule 8 (*Facility Accounts and Account Banks*) as the account bank in respect of such Existing Collection Account as at the Closing Date, or

(b) an entity (i) authorised to accept deposits in the relevant jurisdiction, (ii) unless the Administrative Agent consents in writing otherwise, which has, or whose direct or indirect parent undertaking has, unsecured and uncollateralised debt obligations rated at least A-1 by S&P and P-1 by Moody's and (iii) has a combined capital and surplus of at least €100,000,000 (or the Euro Equivalent thereof).

"Eligible Assignee" means, with respect to any Lender, any Person (a) that is a Qualifying Lender at the time of the related assignment and that is an institutional investor who regularly engages in the ordinary course in the origination of, or participation in the primary syndication of, asset-backed and/or asset-based financings in the European and/or U.S. markets, and (b) any other Person that is a Qualifying Lender and that has been approved by the Servicer provided that no such Approval shall be required after the occurrence and during the continuance of a Facility Termination Event or Facility Suspension Event.

"Eligible Obligor" means any Obligor (a) that is a resident of an Approved Obligor Jurisdiction, (b) that is not an Official Body (other than any Official Body that is a body corporate created under public Law all or part of whose activities is commercial and which does not benefit from sovereign immunity) or an Affiliate of any Transaction Party, (c) that is not an individual, (d) that is not the subject of an Event of Bankruptcy, and (f) with respect to which not more than 50% of the aggregate Outstanding Balance of the Receivables owing by such Obligor are more than 90 days past their original due date.

"Eligible Receivable" means, at any time, any Receivable:

(a) which has been originated by an Originator and validly sold by such Originator to a Purchaser pursuant to (and in accordance in all material respects with) an Originator Sale Agreement with the result that such Purchaser has good and marketable title thereto (together with the Collections and Related Security related thereto), free and clear of all Adverse Claims (other than Permitted Adverse Claims); and

(b) which does not arise from the sale of any inventory (or other materials used to render or process the goods related to such Receivable) that is subject to an Adverse Claim (other than any Permitted Adverse Claim) covering the proceeds of such inventory, if such Adverse Claim would extend to such Receivable; and

(c) the Obligor of which is an Eligible Obligor; and

(d) which has been billed to the relevant Obligor and, according to the terms thereof and any Contract related thereto, is required to be paid in full (subject to any contractual rebate or discount) within 150 days from the original billing date therefore (provided, that, upon such Receivable becoming a Pool Receivable, the aggregate Outstanding Balance of all Pool Receivables which according to the terms thereof and any Contract related thereto are not required to be paid in full within 120 days from the original billing date therefore will not exceed an amount equal to 10% times the aggregate Outstanding Balance of all Eligible Receivables that are Pool Receivables at such time); and

(e) which is denominated and payable only in an Approved Currency; and

(f) which is not a Defaulted Receivable at such time; and

(g) (i) which arises pursuant to a Contract with respect to which the applicable Originator has performed all obligations required to be performed by it thereunder in order to have such Receivable become due and payable thereunder;

(ii) which does not arise from a sale pursuant to which the applicable Obligor has the right to return the goods for which it has become obligated to pay in the event it is unable to sell such goods and in respect of which the applicable Originator is obligated to refund to such Obligor any amount in respect of such returned goods, and

(iii) as to which the Originator is in compliance in all material respects with the terms of such Receivable or the related Contract; and

(h) which, is not evidenced or otherwise payable by chattel paper, a promissory note, a bill of exchange or other instrument other than (A) a cheque (including those cheques falling into the definition of Spanish Draft Instrument), (B) in the case of a Receivable originated by a Spanish Originator (I) on or prior to the Bills of Exchange Redirection Date, a Spanish Draft Instrument, and (II)

after the Bills of Exchange Redirection Date, a Spanish Draft Instrument (except for those mentioned in subparagraph (A) above) which is made payable to the order of the Spanish Account SPV after the Bills of Exchange Redirection Date, and (C) in the case of a Receivable originated by a French Originator (I) on or prior to the Bills of Exchange Redirection Date, a French Bill of Exchange; and (II) after the Bills of Exchange Redirection Date, a French Bill of Exchange which is made payable to the order of the Borrower after the Bills of Exchange Redirection Date; and

(i) which arises under a Contract that, together with such Receivable, is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor, enforceable against such Obligor except as such enforcement against such Obligor may be limited by any applicable Insolvency Law or by general principles of law or equity (regardless of whether enforcement is sought in a proceeding in equity or at law), in each case, under all applicable Law, and is not subject to any litigation, dispute, offset, counterclaim or other defence other than unexpired volume or pricing discounts or rebates to which the Obligor thereon may be entitled; and

(j) which, together with the Contract related thereto, does not contravene in any material respect any Laws applicable thereto (including Laws relating to truth in lending, cost of credit disclosure, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy); and

(k) which satisfies in all material respects all applicable requirements of the applicable Originator's Credit and Collection Policies; and

(l) which was originated in the ordinary course of the applicable Originator's business and represents the purchase price of goods or services sold by such Originator; and

(m) the Obligor of which has been directed to make all payments (i) with respect to any Receivable originated on or prior to the Closing Date, to an Existing Collection Account or New Collection Account, in each case, with respect to which a valid and enforceable Account Security Agreement and, in the case of a New Spanish Collection Account, Spanish Account Agency Agreement is in effect, and (ii) with respect to any Receivable originated after the Closing Date to a New Collection Account with respect to which a valid and enforceable Account Security Agreement and, in the case of a New Spanish Collection Account, Spanish Account Agency Agreement is in effect; and

(n) which has not been compromised, adjusted or modified for credit reasons nor is it subject to any downward adjustment for Tax, rebates or other reasons (including by the extension of time for payment or the granting of any discounts, allowances or credits); and

(o) (i) the assignment of which (together with the Collections and Related Security related thereto) under the applicable Originator Sale greement to a Purchaser; and

(ii) the grant of a charge, security interest or pledge in respect thereof (together with the Collections and Related Security related thereto) to the Administrative Agent, on behalf of the Secured Parties, pursuant to the Security Documents;

in each case, does not in any material respect violate, conflict with or contravene any applicable Laws or any contractual or other restriction, limitation or encumbrance (including any restriction or limitation under the related Contract) and does not require the consent of or notice to the applicable Obligor or any other Person other than such consents as have been obtained and notices that have been given (copies of which have been provided to the Administrative Agent); and

(p) which, together with the Contract related thereto, has not been rewritten, varied, waived or extended or otherwise been re-invoiced and has not otherwise had its invoice date or due date changed; and

(q) with respect to which all of the Borrower's right, title and interest in such Receivable or any Borrower Receivables Interest in respect thereof, in each case, (together with the Related Security is subject to a first priority charge, security interest or pledge under all applicable Law in favour of the Administrative Agent, on behalf of the Secured Parties, free and clear of all Adverse Claims (other than Permitted Adverse Claims); and

(r) which is governed by the Laws of the jurisdiction under which the related Originator is organised or by the Laws of another Approved Originator Jurisdiction subject to the receipt by the Administrative Agent of documentation or other evidence reasonably satisfactory to it that such Receivable will otherwise satisfy all of the other requirements for an Eligible Receivable under this definition; and

(s) with respect to which there exists no prohibition or restriction (whether under the related Contract or applicable Law) on the disclosure of the related Contract or any other information relating to such Receivable or the related Obligor or with respect to which the consent of the related Obligor to such disclosure has been obtained (provided that on or prior to the date falling 8 weeks after the Closing Date this sub-clause (s) shall not apply to any Italian DPA Receivable to the extent the relevant Receivable would otherwise satisfy this sub-clause (s) but for the fact that the Italian Originator has not notified the applicable Obligor of the transfer of its personal information); and

(t) (i) the Originator Sale Agreement under which such Receivable was sold to a Purchaser is in full force and effect;

(ii) the Originator of such Receivable has not been terminated as a "Seller" under the relevant Originator Sale Agreement; and

(iii) the Seller Termination Date has not occurred with respect to that Originator; and

(u) which is subject to the applicable Originator's Standard Terms and Conditions, unless the failure of such Receivable to be subject to such Standard Terms and Conditions would not reasonably be expected to have a Material Adverse Effect; and

(v) which complies with such other reasonable criteria and reasonable requirements beginning six (6) Business Days from the date after receipt by the Servicer of written notice from the Administrative Agent setting forth such additional reasonable criteria and reasonable requirements following a detailed analysis of the Receivables and discussion with the Servicer; and

(w) with respect to which sufficient information in relation to the Obligor of such Receivable must be capable of being disclosed to the Administrative Agent to enable it to collect such Receivable after the occurrence of a Facility Event (provided that on or prior to the date falling 8 weeks after the Closing Date this sub-clause (w) shall not apply to any Italian DPA Receivable); or

(x) any other Receivable approved in writing by the Administrative Agent.

"EMU Legislation" means the legislative measures of the European Union for the introduction of, changeover to or operation of the Euro in one or more member states of the European Union.

"English Process Agent" means, with respect to any Person, the Person (if any) identified on Schedule 1 (*Address and Notice Information*) as the "English Process Agent" for such Person.

"Equity Holder" means Structured Finance Management Corporate Services (Ireland) Limited.

"Equity Interests" of any Person means any and all shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"EU Insolvency Regulation" means the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings.

"Euro" means the lawful currency of the Participating Member States.

"Euro Equivalent" means, at any time in relation to an amount denominated in a currency other than Euro, the Euro equivalent of such amount determined by reference to the Spot Rate determined as of the most recent Exchange Rate Determination Date pursuant to Clause 2.16 (*Conversion of currencies*) of the Receivables Loan Agreement.

"Eurocurrency Loan" has the meaning specified in Clause 2.12 (*Illegality*) of the Receivables Loan Agreement.

"Eurocurrency Rate" means, for any Loan for any Interest Period, the applicable FT Rate on the first Business Day of the calendar month in which the first day of such

Interest Period occurs. In the event that no FT Rate is available at such time for any reason, then the "Eurocurrency Rate" shall be the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Administrative Agent at its request quoted by the Reference Banks to leading banks in the London interbank market at approximately 11:00 a.m., London time, on the date of such request by the Administrative Agent, for the offering of deposits in the currency of that Loan and for a period of one month.

"Eurocurrency Rate Reserve Percentage" means, for any Interest Period in respect of which Interest is computed by reference to the Eurocurrency Rate (a) in the case of a Loan denominated in U.S. Dollars, the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the U.S. Federal Reserve System (or any successor) (or if more than one such percentage shall be applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurocurrency Liabilities is determined) having a term equal to such Interest Period and (b) with respect to a Loan denominated in any currency (other than U.S. Dollars), any applicable Statutory Reserves with respect to such currency.

"Event of Bankruptcy" means, with respect to any Person, the occurrence of any of the following:

(a) such Person shall voluntarily commence any case, proceeding or other action, or present a petition or make an application under any Insolvency Law:

  (i) relating to bankruptcy, insolvency, court protection, reorganisation or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganisation, arrangement, adjustment, winding-up, examination, liquidation, administration, administrative receivership, dissolution, court protection, composition, declaration or other similar relief with respect to it or any of its debts; or

  (ii) seeking the appointment of a liquidator, receiver, administrative receiver, examiner, security trustee, custodian, compulsory manager, administrator or other similar official for it or for all or any substantial part of its assets, other than in connection with the solvent liquidation or reorganisation of such Person so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to an Originator;

(b) there shall be commenced, presented or made against such Person any case, proceeding or other action referred to in (a) above which is not

dismissed by the relevant court, tribunal or authority within twenty-one (21) days after its commencement;

(c) there shall be commenced against such Person any case, proceeding or other action seeking issuance of a warrant of attachment, sequestration, distress, expropriation, execution, distraint or similar process against all or any substantial part of its assets which is not dismissed within twenty-one (21) days after its commencement;

(d) such Person ceasing or threatening to cease to carry on its business or stopping payment or threatening to stop payment of its debts or being, being deemed to be or becoming unable to pay its debts within the meaning of Clause 214 of the Irish Companies Act, 1963 as amended or Clause 2(3) of the Irish Companies Amendment Act, 1990, (or as the case may be, any analogous provision in any applicable jurisdiction, including section 123(1)(a), (b) or (c) of the Insolvency Act of 1986, as that section may be amended from time to time) or otherwise unable to pay its debts as they fall due or the value of its assets falling to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or such Person otherwise becoming insolvent;

(e) in the case of the Borrower, the enforcement of any Adverse Claim (other than any Permitted Adverse Claim); or

(f) a moratorium is declared in respect of any of its debt.

"Exchange Rate Determination Date" means (a) the last Business Day of each Calculation Period, (b) the Business Day immediately preceding each Reporting Date, (c) the date of the Daily Report in connection with which any Borrowing Request is delivered and (d) if a Facility Event has occurred and is continuing hereunder, any Business Day designated as such by the Administrative Agent in its sole discretion.

"Excluded Receivable" means (a) any Receivable that is a Restricted Receivable and with respect to which the related Obligor has refused to consent or has not consented to the assignment of such Restricted Receivable, (b) Receivables in respect of which the Obligor is an Affiliate of any Transaction Party, (c) any Receivable which is a qualifying asset under Section 110 of the Irish Taxes Consolidation Act 1997, (d) any Receivable in respect of which Collections are paid into bank accounts located in the U.S. or are otherwise administered by Dana Corporation or any of its Affiliates in the U.S., (e) any Receivable which is governed by the Laws of a jurisdiction other than the jurisdiction under which the related Originator is organised other than such a Receivable which satisfies the requirements of paragraph (r) of the definition of Eligible Receivable, (f) any Receivable of an Obligor whose customary practice is to prepay in full the principal amount of the Receivables owing by it and which is not reported as a Receivable in any Daily Report, (g) any Italian DPA Receivable that has not been assigned (or purported to have been assigned) pursuant to an Italian RPA and in respect of which the Italian Originator has not on or prior to the date falling 8 weeks after the Closing Date notified the applicable Obligor of the transfer of such Obligor's personal information in accordance with applicable Law, (h) any Receivable created prior to the Closing Date, which is a Defaulted Receivable and against which

the relevant Originator has fully and specifically provided on its balance sheet and financial statements, (i) any Receivable which is not denominated and payable in an Approved Currency and (j) unless otherwise agreed by the Performance Undertaking Provider and the Administrative Agent, any Receivable originated by an Italian Originator which is evidenced or otherwise payable by chattel paper, a promissory note, a bill of exchange or other instrument other than a cheque, wire transfer or similar method of payment.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any Transaction Party Obligation (a) income taxes imposed on (or measured by) its net income or franchise taxes imposed on (or measured by) its gross or net income by the jurisdiction under the laws of which such recipient is organised or in which its principal office is located, or the jurisdiction in which it is treated as resident for tax purposes or, in the case of any Lender, in which its applicable lending office is located, in each case including any political subdivision thereof, (b) any branch profits taxes imposed by any jurisdiction described in clause (a) above, (c) any Tax to the extent such Tax is attributable to the Administrative Agent's or such Lender's or other recipient's failure to comply with Clause 2.15(e) (*Indemnity for Taxes*) of the Receivables Loan Agreement or any similar provision of any other Transaction Document, (d) with respect to any amount payable to the Administrative Agent or a Lender by the Borrower pursuant to this Agreement, any Tax to the extent such Tax would not have arisen had the Administrative Agent or Lender been or not ceased to be a Qualifying Lender as of the date on which such payment is to be made, other than as a result of Change in Law after the date on which the Administrative Agent or such Lender became a party hereto, or (e) any Tax to the extent such Tax would not have arisen had there been no assignment or transfer pursuant to Clause 10.3 (Assignability) of the Receivables Loan Agreement or change in the office or offices through which such Lender or the Administrative Agent performs its obligations under this Agreement, in each case, other than Tax arising as a result of Change in Law after the date on which either the assignment or transfer occurred or the date on which the Administrative Agent or such Lender changed the office or offices through which the Administrative Agent or such Lender performs its obligations under this Agreement (as applicable).

"Exercise Event" means with respect to (i) any Transaction Document, the occurrence of a Facility Termination Event or Facility Suspension Event, and (ii) any Originator Sale Agreement, in addition the occurrence of a Seller Termination Event or Seller Suspension Event under such Originator Sale Agreement.

"Existing Austrian Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Existing Austrian Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"Existing Belgian Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Existing Belgian Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"Existing Collection Accounts" means, as the context requires, all or any one of the Existing Austrian Collection Accounts, Existing Belgian Collection Accounts, Existing French Collection Accounts, Existing German Collection Accounts, Existing Italian Collection Accounts or Existing Spanish Collection Accounts.

"Existing French Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Existing French Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"Existing German Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Existing German Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"Existing Italian Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Existing Italian Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"Existing Spanish Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) hereto under the heading "Existing Spanish Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"Facility Account" means, as the context requires, all or any one of the Collection Accounts or the Borrower Operating Accounts.

"Facility Event" means a Facility Termination Event, Facility Suspension Event, Potential Facility Termination Event or Potential Facility Suspension Event.

"Facility Limit" means €170,000,000.

"Facility Party" means any Transaction Party other than the Spanish Account SPV and the Originators.

"Facility Suspension Event means each event or circumstance set out in Clause 7.1 (*Facility Suspension Events*) of the Receivables Loan Agreement.

"Facility Termination Date" means the earliest of (a) the Scheduled Commitment Facility Termination Date, (b) the date that the Facility Termination Date is declared or automatically occurs pursuant to Clause 7.2 (*Facility Termination Events*) of the Receivables Loan Agreement and (c) any date specified by the Performance Undertaking Provider on not less than five (5) Business Days prior written notice to the Administrative Agent and each Lender.

"Facility Termination Event" has the meaning specified in Clause 7.1 (*Facility Termination Events*) of the Receivables Loan Agreement.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight U.S. Federal funds transactions with members of the U.S. Federal Reserve

System arranged by U.S. Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the U.S. Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three U.S. Federal funds brokers of recognised standing selected by it.

"Fee Letters" means, collectively, the Administrative Agent Fee Letter, the Structuring Agent Fee Letter and each Lender Fee Letter.

"Fees" means the fees payable pursuant to any Fee Letter.

"Final Payout Date" means the date after the Facility Termination Date on which all the Transaction Party Obligations have been reduced to zero by payment in full in cash.

"Finance Charges" means, with respect to a Receivable, any finance, interest, late payment or similar charges owing by an Obligor in respect of such Receivable.

"Financial Support Direction" means a financial support direction issued by tPR under Section 43 of the Pensions Act.

"Fixed Charges" means, with respect to any period, the sum, determined on an aggregated basis (excluding discontinued operations) for the Dana European Entities, the Borrower and the Spanish Account SPV in accordance with Modified GAAP, of (a) Net Interest Expense, (b) principal payments on indebtedness for borrowed money other than principal repayments under (i) the Transaction Documents, (ii) any other revolving credit facility provided such repayments are capable of being redrawn and (iii) any intercompany Indebtedness, and (c) cash taxes paid relating to corporate or income tax for any Dana European Entity, the Borrower or the Spanish Account SPV.

"Fixed Charges Coverage Ratio" means, at any time, determined on an aggregated basis for the Dana European Entities, the Borrower and the Spanish Account SPV in accordance with Modified GAAP, the ratio of (a) Adjusted EBITDA for the period for twelve consecutive calendar months ending on, or most recently ended prior to, such time, minus Capital Expenditures for such period to (b) Fixed Charges for such period.

"Foreign Lender" shall mean any Lender that is organised under the laws of a jurisdiction other than that in which the Borrower is located.

"French Account Security Agreement" means any agreement designated as such in any French RPA.

"French Bill of Exchange" means, with respect to any Receivable originated by any French Originator, any *lettre de change* as defined by Clause L.511-1 of the French Commercial Code that has been issued in respect of such Receivable (which for purposes of this definition shall include any *lettre de change relevé magnétique* or *virement commercial électronique*) and payable to the order of the Borrower or, in the case of any such Receivable that was originated on or prior to the Bills of Exchange

Redirection Date, payable to the order of such French Originator and endorsed or otherwise redirected by the French Originator in favour of the Borrower.

"French Collection Account Bank" means any bank or other financial institution set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "French Collection Account Banks", as such Schedule may be amended from time to time in accordance herewith.

"French Intermediate Transfer Agreement" means the French Intermediate Transfer Agreement, dated on or about the Initial French Effective Date, among the Intermediate Transferor and the Borrower.

"French Originators" means each entity designated as a "Seller" under a French RPA.

"French RPAs" means the receivables purchase agreements, dated on or about the Initial French Effective Date, between (i) Thermal Products France S.A.S. and the Intermediate Transferor and (ii) Spicer France S.A.R.L. and the Intermediate Transferor, and such additional French law receivables purchase agreements as may be entered into from time to time pursuant to Clause 10.12(b) (*Limitation on the addition and termination of Originators*) of the Receivables Loan Agreement, for so long as such agreements remain in full force and effect. "French RPA" means either of them.

"FT Rate" means, on any date, the rate published by the Financial Times (or any successor of it) as the preceding Business Day's London Inter Bank Offer Rate for deposits in the currency of the relevant Loan and for a period of one month.

"Funding Percentage" in respect of each manufacturing plant of each Originator means the percentage agreed between the Performance Undertaking Provider and the Administrative Agent as the "Funding Percentage" set out in the form of Daily Report agreed between the Performance Undertaking Provider and the Administrative Agent, which percentage as at the Closing Date is as set out in the form of Daily Report attached as Exhibit A-1 (*Form of Daily Report*) to the Servicing Agreement.

"GAAP" means, with respect to any Person, generally accepted accounting principles applicable to such Person (including generally accepted accounting principles applicable to such Person by Law) or the consolidated group of which such Person is a member (as the context requires).

"GE" means GE Leveraged Loans Limited, in its individual capacity.

"German Account Security Agreement" means any agreement designated as such in any German RPA.

"German Collection Account Bank" means any bank or other financial institution set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "German Collection Account Banks", as such Schedule may be amended from time to time in accordance herewith.

"German Originators" means each entity designated as a "Seller" under a German RPA.

"German RPAs" means the receivables purchase agreements, dated the Closing Date, between (i) Reinz Dichtungs GmbH and the Borrower and (ii) Spicer Gelenkwellenbau GmbH and the Borrower, and such additional German law receivables purchase agreements as may be entered into from time to time pursuant to Clause 10.12(b) (*Limitation on the addition and termination of Originators*) of the Receivables Loan Agreement, for so long as such agreements remain in full force and effect. "German RPA" means either of them.

"Guarantee" of or by any Person (the **"guarantor"**) means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness.

"HFM" means Hyperion Financial Management.

"Indebtedness" means any indebtedness for or in respect of (without duplication):

(a) monies borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any Capitalised Lease Obligation;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of that derivative transaction, only the marked to market value as at the relevant date on which Indebtedness is calculated (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount of any liability under an advance or deferred purchase agreement if (a) one of the primary reasons behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;

(i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(j) all payment obligations in respect of securitisations; and

(k) the amount of any liability in respect of any Guarantee for any of the items referred to in paragraphs (a) to (j) above.

"Indemnified Amounts" has the meaning specified in Clause 9 (*Indemnities by the Borrower*) of the Receivables Loan Agreement.

"Indemnified Party" has the meaning specified in Clause 9 (*Indemnities by the Borrower*) of the Receivables Loan Agreement.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Initial Effective Date" means:

(a) in respect of the Austrian Originator, the Initial Austrian Effective Date;

(b) in respect of the Belgian Originator, the Initial Belgian Effective Date;

(c) in respect of the French Originator, the Initial French Effective Date;

(d) in respect of the Italian Originator, the Initial Italian Effective Date;

(e) in respect of the Spanish Originator, the Initial Spanish Effective Date;

"Initial Austrian Effective Date" means the date agreed by the Borrower, the Intermediate Transferor, the Austrian Originator, the Performance Undertaking Provider, the Administrative Agent provided that such agreed date shall be a date falling after the day upon which each of the conditions precedents set forth in Schedule 2 have been satisfied.

"Initial Belgian Effective Date" means the date agreed by the Borrower, the Belgian Originator, the Performance Undertaking Provider, the Administrative Agent provided that such agreed date shall be a date falling after the day upon which each of the conditions precedents set forth in Schedule 3 have been satisfied.

"Initial French Effective Date" means the date agreed by the Borrower, the Intermediate Transferor, the French Originators, the Performance Undertaking Provider, the Administrative Agent provided that such agreed date shall be a date falling after the day upon which each of the conditions precedents set forth in Schedule 4 have been satisfied.

"Initial Italian Effective Date" means the date agreed by the Borrower, the Intermediate Transferor, the Italian Originators, the Performance Undertaking Provider, the Administrative Agent provided that such agreed date shall be a date falling after the day upon which each of the conditions precedents set forth in Schedule 5 have been satisfied.

"Initial Spanish Effective Date" means the date agreed by the Borrower, the Spanish Originator, the Performance Undertaking Provider, the Administrative Agent provided that such agreed date shall be a date falling after the day upon which each of the conditions precedents set forth in Schedule 6 have been satisfied.

"Initial Ratio Period" means the period commencing on the Closing Date and ending on the fourth (4^{th}) consecutive Ratio Reporting Date after the Closing Date.

"Insolvency Law" means any Law relating to bankruptcy, insolvency, administration, receivership, examination, administrative receivership, reorganisation, winding up or composition, moratorium or adjustment of debts or the rights of creditors generally (whether by way of voluntary arrangement or otherwise).

"Interest" means, for any Loan and any Interest Period, the sum of:

(a) for each day during such Interest Period of the following:

$$\frac{IR \times PB}{Y}$$

plus

(b) the Liquidation Fee, if any, for such Loan for such Interest Period

where:

IR = the Interest Rate for such Loan for such day;

PB = the Principal Balance of such Loan on such day;

Y = (a) in the case of a Loan denominated in Sterling, 365 or 366, as applicable, and (b) in the case of any other Loan, 360 (or, in the event the practice of the relevant interbank market differs, in accordance with such market practice); and

provided, that no provision of the Receivables Loan Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by applicable Law; and provided further that Interest for any Loan shall not be considered paid by any distribution to the extent that at any time all or a portion of such distribution is rescinded or must otherwise be returned for any reason.

"Interest Period" means, with respect to any Loan (a) initially the period commencing on (and including) the applicable Borrowing Date and ending on (and excluding) the next succeeding Intra-Month Settlement Date and (b) thereafter, each successive period commencing on (but including) the last day of the immediately preceding Interest Period for such Loan and ending on (and excluding) the next succeeding Intra-Month Settlement Date for such Loan; provided, however, that:

(i) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day (provided, however, that if Interest in respect of such Interest Period is computed by reference to the Adjusted Eurocurrency Rate, and such Interest

Period would otherwise end on a day which is not a Business Day, and there is no subsequent Business Day in the same calendar month as such day, such Interest Period shall end on the next preceding Business Day);

(ii) in the case of any Interest Period of one day (A) if such Interest Period is the initial Interest Period for a Loan, such Interest Period shall be the applicable Borrowing Date, (B) any subsequently occurring Interest Period which is one day shall, if the immediately preceding Interest Period is more than one day, be the last day of such immediately preceding Interest Period and, if the immediately preceding Interest Period is one day, be the day next following such immediately preceding Interest Period and (C) if such Interest Period occurs on a day immediately preceding a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day; and

(iii) in the case of any Interest Period for any Loan which commences before the Facility Termination Date and would otherwise end on a date occurring after the Facility Termination Date, such Interest Period shall end on the Facility Termination Date and the duration of each Interest Period which commences on or after the Facility Termination Date shall be as selected by the applicable Lender.

"Interest Rate" means, with respect to any Loan for any day, the applicable Standard Rate; provided that, and notwithstanding anything herein to the contrary, at all times that a Facility Event has occurred and is continuing the Interest Rate for all Loans shall be an interest rate per annum equal to the Default Rate.

"Intermediate Transfer Agreements" means the Austrian Intermediate Transfer Agreement, the French Intermediate Transfer Agreement and the Italian Intermediate Transfer Agreement.

"Intermediate Transferor" means GE Factofrance SNC.

"Intra-Month Settlement Date" means Wednesday of each week, or if any such day is not a Business Day, the next following Business Day.

"Ireland" means the island of Ireland excluding Northern Ireland.

"Italian Account Security Agreement" means any agreement designated as such in any Italian RPA.

"Italian Civil Code" means the Italian Royal Decree (*Region Decreto)* no. 262, dated 16 March 1942.

"Italian Collection Account Bank" means any bank or other financial institution set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Italian Collection Account Banks", as such Schedule may be amended from time to time in accordance herewith.

"Italian DPA Receivable" means any Receivable originated by an Italian Originator in respect of which pursuant to the Italian Legislative Decree no. 196 dated 30 June

2003 and the Provvedimento of the Italian Data Protection Authority dated 18 January 2007 the Italian Originator is required to notify the Obligor of the transfer of such Obligor's personal information to the Borrower.

"Italian Intermediate Transfer Agreement" means the Italian Intermediate Transfer Agreement, dated on or about the Initial Italian Effective Date, among the Intermediate Transferor and the Borrower.

"Italian Originators" means each entity designated as a "Seller" under an Italian RPA.

"Italian RPA" means the receivables purchase agreement, dated on or about the Initial Italian Effective Date, between Dana Italia S.p.A. and the Intermediate Transferor, and such additional Italian law receivables purchase agreements as may be entered into from time to time pursuant to Clause 10.12(b) (*Limitation on the addition and termination of Originators*) of the Receivables Loan Agreement, for so long as such agreements remain in full force and effect.

"Joint Venture" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"Law" means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body.

"Legal Opinion" means any legal opinion delivered to the Administrative Agent under Clause 3.1 (*Conditions precedent to initial borrowing*) of the Receivables Loan Agreement.

"Legal Reservations" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim; and

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"Lender Fee Letter" has the meaning specified in Clause 2.4(b) (*Interest and Fees*) of the Receivables Loan Agreement.

"Lenders" means, collectively, the Persons identified as "Lenders" on Schedule 1 (*Commitments*) of the Receivables Loan Agreement as amended from time to time.

"Liquidation Fee" means for any Interest Period for which Interest is computed by reference to the Eurocurrency Rate and a reduction of the Principal Balance of the relevant Loan is made for any reason, in each case, on any day other than the last day of such Interest Period, the amount, if any, by which (a) the additional Interest (calculated without taking into account any Applicable Margin or any Liquidation Fee or any shortened duration of such Interest Period) which would have accrued during such Interest Period on the reductions of Principal Balance of the Loan relating to such Interest Period had such reductions not occurred, exceeds (b) the income, if any, received by the Lender which holds such Loan from the investment of the proceeds of such reductions of Principal Balance. A certificate as to the amount of any Liquidation Fee (including the computation of such amount) shall be submitted by the affected Lender to the Borrower and shall be conclusive and binding for all purposes, absent manifest error.

"Loan" means a loan made to the Borrower pursuant to Clause 2 (*Amounts and Terms of the Loans*) of the Receivables Loan Agreement.

"Local Currency" means any Approved Currency other than Euro.

"Mandatory Costs Rate" has the meaning specified in Schedule 3 (*Mandatory Cost Rate*) of the Receivables Loan Agreement.

"Material Adverse Effect" means, with respect to any event or circumstance, a material adverse effect, individually or in the aggregate with other events or circumstances, on: (a) the business, financial condition, operations or assets of the Dana European Entities taken as a whole; (b) the ability of any Transaction Party to perform any of its material obligations under any Transaction Document to which it is a party; (c) the status, existence, perfection or priority of the rights, title and interest of the Borrower, the Intermediate Transferor, the Spanish Account SPV or any Secured Party in and to the Pool Receivables, Collections or Related Security related thereto or any Facility Account or any other Collateral; or (d) the validity, enforceability or collectibility (if applicable) of all or any material portion of the Pool Receivables, Collections or Related Security related thereto or any other Collateral.

"Material Indebtedness" means Indebtedness (other than the Loans or other Indebtedness arising pursuant to and contemplated by the Transaction Documents and intercompany indebtedness) of any one or more of the Dana European Entities, other than any Transaction SPV, in an aggregate principal amount exceeding €5,000,000 and, with respect to any Transaction SPV, in an aggregate principal amount exceeding €10,000.

"Material Subsidiary" means, with respect to any Person (herein referred to as the **"parent"**), any corporation, limited company, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 95% of the equity or more than 95% of the ordinary voting power or more than 95% of the general partnership interests are, at the time any determination is being made, directly or indirectly, owned, controlled or held and (b) that is, at the time any determination is made, otherwise controlled (as defined in the definition of Affiliate), in each case of clauses (a) and (b), by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent.

"Maturity Date" means the earlier of (a) the first Settlement Date that occurs six months after the Facility Termination Date, and (b) the date on which the Loans become due and payable pursuant to Clause 7.3 (*Acceleration of maturity*) of the Receivables Loan Agreement.

"Maximum Aggregate Principal Balance" means at any time any amount equal to the lesser of (a) the Facility Limit, and (b)(i) the sum of the Net Eligible Funding Balance, multiplied by (ii) the Applicable MAPB Percentage, less (iii) the Covenant Correction Amount.

"Modified GAAP" means GAAP as modified for the simple aggregation of balances among the Borrower, the Spanish Account SPV, and the Dana European Entities.

"Monthly Ratio Report" means a report in the Agreed Form setting out the calculations of the Dilution Ratio and Days Sales Outstanding duly completed and furnished by the Servicer pursuant to Clause 2.3 (*Reporting requirements*) of the Servicing Agreement and containing the certification of the Servicer.

"Monthly Settlement Date" means the second Business Day of each calendar month.

"Moody's" means Moody's Investors Service, Inc.

"moral hazard notice" means any of (a) a "warning notice" for the purposes of Section 96(2) of the Pensions Act or (b) a "determination notice" for the purposes of Sections 96(2) or 98(2) of the Pensions Act, in respect of a proposal to issue a Contribution Notice or Financial Support Direction for the purposes of Part 1 of the Pensions Act.

"Net Eligible Funding Balance" means at any time an amount equal to the aggregate of each Net Individual Plant Funding Balance.

"Net Eligible Receivables Balance" means at any time an amount equal to (a) the aggregate Outstanding Balance of Pool Receivables that qualify as Eligible Receivables at such time, minus (b) the aggregate amount for all Obligors by which the Outstanding Balance of all of the Pool Receivables that qualify as Eligible Receivables of each Obligor ((treating each Obligor and its Affiliates as if they were a single Obligor) exceeds the Concentration Limit for such Obligor at such time, minus (c) unapplied cash Collections of the Receivables (in Euro or the Euro Equivalent) at such time, minus (d) the Euro Equivalent of the Non-Effective Redirection Amount at such time, minus (e) the Set-Off Reduction at such time, minus (f) the other specific reserves that are to be applied to the determination of the Net Eligible Receivables Balance as set out in the form of Daily Report agreed between the Performance Undertaking Provider and the Administrative Agent, which as at the Closing Date is substantially in the form attached as Exhibit A-1 (*Form of Daily Report*) to the Servicing Agreement.

"Net Income" means the aggregate earnings of the Dana European Entities, the Borrower and the Spanish Account SPV as determined in accordance with Modified GAAP.

"Net Individual Plant Funding Balance" means at any time for each manufacturing plant of each Originator, the Net Eligible Receivables Balance (calculated on a manufacturing plant by manufacturing plant basis) of the Pool Receivables that qualify as Eligible Receivables at such time that have been generated by that manufacturing plant multiplied by the Funding Percentage applicable to the Receivables that have been generated by such manufacturing plant.

"Net Interest Expense" means, determined in accordance with Modified GAAP, (a) the aggregate third party interest expense (calculated on an annualised basis where necessary) of the Dana European Entities, the Borrower and the Spanish Account SPV minus (b) the aggregate third party interest income (calculated on an annualised basis where necessary) of the Dana European Entities, the Borrower and the Spanish Account SPV.

"New Austrian Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "New Austrian Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"New Belgian Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "New Belgian Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"New Collection Accounts" means, as the context requires, all or any one of the New Austrian Collection Accounts, New Belgian Collection Accounts, New French Collection Accounts, New German Collection Accounts, New Italian Collection Accounts or New Spanish Collection Accounts.

"New French Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "New French Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"New German Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "New German Collection Accounts", as such Schedule may be amended from time to time herewith.

"New Italian Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "New Italian Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"New Spanish Collection Account" means any account set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "New Spanish Collection Accounts", as such Schedule may be amended from time to time in accordance herewith.

"Non-Effective Redirection Amount" means, as of any Ratio Reporting Date and continuing until (but not including) the next Ratio Reporting Date, an amount equal to the product of (a) the Effective Redirection Target Percentage applicable to such

earlier Ratio Reporting Date minus the Effective Redirection Percentage as of such earlier Ratio Reporting Date (provided that such percentage shall not be less than zero), times (b) the aggregate Outstanding Balance (as of the last day of such Calculation Period) of Pool Receivables.

"Obligations" means, collectively, all covenants, agreements, terms, conditions, deemed collection undertakings, indemnities and other obligations of whatever nature to be performed and observed by each Performance Party under the Transaction Documents to which it is a party, whether monetary or non-monetary.

"Obligor" means, with respect to any Receivable, each Person obligated to make payments in respect of such Receivable pursuant to a Contract.

"Official Body" means any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, or any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, or any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles.

"Organic Documents" of any Person means its memorandum and articles of association, articles or certificate of incorporation and by laws, limited liability agreement, partnership agreement or other comparable charter or organisational documents as amended from time to time.

"Originators" means any of the Austrian Originators, the Belgian Originators, the French Originators, the German Originators, the Italian Originators and the Spanish Originators.

"Originator Sale Agreement" means any of the Austrian RPAs, the Belgian RPAs, the French RPAs, the German RPAs, the Italian RPAs or the Spanish RPAs.

"Other Permitted Deposits" means, with respect to any Existing Collection Account, any deposit made to such account in respect of amounts payable to the related Originator, in each case, where (i) such deposit is made prior to the day falling 90 days after the Closing Date, and (ii) the payor of such amount was instructed to deposit such payment to such Existing Collection Account, or the relevant arrangements for such payment to be deposited in such Existing Collection Account was established, prior to the Closing Date. It is understood and agreed that the relevant Originators will take reasonable steps to ensure that any such payor is instructed to make payments to a non-Facility Account (including by modifying any such arrangements) as soon as possible after the Closing Date.

"Other Permitted Payments" means, with respect to any Existing Collection Account, any payment or debit from such Existing Collection Account in respect of an amount payable by the related Originator that was made (which for purposes of payments by cheque means the date on which the cheque was written) prior to the date falling 90 days after the Closing Date (with respect to any payment made by cheque, regardless of when such cheque is presented to the relevant bank or financial

institution for payment). It is understood and agreed that the relevant Originators will take reasonable steps to ensure that any such payment or debit is made from a non-Facility Account as soon as possible after the Closing Date.

"Outstanding Balance" means, with respect to any Receivable at any time, the then outstanding principal amount thereof (in Euro or the Euro Equivalent), excluding any Finance Charges related thereto.

"Participant" has the meaning specified in Clause 10.3(e) (*Participations*) of the Receivables Loan Agreement.

"Participating Member States" means any member state of the European Community that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

"Pensions Act" means the United Kingdom Pensions Act 2004.

"Performance Undertaking" means the Performance and Indemnity Deed, dated the Closing Date, issued by the Performance Undertaking Provider in favour of, among others, the Borrower, the Administrative Agent and the Secured Parties.

"Performance Undertaking Provider" means Dana International Luxembourg SARL.

"Performance Parties" means (i) each of the Originators, (ii) each of the Servicer Parties that is an Affiliate or direct or indirect Subsidiary of the Performance Undertaking Provider, (iii) the Spanish Account SPV and (iv) the Subordinated Lender, in each case, in any capacity in which it is a party to any Transaction Document.

"Permitted Acquisition" means an acquisition on an arm's length basis of (A) all or any part of the Equity Interests of a person or (B) a business or undertaking carried on as a going concern, but only if:

(a) no Facility Event is continuing on the closing date for the acquisition or would occur as a result of the acquisition; and

(b) the consideration (including associated costs and expenses) for the acquisition (when aggregated with the consideration (including associated costs and expenses) for any other Permitted Acquisition (the **"Total Purchase Price"**) together with the amount of any Joint Venture Investment in respect of Permitted Joint Ventures in that rolling twelve (12) month period), in each case paid or otherwise contributed by the Dana European Legal Group, does not in any rolling twelve (12) month period exceed €5,000,000 (or equivalent currency).

"Permitted Adverse Claim" means any Adverse Claim (a) created under the Security Documents or the other Transaction Documents, (b) in respect of taxes, assessments or other governmental charges or levies not yet due and payable or, in the case of any Transaction Party (other than a Transaction SPV), the validity of which

are being contested by such Transaction Party in good faith by appropriate proceedings and with respect to which appropriate reserves have been established in conformity with GAAP by such Transaction Party, (c) in respect of any Receivable which will be released on, or prior to the sale or transfer (or purported sale or transfer) of such Receivable under an Originator Sale Agreement, and (d) with respect to any Facility Account, any Adverse Claim of the bank or other financial institution at which such Facility Account is maintained and that arose in the ordinary course of business between the relevant account holder and such bank or other financial institution.

"Permitted Disposal" means any disposal which (except in the case of paragraph (b)) is on arm's length terms:

(a) of trading stock or cash made by any Dana European Entity in the ordinary course of trading of the disposing Person;

(b) of any asset by a member of the Dana European Legal Group to a member of the Dana European Legal Group;

(c) of any asset by a Dana European Entity to a member of the Dana European Legal Group;

(d) of assets in exchange for other assets comparable or superior as to type, value or quality, provided that if the Performance Undertaking Provider has disposed of any Equity Interests of any Dana European Entity that it holds in exchange for cash, the Performance Undertaking Provider shall not make any Permitted Transaction Payment in respect of such cash to any Person other than a Dana European Entity to the extent that the sum of the aggregate principal amount of all Permitted Transaction Payments to any Person other than a Dana European Entity plus the aggregate principal amount of all loans made by the Performance Undertaking Provider or any Dana European Entity to the Performance Undertaking Provider or any of its Affiliates who are not members of the Dana European Legal Group plus the aggregate amount of all dividends made by a Dana European Entity to its direct parent company who is either the Performance Undertaking Provider or not a Dana European Entity (other than those dividends described in paragraph (b) of the definition of Permitted Distributions) plus the aggregate amount of all dividends described under paragraph (b)(ii) of the definition of Permitted Distributions shall not in any financial year of the Performance Undertaking Provider exceed the greater of (A) €10,000,000 (or the equivalent in any other currency) and (B) 90% of the aggregate distributable earnings of the Dana European Entities generated on or after 1 January 2007;

(e) of obsolete, worn-out or redundant assets or property for cash;

(f) sales for cash of assets or property no longer used or useful;

(g) sales, transfers or other dispositions of assets in connection with the Tooling Programme;

(h) any sale, lease, transfer or other disposition made in connection with any investment in any member of the Dana European Legal Group;

(i) licences, sublicences or similar transactions of intellectual property in the ordinary course of business and the abandonment of intellectual property deemed no longer useful;

(j) equity issuances by any Dana European Entity to a member of the Dana European Legal Group;

(k) transfers of receivables and receivables related assets or any interest therein pursuant to the Transaction Documents and the transactions contemplated thereby;

(l) of cash equivalents for cash or in exchange for other cash equivalents;

(m) arising as a result of any Permitted Encumbrances or Permitted Transactions;

(n) described on Schedule 10 (*Permitted Disposals*) hereto;

(o) not otherwise permitted by the preceding paragraphs provided that the aggregate book value of all assets disposed of in reliance on this paragraph shall not exceed €10,000,000 (or equivalent currency) in any financial year of the Performance Undertaking Provider; and

(p) which has been approved in writing by the Administrative Agent.

"Permitted Distributions" means:

(a) the making of a dividend to its direct parent company who is a Dana European Entity (excluding the Performance Undertaking Provider);

(b) the making of a dividend (other than in respect of a dividend or distribution received directly or indirectly from a Person that is not a Dana European Entity and from whom that dividend or distribution initially originated) to its direct parent company who is not a Dana European Entity provided that such direct parent company shall promptly (and in any event within five (5) Business Days) make a dividend in respect of the dividend which it received to its own direct parent company who is (i) a Dana European Entity (other than the Performance Undertaking Provider) or (ii) subject to the proviso in the last paragraph of this definition, the Performance Undertaking Provider;

(c) subject to the proviso in the last paragraph of this definition, the making of a dividend to its direct parent company who is either the Performance Undertaking Provider or not a Dana European Entity;

(d) the payment of royalties and management fees in the manner, at the times and calculated on a comparable basis consistent with such Dana European Entity's past business practices;

(e) the making of a dividend or other distribution as described in Schedule 11 (*Repatriation Plan*);

(f) the making of a dividend or distribution as part of a Permitted Transaction;

(g) the making of a dividend to its direct parent company who is either the Performance Undertaking Provider or not a Dana European Entity in respect of dividends or distributions received directly or indirectly from a Person that is not a Dana European Entity and from whom that dividend or distribution initially originated; and

(h) the making of a dividend which has been approved in writing by the Administrative Agent,

provided that the aggregate principal amount of distributions described under paragraphs (b)(ii) and (c) of this definition shall not exceed 90% of the aggregate distributable earnings of the Dana European Entities and (ii) the sum of the aggregate principal amount of such distributions plus the aggregate principal amount of all loans made by the Performance Undertaking Provider or any Dana European Entity to the Performance Undertaking Provider or its Affiliates who are not members of the Dana European Legal Group plus the aggregate amount of any Permitted Transaction Payments made to any Person other than a Dana European Entity does not exceed in any financial year of the Performance Undertaking Provider the greater of (A) €10,000,000 (or equivalent currency) and (B) 90% of the aggregate distributable earnings of the Dana European Entities generated on or after 1 January 2007

"Permitted Encumbrance" means:

(a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Dana European Entity;

(b) any netting or set-off arrangement entered into by any Dana European Entity in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Dana European Entities;

(c) any Adverse Claim over or affecting any asset acquired by a Dana European Entity after the Closing Date if:

(i) the Adverse Claim was not created in contemplation of the acquisition of that asset by a Dana European Entity;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a Dana European Entity; and

(iii) the Adverse Claim is removed or discharged within three (3) months of the date of acquisition of such asset;

(d) any Adverse Claim over or affecting any asset of any company which becomes a Dana European Entity after the Closing Date, where the Adverse Claim is created prior to the date on which that company becomes a member of the Group if:

(i) the Adverse Claim was not created in contemplation of the acquisition of that company;

(ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

(iii) the Adverse Claim is removed or discharged within three (3) months of that company becoming a Dana European Entity;

(e) any Adverse Claim arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Dana European Entity in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Dana European Entity;

(f) any Adverse Claim arising as a result of a disposal which is a Permitted Disposal;

(g) any Adverse Claim in respect of Indebtedness permitted pursuant to paragraph (j) of the definition of Permitted Indebtedness;

(h) any Adverse Claim existing as at the Closing Date in respect of Indebtedness permitted pursuant to paragraph (b) of the definition of Permitted Indebtedness and listed on Schedule 12 (*Permitted Indebtedness*); and

(i) any Adverse Claim which has been approved in writing by the Administrative Agent.

"Permitted Guarantee" means:

(a) the endorsement of negotiable instruments in the ordinary course of trade;

(b) any performance or similar bond guaranteeing performance by a Dana European Entity under any contract entered into in the ordinary course of trade;

(c) any guarantee constituting Permitted Indebtedness (except under paragraph (c) of that definition);

(d) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (b) of the definition of Permitted Encumbrance; and

(e) any guarantee which has been approved in writing by the Administrative Agent.

"Permitted Indebtedness" means Indebtedness:

(a) arising under any of the Transaction Documents;

(b) in existence or committed at the Closing Date and listed on Schedule 12 (*Permitted Indebtedness*) hereto including any replacement or successor Indebtedness in an amount not exceeding the principal or committed amount of the original Indebtedness;

(c) arising under or in respect of a Permitted Loan or a Permitted Guarantee or an investment in a member of the Dana European Legal Group;

(d) in respect of letter of credit facilities to be made available to the Dana European Entities in an aggregate face amount not to exceed €30,000,000 (or equivalent currency);

(e) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade or in respect of Borrowings made in Approved Currencies, but not a foreign exchange transaction for investment or speculative purposes;

(f) arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five (5) Business Days of incurrence thereof;

(g) of a person existing at the time such person is acquired by or merged with or into or consolidated with any Dana European Entity or is assumed in connection with the acquisition of assets from such person, but not incurred or increased or its maturity date extended in contemplation thereof, or since that acquisition and outstanding only for a period of three (3) months following the date of acquisition;

(h) constituting trade payables and incurred in the ordinary course of business (including open accounts extended by suppliers on normal trade terms in connection with purchases of goods and services);

(i) payables owing to suppliers in connection with the Tooling Programme;

(j) which is secured, including under finance or capital leases, in an aggregate principal amount at any time not to exceed €50,000,000 (or equivalent currency);

(k) which is unsecured, not permitted by the preceding paragraphs and is in an aggregate principal amount at any time not to exceed €40,000,000 (or equivalent currency);

(l) not permitted by the preceding paragraphs provided that prior to incurring, or concurrently with the incurrence of, any such Indebtedness the Performance Undertaking Provider shall deliver to the Administrative Agent a certificate signed by a Responsible Officer of the Performance Undertaking Provider with calculations showing in reasonable detail that the Performance Undertaking Provider will remain in compliance with its obligations under Clause 10.3 (*Financial covenant*) of the Performance Undertaking if the covenant tests were to be calculated on the basis of projections for the relevant period ending on the first Testing Date to occur twelve (12) months after the date of such calculation incorporating the contemplated Indebtedness therein on a pro forma basis and as if such Indebtedness had been incurred at the start of the relevant period;

(m) arising under an overdraft facility granted by a bank or other financial institution in the ordinary course of business, provided that such Indebtedness is extinguished by close of business on the same Business Day on which it arose; and

(n) which has been approved in writing by the Administrative Agent,

provided that Permitted Indebtedness of a Transaction Party shall not include any Indebtedness owing to any Collection Account Bank other than fees and other transactional expenses incurred in connection with the operation of the Facility Accounts maintained with that Collection Account Bank and any Indebtedness constituting Permitted Indebtedness under paragraph (m) of this definition except where the Administrative Agent has received a waiver (in form and substance satisfactory to the Administrative Agent) from the relevant Collection Account Bank in respect of any banker's lien or other right of set-off over the relevant Facility Accounts.

"Permitted Investments" means, with respect to any Borrower Operating Account, any of the following investments denominated and payable solely in the Approved Currency for which such Borrower Operating Account is maintained: (a) readily marketable debt securities issued by, or the full and timely payment of which is guaranteed by the full faith and credit of, the central government of any Approved Originator Jurisdiction, (b) insured demand deposits, time deposits and certificates of deposit of any Eligible Account Bank that is organised under the laws of an Approved Originator Jurisdiction, (c) repurchase obligations with a term of not more than 45 days for underlying securities of the types described in clause (a) above entered into with a bank meeting the qualifications described in clause (b) above, (d) money market funds rated in the highest ratings category by each of Moody's and S&P (which rating, in the case of S&P, shall be AAAm or AAAmg and shall not have the "r" symbol attached to such rating and, in the case of Moody's "P-1" or "Aaa" and "MR1+"), (e) commercial paper of any corporation incorporated under the laws of an Approved Originator Jurisdiction or any political subdivision thereof, provided that such commercial paper is rated at least A-1 (and without any "r" symbol attached to any such rating) by S&P and at least Prime-1 by Moody's, and (f) cash; provided that in each case such investments shall be a qualifying asset within the meaning of Section 110 of the Irish Taxes Consolidation Act 1997.

"Permitted Joint Venture" means any investment in any Joint Venture where in any rolling twelve (12) month period the aggregate ("**Joint Venture Investment"**) of all amounts subscribed for shares in, or invested in all such Joint Ventures by any Dana European Entity in respect of such investment when aggregated with the Total Purchase Price in respect of Permitted Acquisitions in that rolling twelve (12) month period permitted pursuant to paragraph (c) of the definition of Permitted Acquisition, in each case paid or otherwise contributed by the Dana European Legal Group, does not exceed €5,000,000 (or equivalent currency).

"Permitted Loans" means:

(a) any trade credit extended to customers on normal commercial terms and in the ordinary course of its trading activities;

(b) any loan constituting Permitted Indebtedness (except under paragraph (c) of that definition);

(c) any loan to a member of the Dana European Legal Group (excluding the Performance Undertaking Provider);

(d) any loan to the Performance Undertaking Provider or any of its Affiliates who are not members of the Dana European Legal Group provided that (i) the aggregate principal amount of such loans shall not exceed €10,000,000 (or the equivalent in any other currency) in any financial year of the Performance Undertaking Provider and (ii) the sum of the aggregate principal amount of such loans plus the aggregate amount of all dividends made by a Dana European Entity to its direct parent company who is either the Performance Undertaking Provider or not a Dana European Entity (other than those dividends described in paragraph (b) of the definition of Permitted Distributions) plus the aggregate amount of all dividends described under paragraph (b)(ii) of the definition of Permitted Distributions plus the aggregate amount of any Permitted Transaction Payments made to a Person other than a Dana European Entity does not exceed in any financial year of the Performance Undertaking Provider the greater of (A) €10,000,000 (or the equivalent in any other currency) and (B) 90% of the aggregate distributable earnings of the Dana European Entities generated on or after 1 January 2007.

(e) a loan to an employee or director of any Dana European Entity provided that the aggregate amount of all such loans shall not exceed €1,000,000 (or equivalent currency) from time to time;

(f) loans described on Schedule 13 (*Permitted Loans*) hereto;

(g) Permitted Guarantees;

(h) any loan arising under the Intra-Group Consolidated Payment System Agreement dated 27 October 2003 between Dana Corporation, Echlin Europe Limited, Dana SAS, Dana Automocion S.A., Dana Europe Holding B.V., Dana Italia S.p.A. and others provided that the aggregate of all such loans shall not exceed €12,000,000 (or equivalent currency) from time to time;

(i) any loan to a Spanish Originator (whilst such Spanish Originator is not a member of the Dana European Legal Group) extended for working capital purposes in the ordinary course of its trading activities and for capital expenditures budgeted for in the latest annual budget of the relevant Spanish Originator provided to the Administrative Agent, provided that any such loans extended for the purposes of capital expenditure shall not exceed an aggregate principal amount of €8,000,000 (or equivalent currency) per annum;

(j) other loans or guarantees not exceeding an aggregate principal amount of €1,000,000 (or equivalent currency) from time to time; and

(k) loans, guarantees and the granting of credit which have been approved in writing by the Administrative Agent.

"Permitted Transaction" means:

(a) a Permitted Acquisition;

(b) a Permitted Joint Venture;

(c) the solvent liquidation or reorganisation of any member of the Dana European Legal Group which is not a Transaction Party so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Dana European Legal Group, provided that the sum of the aggregate amount of any Permitted Transaction Payments made by the Performance Undertaking Provider to any Person other than a Dana European Entity plus the aggregate principal amount of all loans made by the Performance Undertaking Provider or any Dana European Entity to the Performance Undertaking Provider or any of its Affiliates who are not members of the Dana European Legal Group plus the aggregate amount of all dividends made by a Dana European Entity to its direct parent company who is either the Performance Undertaking provider or not a Dana European Entity (other than those dividends described in paragraph (b) of the definition of Permitted Distributions) plus the aggregate amount of all dividends described under paragraph (b)(ii) of the definition of Permitted Distributions shall not exceed in any financial year of the Performance Undertaking Provider the greater of (A) €10,000,000 (or the equivalent in any other currency) and (B) 90% of the aggregate distributable earnings of the Dana European Entities generated on or after 1 January 2007;

(d) any transaction, investment or acquisition described on Schedule 14 (*Permitted Transactions*) hereto; and

(e) any transaction which has been approved in writing by the Administrative Agent.

"Permitted Transaction Payment" means any payment, distribution (by way of dividend or otherwise) or other application by the Performance Undertaking Provider of (a) any proceeds distributed to the Performance Undertaking Provider from a solvent liquidation or reorganisation of any member of the Dana European Legal Group which is not a Transaction Party, and (b) any cash received by the Performance Undertaking Provider in exchange for the disposal of any Equity Interest that it holds in any Dana European Entity.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, Official Body or any other entity.

"Pool Receivable" means any Receivable (i) which has been sold and/or otherwise assigned (or purported to be sold) and or otherwise assigned) by an Originator to a Purchaser pursuant to an Originator Sale Agreement, and (ii) if such Purchaser is other than the Borrower, which has been sold or otherwise transferred by such Purchaser to the Borrower, or in which such Purchaser has granted or otherwise sold a Borrower Receivables Interest to the Borrower, in each case, pursuant to an Intermediate Transfer Agreement.

"Portfolio Report" means any Daily Report.

"Potential Facility Suspension Event" means an event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing) be a Facility Suspension Event.

"Potential Facility Termination Event" means an event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing) be a Facility Termination Event.

"Potential Seller Suspension Event" means an event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing) be a Seller Suspension Event.

"Potential Seller Termination Event" means an event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing) be a Seller Termination Event.

"Potential Servicer Default" means an event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing) be a Servicer Default.

"Principal Balance" means, with respect to any Loan, the principal amount outstanding of such Loan made hereunder, as such amount may be consolidated with the principal amount of any other Loan in accordance with Clause 2.10 (*Consolidation*), in each case as reduced from time to time by amount paid to the applicable Lender(s) holding such Loan pursuant to Clause 2.6 (*Application of Collections prior to Facility Termination Date*) or Clause 2.7 (*Application of Collections after Facility Termination Date*) of the Receivables Loan Agreement, as applicable, on account of the Principal Balance of such Loan; provided that if such Principal Balance shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Principal Balance shall be increased by the amount of such rescinded or returned distribution, as though it had not been received by such Lender(s).

"Pro Rata Share" means, with respect to any Lender (a) the Commitment of such Lender, divided by the sum of the Commitments of all Lenders and (b) after the Commitments of all the Lenders have been terminated, the outstanding principal amount (in Euro or the Euro Equivalent) of the Loans funded by such Lender, divided by the outstanding principal amount (in Euro or the Euro Equivalent) of the Loans funded by all the Lenders.

"Purchaser" means the Borrower or the Intermediate Transferor.

"Qualifying Lender" means any Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Transaction Document and is:

(a) which is licensed, pursuant to Clause 9 of the Irish Central Bank Act, 1971, to carry on banking business in Ireland and whose facility office is located in Ireland and which is carrying on a bona fide banking business in Ireland for the purposes of Clause 246(3) of the Irish Taxes Consolidation Act, 1997; or

(b) which is an authorised credit institution under the terms of the European Union Consolidation Directive (formerly the First European Union Banking Co-Ordination Directive and the Second European Union Banking Co-Ordination Directive) and has duly established a branch in Ireland or has made all necessary notifications to its home state competent authorities required thereunder in relation to its intention to carry on banking business in Ireland and such financial institution is recognised by the Revenue Commissioners in Ireland as carrying on a bona fide banking business in Ireland for the purposes of Clause 246(3) of the Irish Taxes Consolidation Act, 1997 and has its facility office located in Ireland; or

(c) which is a Person resident in and under the laws of a country with which Ireland has a double taxation treaty or resident in a member state of the European Communities (other than Ireland) (provided, that such Lender does not provide its commitment through a branch or agency in Ireland), including a corporation incorporated in the U.S. and subject to U.S. tax on its worldwide income and a U.S. limited liability company (provided the ultimate recipients of the interest through the limited liability company are persons resident in a member state of the European Union (other than Ireland) or resident in a country with which Ireland has a double taxation treaty and the business is conducted through the limited liability company for market reasons rather than tax avoidance purposes) in either case not providing its commitment through a branch or agency in Ireland; or

(d) which is a body corporate which advances money in the ordinary course of a trade which includes the lending of money; provided, that the interest is paid in Ireland, the interest is taken into account in computing the trading income of such Lender, and which has complied with the notification requirements under section 246(5) of the Irish Taxes Consolidation Act, 1997; or

(e) in respect of which an authorisation granted by the Revenue Commissioners of Ireland is subsisting on each interest payment date entitling the Borrower to pay such Lender interest without deduction of income tax, by virtue of an applicable double taxation treaty between Ireland and the country in which such Lender is resident for the purposes of such treaty, where such double taxation treaty specifies that no withholding tax is to be made on interest provided such Lender does not provide its commitment through a branch or agency in Ireland; or

(f) which is a qualifying company (within the meaning of Clause 110 of the Irish Taxes Consolidation Act, 1997).

"Quotation Day" means, with respect to any Borrowing and any Interest Period, the day on which it is market practice in the relevant interbank market for prime banks to give quotations for deposits in the currency of such Borrowing for delivery on the first day of such Interest Period, as determined by the Administrative Agent. If such quotations would normally be given by prime banks on more than one day, the Quotation Day will be the last of such days.

"Rate Type" means the Adjusted Eurocurrency Rate or the Alternative Rate.

"Ratio Reporting Date" means the tenth (10th) Business Day after the end of each Calculation Period. For the purposes of the definition of Ratio Reporting Date, the first Calculation Period shall be the first calendar month after the calendar month in which the Closing Date occurred and each subsequent Calculation Period for the purposes of this definition shall be determined accordingly.

"Receivable" means any indebtedness and other payment obligations of any Obligor resulting from the provision or sale of merchandise, goods or services by an Originator, including the right to payment of any interest or Finance Charges, value added taxes or sales taxes, late payment charges, delinquency charges, extension or collection fees but excluding any Excluded Receivable.

"Receivables Loan Agreement" means the Receivables Loan Agreement, dated the Closing Date, made between the Buyer, Dana International Luxembourg SARL, as the Servicer and, Performance Undertaking Provider, the Persons from time to time party thereto as Lenders and GE Leveraged Loans Limited, as the Administrative Agent.

"Records" means, with respect to any Receivable, all Contracts, purchase orders, invoices, customer lists, credit files and other agreements, documents, books, records (including records relating to billing and collection matters) and other media for the storage of information (including tapes, disks, punch cards, computer software and databases) related to such Receivable, the Related Security or the related Obligors.

"Reference Banks" means the principal London offices of Barclays Bank plc and The Royal Bank of Scotland plc or such other banks as may be appointed by the Administrative Agent in consultation with the Borrower.

"Register" has the meaning specified in Clause 10.3(c) (*Register*) of the Receivables Loan Agreement.

"Related Security" means, with respect to any Receivable, all of the Originators' or Borrower's, as applicable, right, title and interest in, to and under:

(a) all security interests, hypothecs, reservations of ownership, liens or other Adverse Claims and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all financing statements, registrations, hypothecs, charges or other similar filings or instruments against an Obligor and all security agreements describing any collateral securing such Receivable;

(b) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise (provided, that it is understood and agreed that notwithstanding anything herein or in any other Transaction Document to the contrary (i) no Transaction Party shall be required to take any action to cause any such guarantee, insurance or other agreement or arrangement to be transferred to or for the benefit of, or otherwise assigned, to any Purchaser to the extent any such transfer or assignment requires the consent of any Person (other than a Transaction Party) or is prohibited by applicable Law, and (ii) any amounts received by any Transaction Party in respect of, or otherwise in connection with, such guarantee, insurance or other agreement or arrangement shall constitute "Related Security" for all purposes of the Transaction Documents, including any obligation of any Transaction Party under the Transaction Documents to promptly deposit amounts received in respect of Collections to a Facility Account (other than an Existing Collection Account));

(c) all Records related to such Receivable;

(d) any and all goods (including Returned Goods, if any) and documentation or title evidencing the shipment or storage of any goods, the sale of which by the applicable Originator gave rise to such Receivable;

(e) all of the Borrower's right, title and interest in, to and under the Transaction Documents, including any Borrower Receivable Interest; and

(f) all collections and proceeds of the foregoing.

Notwithstanding anything herein or in any other Transaction Document to the contrary, it is acknowledged and agreed that for all purposes under the Transaction Documents, no action (other than the transfer and assignment set forth in Clause 2.1 (*Agreement to Purchase*) of the German RPA (and any corresponding provisions to any other Originator Sale Agreement) and any action set forth or otherwise referenced in Schedule 2 (*Conditions Precedent for the Initial Austrian Effective Date*), Schedule 3 (*Conditions Precedent for the Initial Belgian Effective Date*), Schedule 4 (*Conditions Precedent for the Initial French Effective Date*), Schedule 5 (*Conditions Precedent for the Initial Italian Effective Date*), Schedule 6 (*Conditions Precedent for the Initial Spanish Effective Date*) and Schedule 2 (*Conditions Precedent Documents*) of the Receivables Loan Agreement) is required to be taken by any Originator to transfer or otherwise assign or perfect any Person's interest in any Related Security to any Person pursuant to the Transaction Documents. Any representation, warranty or covenant of any Person in any Transaction Document as to its or another Person's ownership of, or security interest in, the proceeds of any Related Security and to the assignment or transfer of any Related Security shall be deemed subject to the proviso contained in this paragraph.

"Release" has the meaning specified in Clause 2.6(b)(vii) (*Application of Collections prior to Facility Termination Date*) of the Receivables Loan Agreement.

"Relevant Jurisdiction" means, in relation to an Transaction Party:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Adverse Claims to be created by it pursuant to the Security Documents is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"Reporting Date" means any date on which a Portfolio Report is delivered or required to be delivered by the Servicer pursuant to Clause 2.3 (*Reporting requirements*) of the Servicing Agreement.

"Required Lenders" means, at any time when there is more than one Lender, at least two Lenders (that are not Affiliates of each other) representing in aggregate more than 66$^{2}/_{3}$% of the Aggregate Principal Balance, or if the Aggregate Principal Balance is zero, the Aggregate Commitment or, if the Commitments have been terminated, at least two Lenders (that are not Affiliates of each other) that represented in aggregate more than 66$^{2}/_{3}$% of the Aggregate Principal Balance, or if the Aggregate Principal Balance is zero, the Aggregate Commitment immediately prior to such termination. If, at any time, there is only one Lender, **"Required Lenders"** shall mean such Lender.

"Responsible Officer" means, with respect to any Transaction Party, the president, any vice president, a director, any duly authorised officer, the chief financial officer, the treasurer, the comptroller, the assistant comptroller, the assistant treasurer or, to the extent any of the foregoing are not recognised in a jurisdiction, the equivalent thereof in such jurisdiction, of such Transaction Party.

"Restricted Payments" has the meaning specified in Clause 5.1(n) (*Distributions, etc*) of the Receivables Loan Agreement.

"Restricted Receivable" means any Receivable that arose under a Contract the terms of which require notice to, or the consent of, the relevant Obligor to the assignment of such Receivable.

"Restructuring Charges" means non-recurring and other one-time costs incurred by any Dana European Entity in connection with the reorganisation or discontinuation of its business, operations and structuring in respect of (a) facility closures and the consolidation, relocation or elimination of operations and (b) related severance costs and other costs incurred in connection with the termination, relocation and training of employees.

"Returned Goods" means all right, title and interest in and to returned, repossessed or foreclosed goods and/or merchandise the sale of which gave rise to a Receivable; provided that such goods shall no longer constitute Returned Goods after a Deemed Collection has been received with respect to the full Unpaid Balance of the related Receivables.

"RIBA Advance" means any amount paid by an Italian Originator to an Italian Collection Account Bank in respect of any amount credited by such Italian Collection Account Bank to an Existing Italian Collection Account or New Italian Collection Account in respect of a payment to be made by an Obligor of a Pool Receivable via the RIBA system and in respect of which such Obligor subsequently defaulted in the making such of payment via the RIBA system.

"RIBA Dilution" means any reduction in the funds on deposit in any Existing Italian Collection Account or New Italian Collection Account by an Italian Collection Account Bank in respect of any amount credited or otherwise advanced by such bank or financial institution in respect of a payment to be made by an Obligor of a Receivable (other than a Pool Receivable) via the RIBA system and in respect of which such Obligor subsequently defaulted in the making of such payment via the RIBA system.

"Roll-Forward Report" means a report in the Agreed Form furnished by or on behalf of the Servicer pursuant to Clause 2.3 (*Reporting Requirements*) of the Servicing Agreement.

"S&P" means Standard & Poor's Rating Services, a division of McGraw Hill Companies, Inc.

"Schedule of Definitions" means this Master Schedule of Definitions, Interpretations and Construction, signed by the parties hereto for the purposes of identification.

"Scheduled Commitment Facility Termination Date" means the day falling five (5) years after the Closing Date.

"Secured Parties" means, collectively, the Lenders, the Administrative Agent and each other Indemnified Party.

"Security Agreement" means the Deed of Charge and Assignment, dated the Closing Date, between the Borrower and the Administrative Agent.

"Security Documents" means the Security Agreement, each Account Security Agreement and each other document entered into by any Transaction Party creating or expressing to create any Adverse Claim over all or any part of its assets in respect of the obligations of any of the Transaction Parties under any of the Transaction Documents.

"Seller Event" means a Seller Termination Event, Seller Suspension Event, Potential Seller Termination Event or Potential Seller Suspension Event.

"Seller Payout Date" means a "Seller Payout Date" under, and as defined in, any Originator Sale Agreement.

"Seller Suspension Event" means a "Seller Suspension Event" under, and as defined in, any Originator Sale Agreement.

"Seller Termination Date" means the "Termination Date" under, and as defined in, any Originator Sale Agreement.

"Seller Termination Event" means a "Seller Termination Event" under, and as defined in, any Originator Sale Agreement.

"Servicer" means at any time the Person then authorised pursuant to Clause 2.1 (*Designation of Servicer; power of attorney*) of the Servicing Agreement to administer and collect the Receivables which shall, as at the Closing Date, be Dana International Luxembourg SARL.

"Servicer Default" has the meaning specified in Clause 2.9 (*Servicer Default*) of the Servicing Agreement.

"Servicer Parties" means, collectively, the Servicer and the Sub-Servicers.

"Servicing Agreement" means the Servicing Agreement, dated the Closing Date among the Servicer, the Borrower, the Sub-Servicers and the Administrative Agent.

"Servicing Fee" has the meaning specified in Clause 2.10 (*Servicing Fee*) of the Servicing Agreement.

"Servicing Fee Payment Date" means the tenth (10th) Business Day after the end of each Calculation Period.

"Servicing Fee Percentage" means 0.1 % or such other rate as may be reasonably agreed in writing between the Servicer and the Administrative Agent (provided that the agreement in writing of the Administrative Agent shall not be required for any increase or decrease in the Servicing Fee Percentage which results in the Servicing Fee Percentage being equal to or greater than 0.1% and less than or equal to 0.5% subject to the Administrative Agent receiving prior written notification from the Servicer of any such increase or decrease) or, following a Servicer Default and the appointment of a successor Servicer pursuant to, and in accordance with, the Transaction Documents, such other rate per annum as may be reasonably agreed by such successor Servicer and the Administrative Agent (with the prior written consent of the Required Lenders).

"Set-Off Reduction" means, on the tenth (10th) Business Day of any calendar month and continuing until (but not including) the tenth (10th) Business Day of the next calendar month, the Euro Equivalent determined as of the last day of the immediately preceding Calculation Period of the sum for each Obligor of a Pool Receivable originated by any Originator of the lesser of (a) the aggregate of all amounts owed by any such Originator as of such last day to such Obligor, and (b) the Unpaid Balance of Pool Receivables of such Obligor.

"Settlement Date" for any Loan means (a) each Intra-month Settlement Date and (b) on and after the occurrence of the Facility Termination Date, each Business Day.

"Share Trustee" means Structured Finance Management Corporate Services (Ireland) Limited.

"Spanish Account Agency Agreement" means any agreement designated as such in any Spanish RPA.

"Spanish Account Security Agreement" means any agreement designated as such in any Spanish RPA.

"Spanish Account SPV" has the meaning specified in the Spanish RPA.

"Spanish Collection Account Bank" means any bank or other financial institution set forth on Schedule 8 (*Facility Accounts and Account Banks*) under the heading "Spanish Collection Account Banks", as such Schedule may be amended from time to time in accordance herewith.

"Spanish Corporate Services Provider" means, in respect of the Spanish Account SPV, Structured Finance Management (Spain), S.L..

"Spanish Draft Instrument" means any negotiable instrument in the form of a bill of exchange (*letra de cambio*), a promissory note (*pagare*) or a cheque (*cheque*); provided that (a) any such instrument has been issued pursuant to Spanish Law 19/1985 dated July 16 (Ley 19/1985, de 16 de julio, Cambiaria y del Cheque), as amended from time to time, and complies with all formalities under such Law, (b) all Taxes payable as a result of the issuance and negotiation of such instrument have been duly and timely paid, and (c) such instrument is fully enforceable against the relevant Obligor, freely transferable and free from any Adverse Claims or other rights of any third party.

"Spanish Originators" means each entity designated as a "Seller" under a Spanish RPA.

"Spanish RPAs" means the receivables purchase agreements, dated on or about the Initial Spanish Effective Date, between (i) Dana Automoción, S.A. and the Borrower and (ii) Spicer Ayra Cardan, S.A. and the Borrower, and such additional Spanish law receivables purchase agreements as may be entered into from time to time pursuant to Clause 10.12(b) (*Limitation on the addition and termination of Originators*) of the Receivables Loan Agreement, for so long as such agreements remain in full force and effect. "Spanish RPA" means either of them.

"Spanish Seller Payout Call Option Agreement" means the Spanish seller payout call option agreement dated on or about the Closing Date between Dana Automocion, S.A. and the Borrower.

"Specified Deemed Collection Clauses" means Clause 2.8 (*Deemed Collections; application of payments*) of the Receivables Loan Agreement, Clause 2.13 of the Servicing Agreement and Clause 2.3 of the German RPA (or any corresponding Clause of any other Originator Sale Agreement).

"Spot Rate" means on any day, for the purpose of determining the Euro Equivalent or Dollar Equivalent, as applicable of any currency, the rate at which such currency may be exchanged into Euro or U.S. Dollars, as the case may be, as set forth on the European Central Bank page for foreign currency exchange reference rates for such day and for such currency. Such reference rates are based on the regular daily concentration procedure between central banks within and outside the European System of Central Banks, which normally takes place at 2:15p.m. (Central European Time). In the event that such rate is not available, the Spot Rate shall be determined

by referencing the Bloomberg historical pricing page for the applicable currency conversion with the applicable rate being the closing rate for the London foreign exchange market on the relevant Business Day; provided, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Standard Rate" means for any Loan during any Interest Period, an interest rate per annum equal to the sum of the Applicable Margin plus the Adjusted Eurocurrency Rate for such Interest Period; provided, however, that in case of any Interest Period with respect to which the Adjusted Eurocurrency Rate is not available pursuant to Clause 2.12 (*Illegality*) or 2.13 (*Inability to determine Eurocurrency Rate*) of the Receivables Loan Agreement, the Standard Rate for such Interest Period shall be an interest rate per annum equal to the sum of the Applicable Margin plus the Alternative Rate in effect from time to time during such Interest Period.

"Standard Terms and Conditions" means, with respect to any Originator, the standard terms and conditions of such Originator in effect on the Closing Date and set forth in Schedule 3 (*Standard Terms and Conditions*) of the relevant Originator Sale Agreement, as modified (i) in compliance with the Receivables Loan Agreement, the Originator Sale Agreements and the Servicing Agreement, or (ii) by the application of Law.

"Statutory Reserves" means, with respect to any Lender and any Loan made in any currency (other than U.S. Dollars), any currency, maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Bank of England, the Financial Services Authority, the European Central Bank or other Official Body for any category of deposits or liabilities customarily used to fund loans in such currency or by reference to which interest rates applicable to loans in such currency are determined, in each case expressed as a percentage of the Principal Balance of such Loan, as determined by the Administrative Agent. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

"Sterling" and **"£"** means the lawful currency of the United Kingdom.

"Structuring Agent" means GE Leveraged Loans Limited.

"Structuring Agent Fee Letter" has the meaning specified in Clause 2.4(b) (*Interest and Fees*) of the Receivables Loan Agreement.

"Sub-Servicer" has the meaning specified in Clause 2.5 (*Sub-Servicers*) of the Servicing Agreement.

"Subordinated Guarantor" means Dana International Luxembourg SARL or any permitted successor thereto or assignee thereof under the Subordinated Loan Agreement.

"Subordinated Lender" means Dana Europe S.A. or any permitted successor thereto or assignee thereof under the Subordinated Loan Agreement.

“Subordinated Loan” has the meaning specified in the Subordinated Loan Agreement.

“Subordinated Loan Agreement” means the Subordinated Loan Agreement, dated the Closing Date, between the Borrower, the Administrative Agent, the Servicer and the Subordinated Lender.

“Subordinated Loan Borrowing Request” has the meaning specified in the Subordinated Loan Agreement.

“Subsidiary” means, with respect to any Person (herein referred to as the **“parent”**), any corporation, limited company, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, directly or indirectly, owned, controlled or held or (b) that is, at the time any determination is made, otherwise controlled (as defined in the definition of Affiliate), in each case of clauses (a) and (b), by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent.

“TARGET” means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

“TARGET Day” means any day on which TARGET is open for the settlement of payments in Euro.

“Taxes” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed by an Official Body.

“Testing Date” means (a) during the Trigger Period, the last day of each calendar month, and (b) otherwise the last day of each financial quarter of the Performance Undertaking Provider.

“Tooling Programme” means any program whereby tooling equipment is purchased or progress payments are made to facilitate production customer’s products and whereby the customer will ultimately repurchase the tooling equipment after the final approval by such customer.

“tPR” means the body corporate called the Pensions Regulator established under Part I of the Pensions Act.

“Transaction Documents” means this Schedule of Definitions, the Receivables Loan Agreement, the Intermediate Transfer Agreements, the Originator Sale Agreements, the Servicing Agreement, the Security Documents, the Spanish Account Agency Agreement, the Performance Undertaking, the Subordinated Loan Agreement, the Fee Letters and all other instruments, documents and agreements executed and/or delivered pursuant to or in connection therewith.

“Transaction Fees” means legal, appraisal, financing, consulting, other advisor, and other fees and costs incurred in connection with the Transaction Documents and the transactions contemplated thereby.

“Transaction Parties” means, collectively, each Transaction SPV, each Originator, the Performance Undertaking Provider, the Servicer (so long as it is an Originator or an Affiliate thereof), each Sub-Servicer (so long as it is an Originator or an Affiliate thereof) and the Subordinated Lender.

“Transaction Party Obligations” means all present and future indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrower or any other Transaction Party to the Secured Parties arising under or in connection with the Receivables Loan Agreement or any other Transaction Document or the transactions contemplated hereby or thereby.

“Transaction SPV” means the Borrower or the Spanish Account SPV.

“Trigger Period” means the period commencing on the first quarterly Testing Date (and if there has been any Trigger Period prior to such Testing Date, on the first quarterly Testing Date after the end of such prior Trigger Period) on which the Fixed Charges Coverage Ratio is less than 1.50:1 and ending on the sixth consecutive monthly Testing Date thereafter on which the Fixed Charges Coverage Ratio (calculated without taking into account any Covenant Correction Amount) is at least 1.50:1.

"**U.K. Pension Schemes”** means all of (a) the Dana Manufacturing Group pension Scheme established by a trust deed dated 8 June 1993, (b) the Hobourn Group Pension Scheme established by a trust deed dated 22 December 1983, (c) the Dana UK Pension Scheme, established by a trust deed dated 5 April 1996 and (d) the Q. H. Pension Plan, established by a trust deed dated 25 June 1957.

“U.K. PensionCo” means that Subsidiary of Dana Corporation established (or to be established) in the United Kingdom that has assumed (or will assume) the pensions liabilities of all of the U.K Pensions Schemes.

“Unpaid Balance” means, with respect to any Receivable at any time, the unpaid amount of such Receivable at such time, excluding any Finance Charges.

“U.S.” means the United States of America.

“U.S. Dollars” and **“$”** each mean the lawful currency of the United States of America.

2.2 **Other terms**

All terms defined directly or by incorporation herein shall have the defined meanings when used in any certificate or other document delivered pursuant hereto unless otherwise defined therein. For purposes of this Schedule of Definitions and all such certificates and other documents, unless the context otherwise requires: (a) accounting terms not otherwise defined herein, and accounting terms partly defined herein to the

extent not defined, shall have the respective meanings given to them under, and shall be construed in accordance with, GAAP; (b) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (c) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Schedule of Definitions (or the certificate or other document in which they are used) as a whole and not to any particular provision of this Schedule of Definitions (or such certificate or document); (d) references to any Clause, Schedule or Exhibit are references to Clauses, Schedules and Exhibits in or to this Schedule of Definitions (or the certificate or other document in which the reference is made) and references to any paragraph, subsection, clause or other subdivision within any Clause or definition refer to such paragraph, subsection, clause or other subdivision of such Clause or definition; (e) the term "including" means "including without limitation"; (f) references to any Law refer to that Law as amended or re-enacted from time to time and include any successor Law; (g) references to any agreement refer to that agreement as from time to time amended, supplemented, extended, restated or novated or as the terms of such agreement are waived or modified in accordance with its terms; (h) references to any Person include that Person's successors and permitted assigns; (i) references to "set-off" shall include analogous rights under applicable Law; (j) references to "good and marketable title" shall include analogous ownership rights under applicable Law; (k) references to the "knowledge" of any Responsible Officer of a Person shall be the facts or circumstances actually known to such Person or of which such Person should have had knowledge after reasonable inquiry, (l) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; (m) wherever in this Agreement or any other Transaction Document a requirement appears or a statement is made that, as a result of the transaction contemplated by the relevant Transaction Documents the Borrower must have "perfected" and "enforceable" title to the Receivables, or that such Receivables must be "free and clear of any Adverse Claim", such requirement or statement, where applicable to the Receivables transferred pursuant to the French Intermediate Transfer Agreement, shall not be deemed to be breached merely because under French law a notice needs to be given to the relevant Obligors in order to ensure that the transfer is enforceable against third parties, (n) wherever in this Agreement or any other Transaction Document a requirement appears or a statement is made that, as a result of the transaction contemplated by the relevant Transaction Documents the Administrative Agent (acting on its own behalf or on behalf of other parties) must have a "legal", "valid", "perfected" and "enforceable" security interest under a French Account Security Agreement, such requirement or statement, where applicable to a security interest assigned pursuant to the Security Agreement, shall not be deemed to be breached merely because under French law (x) the security holder under such French Account Security Agreement is viewed as being the Borrower or the Intermediate Transferor as applicable, or (y) the Security Agreement will produce an effect under French law different from the effect that the Security Agreement would have had under Irish law and the Borrower or the Intermediate Transferor as applicable remain the direct security holders under the French Account Security Agreements under French law, (o) notwithstanding any term herein or in any other Transaction Document to the contrary, prior to the Initial Austrian Effective Date the terms "Existing Austrian Collection Account", "Austrian Account Security Agreement", "Austrian Collection Account Bank", "Austrian Intermediate Transfer Agreement", "Austrian Originators", "Austrian RPA", and terms related thereto shall be disregarded for all purposes of the Transaction Documents, including for the

purposes of the Facility Events and the representations, warranties, covenants and indemnities therein, provided that this sub-clause (o) shall not apply with respect to (i) the definitions of Initial Austrian Effective Date, (ii) the Austrian RPA, and (iii) Clause 3 (*General Undertaking*) of the Performance Undertaking, (p) notwithstanding any term herein or in any other Transaction Document to the contrary, prior to the Initial Belgian Effective Date the terms "Existing Belgian Collection Account", "Belgian Account Security Agreement", "Belgian Collection Account Bank", "Belgian Originators", "Belgian RPA", and terms related thereto shall be disregarded for all purposes of the Transaction Documents, including for the purposes of the Facility Events and the representations, warranties, covenants and indemnities therein, provided that this sub-clause (p) shall not apply with respect to (i) the definitions of Initial Belgian Effective Date, (ii) the Belgian RPA, and (iii) Clause 3 (*General Undertaking*) of the Performance Undertaking, (q) notwithstanding any term herein or in any other Transaction Document to the contrary, prior to the Initial French Effective Date the terms "Existing French Collection Account", "French Account Security Agreement", "French Collection Account Bank", "French Intermediate Transfer Agreement", "French Originators", "French RPA", "French Bill of Exchange" and terms related thereto shall be disregarded for all purposes of the Transaction Documents, including for the purposes of the Facility Events and the representations, warranties, covenants and indemnities therein, provided that this sub-clause (q) shall not apply with respect to (i) the definitions of Initial French Effective Date, (ii) the French RPA, and (iii) Clause 3 (*General Undertaking*) of the Performance Undertaking, (r) notwithstanding any term herein or in any other Transaction Document to the contrary, prior to the Initial Italian Effective Date the terms "Existing Italian Collection Account", " Italian Account Security Agreement", " Italian Collection Account Bank", " Italian Intermediate Transfer Agreement", "Italian Originators", "Italian RPA", "RIBA Advance, "RIBA Dilution" and terms related thereto shall be disregarded for all purposes of the Transaction Documents, including for the purposes of the Facility Events and the representations, warranties, covenants and indemnities therein, provided that this sub-clause (r) shall not apply with respect to (i) the definitions of Initial Italian Effective Date, (ii) the Italian RPA, and (iii) Clause 3 (*General Undertaking*) of the Performance Undertaking, and (s) notwithstanding any term herein or in any other Transaction Document to the contrary, prior to the Initial Spanish Effective Date the terms "Existing Spanish Collection Account", "Spanish Account Security Agreement", "Spanish Collection Account Bank", "Spanish Originators", "Spanish RPA", "Spanish Draft Instrument", "Spanish Account SPV", "Spanish Corporate Services Provider" and terms related thereto shall be disregarded for all purposes of the Transaction Documents, including for the purposes of the Facility Events and the representations, warranties, covenants and indemnities therein, provided that this sub-clause (s) shall not apply with respect to (i) the definitions of Initial Spanish Effective Date, (ii) the Spanish RPA, and (iii) Clause 3 (*General Undertaking*) of the Performance Undertaking.

2.3 **Computation of time periods**

Unless otherwise stated in a Transaction Document, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including", the words "to" and "until" each means "to but excluding", and the word "within" means "from and excluding a specified date and to and including a later specified date".

3. **MISCELLANEOUS**

3.1 **Amendment**

No amendment or waiver of any provision of this Schedule of Definitions or consent to any departure by any Transaction Party therefrom shall be effective unless in writing signed by the Administrative Agent, with the prior written consent of the Required Lenders (and, in the case of any amendment, also signed by the Borrower, the Servicer and the Performance Undertaking Provider), and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no amendment, waiver or consent shall:

(a) unless in writing and signed by each Lender (or, in the case of Clause 3.1(a)(ii), each Lender having its fees reduced or delayed or its Commitment increased) and the Administrative Agent be effective, if the effect of such amendment:

(i) reduces the Principal Balance of, or Interest that is payable on, account of any Loan or delay any scheduled date for payment thereof;

(ii) reduces the fees payable by the Borrower to the Lenders, increases a Lender's Commitment or delays the dates on which such fees are payable;

(iii) extends the Scheduled Commitment Facility Termination Date or the Maturity Date;

(iv) releases any portion of the Collateral if a Facility Event has occurred and is continuing or would result therefrom;

(v) changes any of the provisions of this Clause or the definition of **"Required Lenders"**;

(vi) amends any Facility Suspension Event set forth in Clause 7.1 (*Facility Suspension Events*) of the Receivables Loan Agreement or any Facility Termination Event set forth in Clause 7.2 (*Facility Termination Events*) of the Receivables Loan Agreement;

(vii) amends the definition of **"Approved Currency"**, **"Defaulted Receivable"**, **"Maximum Aggregate Principal Balance"** or increase the Applicable MAPB Percentage, the Maximum Percentage Factor or any Concentration Limit; or

(viii) releases the Performance Undertaking Provider from its obligations under the Performance Undertaking;

(b) increase the Commitment of any Lender unless in writing and signed by such Lender;

(c) change any term used in any Originator Sale Agreement, unless signed by the Originator which is a party to such Originator Sale Agreement; or

(d) change any terms used in any Intermediate Transfer Agreement, unless signed by the Intermediate Transferor.

3.2 **Notices**

All communications and notices provided for under any Transaction Document shall be provided in the manner described in Schedule 1 (*Address and Notice Information*).

3.3 **Governing Law**

This Schedule of Definitions shall be governed by and construed in accordance with English law.

3.4 **Execution in counterparts**

This Schedule of Definitions may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Schedule of Definitions by facsimile or by electronic file in a format that is accessible by the recipient shall be effective as delivery of a manually executed counterpart of this Schedule of Definitions.

4. **ACCESSION OF ORIGINATORS**

4.1 **Deed of Accession**

Prior to the Initial Effective Date applicable to an Originator (other than a German Originator) (an "**Acceding Originator**"), the Performance Undertaking Provider shall procure that such Originator shall execute and deliver to the Administrative Agent a Deed of Accession.

4.2 **Effect of Deed of Accession**

Immediately upon the Deed of Accession being countersigned by the Administrative Agent, subject to agreement between the relevant parties of the applicable Initial Effective Date:

(a) the Acceding Originator shall accede to, and shall be bound by and have the benefit of:

(i) this Schedule of Definitions as an Originator; and

(ii) the Servicing Agreement as an Original Sub-Servicer; and

(b) by doing so, the Acceding Originator:

(i) becomes an Originator for the purposes of the Transaction Documents;

(ii) is appointed by the Servicer as an Original Sub-Servicer pursuant to Clause 2.5(b) (*Sub-Servicers*) of the Servicing Agreement;

(iii) confirms that its address for communications and notices is as set out in Schedule 1 (*Address and Notice Information*); and

(iv) confirms the appointment of its English Process Agent as its agent for service of process.

4.3 **Acknowledgements and confirmations**

(a) The Performance Undertaking Provider acknowledges and confirms that upon the accession of the Acceding Originator to this Schedule of Definitions and the Servicing Agreement, its performance undertaking in Clause 2 (*Performance Undertaking*) and indemnity in Clause 3 (*General Indemnity*) of the Performance Undertaking shall extend to the Obligations of the Acceding Originator under the Schedule of Definitions, the Servicing Agreement and the other Transaction Documents to which such Acceding Originator is party.

(b) The provision of this Clause 4 (*Accession of Originators*) only applies to the accession to the Transaction Documents of those Originators expressly referred to by their corporate name in the definitions of Austrian RPA, Belgian RPA, French RPA, Italian RPA and Spanish RPA. The addition of any other new Originator shall be effected in accordance with Clause 10.12 (*Limitation on the addition and termination of Originators*) of the Receivables Loan Agreement.

[**Schedules Omitted]**

EXECUTION of Schedule of Definitions

The parties have shown their acceptance of the terms of this Schedule of Definitions by signing it below for the purposes of identification as of the date first written above.

The Borrower

Given under the Common Seal

of Dana Europe Financing (Ireland) Limited:

/s/ Frank Heffernan

Director

/s/Michelle Hall

Secretary
Structured Finance Management (Ireland) Limited
as Secretary

EXECUTION of Schedule of Definitions

The Servicer

DANA INTERNATIONAL LUXEMBOURG SARL

Signature: /s/ Cornelia v. Künsberg

Name: Cornelia v. Künsberg

Title/Authority : Authorised Director and PoA Holder

EXECUTION of Schedule of Definitions

The Lender

Signed by Adrian Spurling as attorney for

GE LEVERAGED LOANS LIMITED

/s/ Adrian Spurling

under a power of attorney dated 22 March 2007

Attorney for **GE LEVERAGED LOANS LIMITED**

EXECUTION of Schedule of Definitions

The Administrative Agent

Signed by Adrian Spurling as attorney for

GE LEVERAGED LOANS LIMITED

/s/ Adrian Spurling

under a power of attorney dated 22 March 2007

Attorney for **GE LEVERAGED LOANS LIMITED**

EXECUTION of Schedule of Definitions

The Performance Undertaking Provider

DANA INTERNATIONAL LUXEMBOURG SARL

Signature: /s/ Cornelia v. Künsberg

Name: Cornelia von Künsberg

Title/Authority: Authorised Director and PoA Holder

EXECUTION of Schedule of Definitions

The Intermediate Transferor

Signed by Adrian Spurling as attorney for

GE FACTOFRANCE SNC

/s/ Adrian Spurling

under a power of attorney dated 16 July 2007

Attorney for **GE FACTOFRANCE SNC**

EXECUTION of Schedule of Definitions

The Subordinated Lender

DANA EUROPE S.A.

Signature: /s/ Teresa Mulawa

Name:

Title/Authority:

EXECUTION of Schedule of Definitions

Corporate Services Provider

STRUCTURED FINANCE MANAGEMENT (IRELAND) LIMITED

Signature: /s/ Frank Heffernan

Name: Frank Heffernan

Title/Authority: Director

EXECUTION of Schedule of Definitions

REINZ-DICHTUNGS-GMBH

Signature: /s/ Cornelia v. Künsberg

Name: Cornelia von Künsberg

Title/Authority: PoA Holder

EXECUTION of Schedule of Definitions

SPICER GELENKWELLENBAU GMBH

Signature: /s/ Cornelia v. Künsberg

Name: Cornelia von Künsberg

Title/Authority: PoA Holder

EXECUTION of Schedule of Definitions

The Subordinated Guarantor

DANA INTERNATIONAL LUXEMBOURG SARL

Signature: /s/ Teresa Mulawa

Name: _____

Title/Authority: _____

Dated 18 July 2007

(1) **DANA INTERNATIONAL LUXEMBOURG SARL**, as Performance Undertaking Provider

(2) **THE INTERMEDIATE TRANSFEROR**

(3) **DANA EUROPE FINANCING (IRELAND) LIMITED**, as Borrower

(4) **GE LEVERAGED LOANS LIMITED,** as Administrative Agent

(5) **THE OTHER SECURED PARTIES**

PERFORMANCE AND INDEMNITY DEED

LONDON

CONTENTS

THIS DEED is dated 18 July 2007 and executed by:

(1) **DANA INTERNATIONAL LUXEMBOURG SARL**, a company formed under the laws of Luxembourg (the **"Performance Undertaking Provider"**), in favour of:

(2) **GE FACTOFRANCE SNC** as Intermediate Transferor;

(3) **DANA EUROPE FINANCING (IRELAND) LIMITED**, a limited liability company incorporated under the laws of the Republic of Ireland (the **"Borrower"**);

(4) **GE LEVERAGED LOANS LIMITED**, as Administrative Agent on behalf of the Secured Parties under the Receivables Loan Agreement and the other Transaction Documents referred to below (in such capacity, the **"Administrative Agent"**); and

(5) **THE OTHER SECURED PARTIES**, as defined in the Receivables Loan Agreement referred to below (the Intermediate Transferor, the Borrower, the Administrative Agent and the other Secured Parties are referred to herein as, the **"Beneficiaries"**).

BACKGROUND:

(A) Each Originator has entered into an Originator Sale Agreement with the Intermediate Transferor or with the Borrower as purchaser, pursuant to which such Originator, subject to the terms and conditions of such Originator Sale Agreement, has sold, contributed or otherwise conveyed and will sell, contribute or otherwise convey to such Purchaser all of its right, title and interest in certain Receivables and Related Security.

(B) In order to finance its purchases of Receivables and Related Security pursuant to each Originator Sale Agreement to which it is a party, the Intermediate Transferor has entered into Intermediate Transfer Agreements pursuant to which the Borrower, subject to the terms and conditions of such Intermediate Transfer Agreements, will from time to time purchase, make loans secured by, or otherwise acquire Borrower Receivables Interests in such Receivables and Related Security.

(C) In order to obtain the funds with which to acquire Receivables and Related Security from Originators and Borrower Receivables Interests from the Intermediate Transferor, the Borrower has entered into the Receivables Loan Agreement, pursuant to which the Lenders shall make Loans requested by the Borrower from time to time, in each case subject to the terms and conditions of the Receivables Loan Agreement.

(D) Each of the Originators and Dana International Luxembourg SARL (**"Dana"**) have entered into a Servicing Agreement with the Purchasers and the Administrative Agent, pursuant to which, among other things, Dana has agreed to act as initial servicer and each of the Originators have agreed to act as sub-servicers, in each case, for the Purchasers and the Administrative Agent with respect to the servicing and collection of Receivables and Related Security.

(E) The Subordinated Lender has entered into a Subordinated Loan Agreement with the Borrower, pursuant to which the Subordinated Lender has agreed, among other things, to make subordinated loans to the Borrower in order to finance a portion of the

purchase price of Receivables and Related Security or Borrower Receivables Interests to be acquired by the Borrower from the Originators and the Intermediate Transferor.

(F) The Account SPVs have entered into certain Account Security Agreements with the Borrower and others, pursuant to which, among other things, the Account SPVs have granted security interests in the Facility Accounts held by them in order to secure obligations to remit moneys to or at the direction of the Borrower.

(G) Each of the Originators, the Servicer and the Subordinated Lender is (and any future Originator will be) an Affiliate or direct or indirect Subsidiary of the Performance Undertaking Provider, the Spanish Account SPV has been established at the request of the Performance Undertaking Provider and the Originators in connection with the transactions contemplated by the Transaction Documents, and the Performance Undertaking Provider expects to receive substantial direct and indirect benefits from the transactions described above and the other transactions contemplated by the Originator Sale Agreements, the Intermediate Transfer Agreements, the Servicing Agreement, the Subordinated Loan Agreement and the other Transaction Documents.

(H) As an inducement for (a) the Purchasers to purchase or otherwise acquire Receivables and Related Security from the Originators pursuant to the Originator Sale Agreements, (b) the Borrower to purchase, make loans secured by or otherwise acquire Borrower Receivables Interests pursuant to the Intermediate Transfer Agreements, (c) the Lenders to make Loans to the Borrower under the Receivables Loan Agreement and (d) the Administrative Agent, the Lenders and the other Secured Parties to participate in the transactions contemplated by the Receivables Loan Agreement and the other Transaction Documents, the Performance Undertaking Provider has agreed, on the terms provided in this Deed, to cause the due and punctual performance by each of the Originators and the other Performance Parties of their respective Obligations and to indemnify the Beneficiaries for any failure of such performance.

THIS DEED WITNESSES that:

1. **DEFINITIONS**

1.1 **Terms in Receivables Loan Agreement**

Unless otherwise defined herein, capitalised terms which are used in this Deed shall have the meanings assigned to such terms in Clause 2.1 (*Certain defined terms*) of the Master Schedule of Definitions, Interpretation and Construction, dated 18 July 2007, and signed by the parties hereto and others for the purposes of identification (the **"Schedule of Definitions"**). In the case of any inconsistency between such terms and the terms defined in Clause 2.2 (*Other defined terms*) of this Deed, the terms defined in Clause 2.2 (*Other defined terms*) of this Agreement shall prevail for all purpose of this Deed. The principles of interpretation set forth in Clauses 2.2 (*Other terms*) and 2.3 (*Computations of time periods*) of the Schedule of Definitions apply to this Deed as if fully set out herein.

1.2 **Other defined terms**

As used in this Deed, capitalised terms defined in the preamble have the meanings as so defined, and the following terms have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Indemnified Amounts" is defined in Clause 3 (*General indemnity*).

"Indemnified Party" is defined in Clause 3 (*General indemnity*).

2. **PERFORMANCE UNDERTAKING**

(a) The Performance Undertaking Provider hereby agrees for the benefit of each of the Beneficiaries to cause each Performance Party to pay and perform its Obligations when and as due in accordance with the Transaction Documents.

(b) If any Performance Party fails to pay or perform any of its Obligations when and as due (and payable in respect of monetary Obligations) in accordance with the Transaction Documents, then the Performance Undertaking Provider shall within three (3) Business Days of demand perform, or cause the performance of, such Obligations, and shall within three (3) Business Days of demand pay to the Administrative Agent for the account of the relevant Beneficiaries, in same day funds, any such Obligations for the payment of money.

3. **GENERAL INDEMNITY**

Without limiting any other rights that any Beneficiary or any of their respective officers, directors, agents, employees, controlling Persons or Affiliates of any of the foregoing (each an **"Indemnified Party"**) may have hereunder, under any other Transaction Document or under applicable Law, the Performance Undertaking Provider hereby agrees to indemnify and hold harmless each Indemnified Party from and against any and all damages, losses, claims, liabilities, deficiencies, costs, disbursements and expenses, including interest, penalties, amounts paid in settlement and reasonable attorneys' fees and out-of-pocket expenses (all of the foregoing being collectively referred to as **"Indemnified Amounts"**) incurred by any Indemnified Party (including in connection with or relating to any investigation by an Official Body, litigation or lawsuit (actual or threatened) or order, consent, decree, judgment, claim or other action of whatever sort (including the preparation of any defence with respect thereto)), in each case, arising out of or resulting from this Deed or any other Transaction Document or any transaction contemplated hereby or thereby, excluding, however (a) Indemnified Amounts to the extent that such Indemnified Amounts resulted from the gross negligence, fraud or wilful misconduct on the part of such Indemnified Party, (b) recourse (except as otherwise specifically provided in this Deed or any other Transaction Document) for uncollectible Pool Receivables and Related Security with respect thereto, (c) any Excluded Taxes, and (d) any Indemnified Amount to the extent the same has been fully and finally paid in cash to such Indemnified Party pursuant to any other provision of this Deed or any other Transaction Document.

4. **TAXES**

(a) Any and all payments by the Performance Undertaking Provider under this Deed shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Performance Undertaking Provider shall be required to deduct any Indemnified Taxes or Other Taxes from any such payment, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Clause 4) the recipient of such payment receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Performance Undertaking Provider shall make such deductions, and (iii) the Performance Undertaking Provider shall pay the full amount deducted to the relevant Official Body in accordance with applicable Law.

(b) If any Indemnified Tax or Other Tax is required to be deducted or withheld from any payment or distribution made in respect of Receivables or Related Security transferred pursuant to the French Intermediate Transfer Agreement, Italian Intermediate Transfer Agreement or any payment or distributions made or deemed to be made by the Intermediate Transferor pursuant thereto or pursuant to any other Transaction Document, the Performance Undertaking Provider shall indemnify each Indemnified Party within ten (10) days after written demand therefor, for the full amount of any such Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Clause) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Official Body. A certificate as to the amount of such payment or liability delivered to the Performance Undertaking Provider by an Indemnified Party, or by the Administrative Agent on its own behalf or on behalf of another Indemnified Party, shall be conclusive absent manifest error.

(c) The Performance Undertaking Provider shall indemnify each Indemnified Party within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes paid by such Indemnified Party on or with respect to any payment by or on account of any obligation of the Performance Undertaking Provider under this Deed (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Clause 4) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Official Body. A certificate as to the amount of such payment or liability delivered to the Performance Undertaking Provider by an Indemnified Party, or by the Administrative Agent on its own behalf or on behalf of another Indemnified Party, shall be conclusive absent manifest error.

(d) As soon as reasonably practicable after any payment of Indemnified Taxes by the Performance Undertaking Provider to an Official Body, the Performance Undertaking Provider shall deliver to the applicable Indemnified Party the original or a certified copy of a receipt issued by such Official Body

evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to such Indemnified Party.

(e) Any Indemnified Party that is entitled to an exemption from or reduction of withholding Tax under the Law of the jurisdiction in which the Performance Undertaking Provider is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Deed shall deliver to the Performance Undertaking Provider (with a copy to the Administrative Agent), at the time or times prescribed by applicable Law, such properly completed and executed documentation prescribed by applicable Law, or reasonably requested by the Performance Undertaking Provider, as will permit such payments to be made without withholding or at a reduced rate.

(f) If the Performance Undertaking Provider makes a payment to an Indemnified Party under this Clause 4 and the relevant Indemnified Party determines that:

(i) a Tax Credit is attributable to such payment; and

(ii) that Indemnified Party has obtained, utilised and retained that Tax Credit, that Indemnified Party shall pay an amount to the Performance Undertaking Provider which that Indemnified Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the payment not been required to be made by the Performance Undertaking Provider. For the purpose of this Clause 4(f) **"Tax Credit"** means a credit against, relief on remission for, or repayment of, any tax.

This Clause 4 shall not be construed to require any Indemnified Party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the Performance Undertaking Provider or any other Person.

(g) Notwithstanding anything in this Clause 4 to the contrary, the Performance Undertaking Provider shall not be required to pay to any Indemnified Party any amount pursuant to this Clause 4 to the extent (i) such amount has been fully and finally paid in cash to such Indemnified Party pursuant to any other provision of this Deed or any other Transaction Document or (ii) such amounts constitute Excluded Taxes.

5. **AGREEMENT TO PAY STAMP TAXES**

The Performance Undertaking Provider further agrees, as the principal obligor and not as a surety, to pay to the Administrative Agent for the benefit of the relevant Beneficiaries within three (3) Business Days of demand and in immediately available funds any and all stamp duty, registration and other similar Taxes and fees payable in connection with the execution, delivery, filing and recording of any of the Transaction Documents (or any instrument or other document to be executed, delivered, filed or recorded under or in connection with any of the Transaction Documents); and the Performance Undertaking Provider agrees to save each Indemnified Party harmless from and against any liabilities with respect to or resulting from any delay in paying or omission to pay such Taxes and fees.

6. **OBLIGATIONS ABSOLUTE; WAIVER OF DEFENCES**

The Performance Undertaking Provider's obligations under this Deed are absolute, unconditional and continuing and are in no way conditioned upon any of the matters listed below in this Clause 6. The obligations of the Performance Undertaking Provider under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 6, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or any Beneficiary) including:

(a) any time, waiver or consent granted to, or composition with, any Transaction Party or any other Person;

(b) the release of any other Transaction Party or any other Person under the terms of any composition or arrangement with any creditor of any Dana European Entity;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Transaction Party or other Person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Transaction Party or any other Person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Transaction Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Transaction Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any Person under any Transaction Document or any other document or security; or

(g) any insolvency or similar proceedings.

Without prejudice to the generality of this Clause 6, the Performance Undertaking Provider confirms that it intends this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Transaction Documents and/or any Obligation.

7. **IMMEDIATE RECOURSE; DEFERRAL OF RIGHTS**

(a) The Performance Undertaking Provider waives any right it may have of first requiring any Beneficiary (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any Person before claiming from the Performance Undertaking Provider under this Deed. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

(b) Until the Final Payout Date and unless the Administrative Agent otherwise directs, the Performance Undertaking Provider will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

(i) to be indemnified by the Borrower, the Spanish Account SPV or any other Dana European Entity;

(ii) to claim any contribution from any other guarantor of any obligations of the Borrower, the Spanish Account SPV or any other Dana European Entity under the Transaction Documents; and/or

(iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Beneficiaries under the Transaction Documents or of any other guarantee or security taken pursuant to, or in connection with, the Transaction Documents by any Beneficiary.

8. **ADDITIONAL SECURITY**

(a) This Deed shall be in addition to any other guarantee, indemnity or other security for the Obligations, and shall not be rendered unenforceable by the invalidity of any such other guarantee, indemnity or security.

(b) In the event that acceleration of the time for payment of any of the Obligations is stayed upon the insolvency, bankruptcy, arrangement or reorganisation of any Performance Party or for any other reason with respect to any Performance Party, all such amounts then due and owing with respect to the Obligations under the terms of the Transaction Documents, or any other agreement evidencing, securing or otherwise executed in connection with the Obligations, shall be immediately due and payable by the Performance Undertaking Provider.

9. **REPRESENTATIONS AND WARRANTIES**

9.1 **Representations and warranties of the Performance Undertaking Provider**

The Performance Undertaking Provider hereby represents and warrants to each Beneficiary, as of the date of this Deed that:

(a) the Performance Undertaking Provider (i) is a limited liability company duly organised and validly existing under the laws of its jurisdiction of organisation, and (ii) has the power and authority and all licences, authorisations, consents and approvals required to perform its obligations under the Transaction Documents to which it is a party and to carry on its business in each jurisdiction in which its business is now conducted unless the failure to have such power, authority, licences, authorisations, consents and approvals would not reasonably be expected to have a Material Adverse Effect;

(b) the execution, delivery and performance by the Performance Undertaking Provider of this Deed and any other Transaction Document to which it is a party (i) are within the Performance Undertaking Provider's corporate powers, (ii) have been duly authorised by all necessary corporate action, and (iii) do not contravene or constitute a default under (A) its Organic Documents, (B) any applicable Law, (C) any contractual restriction binding on or affecting the Performance Undertaking Provider or its property or (D) any order, writ, judgment, award, injunction or decree which is valid and binding on or affecting the Performance Undertaking Provider or its property, except in each case where any such contravention or default would not reasonably be expected to have a Material Adverse Effect, and (iv) do not result in or require the creation or imposition of any Adverse Claim (other than with respect to any Receivable or Facility Account, Permitted Adverse Claims, and with respect to any other assets of the Performance Undertaking Provider, Permitted Encumbrances) upon or with respect to its present or future assets including any Pool Receivable, any Related Security, any Collateral or any Facility Account;

(c) no authorisation or approval or other action by, and no notice to or filing or registration with, any Official Body or official thereof or any third party is required for the due execution, delivery and performance by the Performance Undertaking Provider of this Deed or any other Transaction Document to which it is a party or any other document to be delivered by it hereunder or thereunder, except for the actions taken or referred to in Schedule 2 (*Conditions precedent documents*) to the Receivables Loan Agreement, all of which have been (or on or before the Closing Date will have been) duly made or taken, as the case may be, and are in full force and effect, except where the failure to have obtained any such authorisation or approval or taken any such action or made any such filing, notice or registration would not have a Material Adverse Effect;

(d) this Deed and each of the other Transaction Documents to which it is a party constitutes the legal, valid and binding obligation of the Performance Undertaking Provider enforceable against the Performance Undertaking Provider in accordance with its terms, subject to the Legal Reservations;

(e) all non-verbal information, data, exhibits, documents, books, records and reports furnished by or on behalf of the Performance Undertaking Provider in connection with this Deed, any other Transaction Document or any transaction contemplated hereby or thereby is complete and accurate in all material respects as of its date and no such item contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. All financial statements which have been furnished by or on behalf of the Performance Undertaking Provider, the Servicer or any Originator (i) have been prepared in accordance with, in the case of the Performance Undertaking Provider and the Servicer, Modified GAAP or, in the case of each Originator, GAAP consistently applied and (ii) fairly present, in all material aspects, the financial condition of the Performance Undertaking Provider, the Servicer or the relevant Originator, as

the case may be, and in each case, if applicable, its consolidated Subsidiaries or, as the case may be, the Dana European Entities on an aggregated basis, as of the dates set forth therein and the results of any operations of the Performance Undertaking Provider, the Servicer or the relevant Originator, as the case may be, and in each case, if applicable, its consolidated Subsidiaries for the periods ended on such dates;

(f) there are no actions, suits, investigations, litigation or proceedings at law or in equity or by or before any Official Body now pending or in arbitration or, to the Performance Undertaking Provider's knowledge, threatened against or affecting the Performance Undertaking Provider or any of its Subsidiaries or any of its or their business, revenues or other property (i) which question the validity of this Deed or any other Transaction Document to which it is a party or any of the transactions contemplated hereby or thereby (excluding any litigation or proceeding against any Obligor) or (ii) which, individually or in the aggregate, are reasonably likely to be adversely determined and if so determined would reasonably be expected to have a Material Adverse Effect. The Performance Undertaking Provider is not in default or violation of any valid and binding order, judgement or decree of any Official Body or arbitrator which would reasonably be expected to have a Material Adverse Effect;

(g) the Performance Undertaking Provider has (i) timely filed or caused to be filed all material Tax returns required to be filed, and (ii) paid or made adequate provision for the payment of all Taxes, assessments and other governmental charges due and payable by it, except (A) any such Taxes, assessments or other governmental charges that are being contested in good faith by appropriate proceedings and for which the Performance Undertaking Provider has set aside in its books adequate reserves in accordance with GAAP as reasonably determined by the Performance Undertaking Provider, or (B) to the extent that such failure to do so would not reasonably be expected to have a Material Adverse Effect;

(h) the direct and indirect benefits to the Performance Undertaking Provider from the transactions contemplated by the Transaction Documents provide fair consideration and reasonably equivalent value to the Performance Undertaking Provider for the obligations it undertakes pursuant to this Deed;

(i) the Performance Undertaking Provider's obligations under this Deed and the other Transaction Documents to which it is a party rank at least *pari passu* with all of its unsecured unsubordinated Indebtedness;

(j) the Performance Undertaking Provider either has, or otherwise has adequate means to obtain from such Performance Party, information concerning the financial condition of each Performance Party, and it is not relying on any Beneficiary to provide any such information;

(k) neither the Performance Undertaking Provider nor any other Dana European Entity has any Indebtedness (other than Permitted Indebtedness);

(l) neither the Performance Undertaking Provider nor any other Dana European Entity has created or granted any Adverse Claim (other than, with respect to any Receivable or Facility Account, Permitted Adverse Claims, or, with respect to any of its other assets, Permitted Encumbrances) upon or with respect to its present or future assets;

(m) for the purposes of the EU Insolvency Regulation, the Performance Undertaking Provider's centre of main interest (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated in the Grand Duchy of Luxembourg and it has no "establishment" (as that term is used in Article 2(h) of the EU Insolvency Regulation) in any other jurisdiction;

(n) neither Performance Undertaking Provider nor any other Dana European Entity is, or will become, a borrower, guarantor or otherwise incur any obligation under or in connection with the DIP;

(o) neither the Performance Undertaking Provider nor any other Dana European Entity, nor any of their respective assets, have been or will be consolidated with those of Dana Corporation or any other Affiliate of Dana Corporation that is subject to an Event of Bankruptcy under the Insolvency Laws of the U.S. or any State thereof;

(p) neither the Performance Undertaking Provider nor any other Dana European Entity has, or will have, a place of business (other than Spicer Gelenkwellenbau GmbH) or any material property located in the U.S.;

(q) the execution, delivery and performance by any Transaction Party of any Transaction Document to which it is a party do not contravene or constitute a default under the DIP;

(r) for so long as the DIP is in force, the Aggregate Principal Balance constitutes Debt for the purposes of the DIP and that the aggregate outstanding principal amount of the Dollar Equivalent of the Aggregate Principal Balance and all other Debt of Foreign Subsidiaries owing to third parties will not at any time exceed $400,000,000 (excluding Debt of Canadian Subsidiaries of Dana Corporation under the Canadian Revolving Facility). For the purposes of this Clause 9(r) the terms "Canadian Revolving Facility", "Canadian Subsidiary", "Debt" and "Foreign Subsidiary" have the meaning specified in the DIP;

(s) no Material Adverse Effect has occurred;

(t) clearance statements have been issued by tPR, for the purposes of Sections 42(2) and 46(2) of the Pensions Act, in relation to all the U.K. Pension Schemes (the "**Clearance Statements"**), such that in the opinion of tPR, and in the circumstances described in the application made for the purposes of the Clearance Statements:

(i) no Dana European Entity would be subject to a contribution notice as a result of the satisfaction of either, or both of, Sections 42(2)(a) and 42(2)(b) of the Pensions Act; and

(ii) no Dana European Entity would be the subject of a financial support direction as a result of the satisfaction of any, or all of, Sections 46(2)(a), 46(2)(b) and 46(2)(c) of the Pensions Act;

(u) all of the information contained in the applications made in respect of the Clearance Statements as to the circumstances of each of the Dana European Entities are true and accurate, and that there are no material omissions of relevant information in the applications made for the Clearance Statements;

(v) U.K. PensionCo has no creditors other than the U.K. Pension Schemes or the United Kingdom Board of the Pension Protection Fund, as the case may be; and

(w) the company voluntary arrangement of U.K. PensionCo has been implemented in accordance with its terms and completed (as such term is used in Rule 1.29 Insolvency Rules 1986) and all conditions thereunder have been satisfied.

9.2 **Times when representations made**

(a) All the representations and warranties in this Clause 9 (*Representations and Warranties*) are deemed to be made by the Performance Undertaking Provider on the Closing Date and as of the date of each Borrowing and each Release under the Receivables Loan Agreement.

(b) The representations and warranties in Clause 9.1(e) are deemed to be made by the Performance Undertaking Provider as of each Testing Date and on each date on which any financial statements to be delivered pursuant to this Deed are delivered by the Performance Undertaking Provider or in the case of all other non-verbal information, data, exhibits, documents, books and records furnished by or on behalf of the Performance Undertaking Provider in connection with this Deed on the date on which such information, data, exhibits, documents, books and records are furnished.

(c) Each representation or warranty deemed to be made after the Closing Date shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

10. **COVENANTS**

Until the Final Payout Date:

10.1 **Compliance with Laws, etc.**

the Performance Undertaking Provider will comply in all material respects with all Laws to which it may be subject if failure so to comply with such Laws would reasonably be expected to have a Material Adverse Effect;

10.2 **Reporting requirements**

the Performance Undertaking Provider will furnish or cause to be furnished:

(a) **Annual financial statements**

(i) to the Administrative Agent as soon as available after the end of each of its financial years and in any event within the period required for the production and filing of such accounts under the law of its jurisdiction of incorporation, the statutory accounts of each Dana European Entity and its consolidated Subsidiaries as of the end of and for that financial year in each case prepared in accordance with GAAP consistently applied, certified by a Responsible Officer of that Dana European Entity and by its independent public accountants; and

(ii) to the Administrative Agent as soon as available after the end of each of its financial years and in any event within 60 days after the end of each of its financial years (commencing from the financial year ending 31 December 2008) the annual budget in respect of each Originator prepared on an individual basis and in respect of the Dana European Entities prepared on an aggregated basis.

(b) **Quarterly and monthly financial statements**

(i) (A) during the Trigger Period, to the Administrative Agent as soon as available and in any event within 30 days after the end of each calendar month, a statement of financial performance of each Originator prepared on an individual basis and of the Dana European Entities prepared on an aggregated basis as of the end of and for that calendar month as reported by HFM in accordance with Modified GAAP consistently applied, with the statement prepared on an aggregated basis being certified by a Responsible Officer of the Performance Undertaking Provider; and

(B) otherwise, to the Administrative Agent as soon as available and in any event within 45 days after the end of each of its financial quarters, a statement of financial performance of each Originator prepared on an individual basis and of the Dana European Entities prepared on an aggregated basis as of the end of and for that financial quarter as reported by HFM in accordance with Modified GAAP consistently applied, with the statement prepared on an aggregated basis being certified by a Responsible Officer of the Performance Undertaking Provider

(ii) Each statement of financial performance provided hereunder in respect of an Originator shall be accompanied by a certificate of solvency in the Agreed Form signed by a Responsible Officer of that Originator.

(iii) For the purposes of this Clause **"a statement of financial performance"** shall include a profit and loss statement (in the case of any statement of financial performance to be delivered hereunder in respect of an Originator prepared on a manufacturing plant by manufacturing plant basis), cash receipts and payments statement (prepared solely on an aggregated basis), a balance sheet (in the case of any statement of financial performance to be delivered hereunder in respect of an Originator, prepared on an aggregated basis with respect

to the manufacturing plants owned or operated by such Originator) and a management commentary on the financial results shown in the statement of financial performance prepared on an aggregated basis (which management commentary shall include commentary on any material change in the financial results of any individual Originator).

(c) **Officer's certificate**

to the Administrative Agent and concurrently with each of the financial statements to be delivered under Clauses 10.2(a) and (b), a certificate of a Responsible Officer of the Performance Undertaking Provider stating that no Facility Event has occurred and is continuing (or, if any such event is continuing, describing in reasonable detail such event and the steps, if any, being taken or to be taken by the Performance Undertaking Provider or any of the Performance Parties to remedy such event).

(d) **Change in business**

at least thirty (30) days prior to any substantial change in the general nature of its business, to the Administrative Agent a written notice describing in reasonable detail any such substantial change in the general nature of its business;

(e) **Notice of Facility Events**

as soon as possible and in any event within three (3) Business Days after a Responsible Officer of the Performance Undertaking Provider obtains knowledge of the occurrence of any Facility Event, to the Administrative Agent a statement of a Responsible Officer of the Performance Undertaking Provider setting forth details of such Facility Event and, if applicable, the action that the Performance Undertaking Provider or any of the Facility Parties has taken and proposes to take with respect thereto;

(f) **Termination or Suspension of Originator Sale Agreement or Intermediate Transfer Agreements**

as soon as possible and in any event within three (3) Business Days after a Responsible Officer of the Performance Undertaking Provider obtains knowledge of the occurrence thereof, to the Administrative Agent notice that any Originator has stopped selling or contributing Receivables originated by such Originator to the Borrower or the Intermediate Transferor, as the case may be, pursuant to the related Originator Sale Agreement to which such Originator is a party or any other Seller Event thereunder;

(g) **Litigation; Material Adverse Effect**

promptly after a Responsible Officer of the Performance Undertaking Provider obtains knowledge thereof, to the Administrative Agent notice of the filing or commencement of, or any written threat or notice of intention of any Person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity or by or before any Official Body or in arbitration against, or any

investigation by any Official Body that may exist with respect to any Transaction Party, the Facility Accounts, the Transaction Documents or the transactions contemplated thereby, in each case, that is reasonably likely to be determined adversely and if so determined would reasonably be expected to have a Material Adverse Effect.

(h) **Other information**

as soon as reasonably practical and in any event no later than ten (10) Business Days after a request by the Administrative Agent, furnish or cause to be furnished to the Administrative Agent such other information with respect to (i) the Pool Receivables, the Related Security, the Facility Accounts, the Collateral as the Administrative Agent may from time to time reasonably request in writing (which shall include an explanation of the reason for such request), (ii) any Facility Event or Material Adverse Effect related to the Performance Undertaking Provider as the Administrative Agent may from time to time reasonably request in writing (which shall include an explanation of the reason for such request) or, (iii) its business, operations and financial condition as the Administrative Agent may reasonably require (subject to a written request which shall include an explanation of the reason for such request).

(i) **Information relating to U.K. pensions**

promptly after a Responsible Officer of the Performance Undertaking Provider obtains knowledge thereof, to the Administrative Agent full details of:

(i) (A) any material changes in the circumstances described in; or

(B) any material omissions of relevant information contained in,

the applications made for the Clearance Statements; and

(ii) any investigation or proposed investigation by tPR which may lead to the issue of a “financial support direction” or “contribution notice” (for the purposes of Part 1 of the Pensions Act) against any Dana European Entity; and

(iii) (A) any “warning notice” for the purposes of Section 96(2) of the Pensions Act;

(B) any “determination notice” for the purposes of Section 96(2) or 98(2) of the Pensions Act in relation to a Contribution Notice or Financial Support Direction for the purposes of Part 1 of the Pensions Act 2004,

issued by tPR to any Dana European Entity.

(j) **Subordinated Loan book entries**

to the Administrative Agent on a fortnightly basis evidence substantially in the Agreed Form of book entry movement pursuant to the Subordinated Loan Agreement.

10.3 **Financial covenant**

(a) The Performance Undertaking Provider will not permit the Fixed Charges Coverage Ratio as at each Testing Date to be less than 1.25:1 unless within 3 Business Days after the day on which the compliance certificate to be delivered pursuant to Clause 10.4 (*Compliance Certificate*) has been delivered showing that the Fixed Charged Coverage Ratio is less than 1.25:1 a Person (other than the Borrower, the Spanish Account SPV or any Dana European Entity) invests in the Dana European Legal Group or deposits into the Borrower Operating Account (Principal) an amount such that a recalculation of the Fixed Charges Coverage Ratio as at such Testing Date, treating the amount of such investment or deposit as part of Adjusted EBITDA, would be at least 1.25:1.

(b) If, as at such Testing Date, as a result of applying the necessary Covenant Correction Amount to the calculation of Maximum Aggregate Principal Balance the Aggregate Principal Balance exceeds the Maximum Aggregate Principal Balance on such date, the Borrower shall make a prepayment of the Loan in accordance with Clause 2.5(a)(ii) (*Payment and prepayment of Loans*) of the Receivables Loan Agreement on the same day as the Covenant Correction Amount is invested or deposited in accordance with Clause 10.3(a) and such prepayment must be funded wholly from cash constituting the whole or part of the applicable Covenant Correction Amount.

(c) The Performance Undertaking Provider will not permit the Fixed Charges Coverage Ratio as at each Testing Date to be less than 1.15:1.

10.4 **Compliance Certificate**

(a) The Performance Undertaking Provider will furnish to the Administrative Agent within 30 days, after each Testing Date a compliance certificate in a form reasonably acceptable to the Administrative Agent, setting out (in reasonable detail) computations as to compliance with the financial covenant set out in Clause 10.3 as at the date as such Testing Date;

(b) Each compliance certificate shall be signed by a Responsible Officer of the Performance Undertaking Provider.

10.5 **Disposals**

the Performance Undertaking Provider will not, and will procure that no other Dana European Entity will, either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily, dispose of all or any part of its or their assets save for any Permitted Disposal;

10.6 **Financial Indebtedness**

the Performance Undertaking Provider will not, and will procure that no other Dana European Entity will, incur or permit to be outstanding any Indebtedness or enter into any off-balance sheet financing arrangement other than Indebtedness incurred under the Transaction Documents and any Permitted Indebtedness;

10.7 **Loans out**

the Performance Undertaking Provider will not, and will procure that no other Dana European Entity will, make any loans or grant any credit other than Permitted Loans;

10.8 **Dividends and share redemption**

the Performance Undertaking Provider shall not (and will ensure that no other Dana European Entity will):

(a) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

(b) repay or distribute any dividend or share premium reserve;

(c) pay or allow any other Dana European Entity to pay any management, advisory or other fee to or to the order of any of the shareholders of the Performance Undertaking Provider; or

(d) redeem, repurchase, defease, retire or repay any of its share capital or resolve to so do,

other than Permitted Distributions;

10.9 **Mergers, Investments, etc.**

(a) the Performance Undertaking Provider shall ensure that each Originator (other than any Spanish Originator until such time as it becomes a direct or indirect Subsidiary of the Performance Undertaking Provider) shall at all times be a direct or indirect Subsidiary of the Performance Undertaking Provider and that each Spanish Originator (which for the time being is not a direct or indirect Subsidiary of the Performance Undertaking Provider) shall at all times be a direct or indirect Subsidiary of Dana Corporation;

(b) except to the extent expressly permitted by the Transaction Documents, the Performance Undertaking Provider will not, and will procure that no other Dana European Entity will, liquidate or dissolve or merge with or into or consolidate with or into any Person, or enter into any corporate restructuring, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its property (whether now owned or hereafter acquired) to any Person, or acquire all or part of the business or undertaking of a Person, or acquire any Equity Interest of a Person, or enter into any joint venture or partnership agreement with, any Person other than a Permitted Transaction;

10.10 **Taxes**

the Performance Undertaking Provider will file all Tax returns and reports required by Law to be filed by it and promptly pay all Taxes and governmental charges at any time then due and payable by it, except to the extent such Taxes or governmental charges are being contested in good faith by appropriate proceedings and the Performance Undertaking Provider has set aside in its books adequate reserves in accordance with Modified GAAP as reasonably determined by the Performance Undertaking Provider or the failure to do so would not reasonably be expected to have a Material Adverse Effect. The Performance Undertaking Provider will pay when due any Taxes payable in connection with the Pool Receivables, Related Security with respect thereto, the Facility Accounts and the other Collateral, exclusive of Taxes constituting Excluded Taxes or Taxes payable and actually previously paid by another Transaction Party except to the extent such Taxes are being contested in good faith by appropriate proceedings and the Performance Undertaking Provider has set aside in its books adequate reserves in accordance with Modified GAAP as reasonably determined by the Performance Undertaking Provider or the failure to do so would not reasonably be expected to have a Material Adverse Effect;

10.11 **Sales, liens, etc.**

the Performance Undertaking Provider will not, and will procure that no other Dana European Entity will, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim (except for, in the case of any Receivable or Facility Account, Permitted Adverse Claims, and in the case of any other assets of any Dana European Entity, Permitted Encumbrances) upon or with respect to its assets to secure any indebtedness of any person (including, upon or with respect to the Pool Receivables, the Related Security with respect thereto or any other Collateral, the Facility Accounts or any other asset of the Transaction SPVs, or any of its rights, title, interest in, to and under any of them (including any right to receive income in respect thereof)) except pursuant to, and in accordance with, the Transaction Documents;

10.12 **Change in business**

the Performance Undertaking Provider will not make any substantial change in the general nature of its business without the prior written consent of the Administrative Agent, except for any such change:

(a) that would not (i) impair the collectibility of any Pool Receivable in any material respect, (ii) otherwise reasonably be expected to have a Material Adverse Effect, or (iii) materially adversely affect the interests or remedies of any Beneficiary; or

(b) as required by applicable Law;

10.13 **Amendments**

the Performance Undertaking Provider will not make any material amendment or other modification to any Transaction Document to which it is a party except in

accordance with the amendment provisions thereof (which will require the written consent of the Administrative Agent);

10.14 **Organic Documents**

the Performance Undertaking Provider will not amend, modify, change or repeal any of its Organic Documents, unless such amendment, modification, change or repeal would not reasonably be expected to have a Material Adverse Effect;

10.15 **Licences, etc.**

the Performance Undertaking Provider will maintain in full force and effect all licences, approvals, authorisations, consents, registrations and notifications which are at any time required in connection with the performance of its duties and obligations hereunder and under the other Transaction Documents to which it is a party, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect;

10.16 **Separateness**

the Performance Undertaking Provider will take such actions as may reasonably be required to maintain each Transaction SPV as a legal entity separate and apart from the Performance Undertaking Provider, any Affiliate or Subsidiary thereof and any other Person; and

10.17 **Change in accountants or accounting policies**

the Performance Undertaking Provider will promptly notify the Administrative Agent of any change in its accountants or material change in its accounting policy.

11. **SUBROGATION; SUBORDINATION**

11.1 Notwithstanding anything to the contrary contained herein, the Performance Undertaking Provider:

(a) will not exercise or assert until the Final Payout Date any rights of subrogation (whether contractual, at law or in equity or otherwise) to the claims of any Beneficiary against any Performance Party, and until the Final Payout Date hereby waives any and all contractual, statutory or legal or equitable rights of contribution, reimbursement, indemnification and similar rights and claims which the Performance Undertaking Provider might now have or hereafter acquire against any Performance Party in connection with, or as a result of, the existence or performance of the Performance Undertaking Provider's obligations under this Deed;

(b) will not claim any setoff, recoupment or counterclaim against any Performance Party in respect of any liability of the Performance Undertaking Provider to any Performance Party until the Final Payout Date; and

(c) waives any benefit of and any right to participate in any collateral security which may be held by any Beneficiary (or its assigns).

11.2 The payment of any amounts due with respect to any indebtedness of any Performance Party now or hereafter owed to the Performance Undertaking Provider is hereby subordinated to the Obligations. The Performance Undertaking Provider agrees that, after the occurrence of any default in the payment or performance of any of the Obligations, until the Final Payout Date, the Performance Undertaking Provider will not demand, sue for or otherwise attempt to collect any indebtedness of any Performance Party to the Performance Undertaking Provider. If, notwithstanding the foregoing sentence, the Performance Undertaking Provider collects, enforces or receives any amounts in respect of such indebtedness before the Final Payout Date, it shall collect, enforce or receive and hold such amounts as trustee for the Beneficiaries and shall pay such amounts to the Administrative Agent on behalf of the Beneficiaries on account of the Obligations, without affecting in any manner the liability of the Performance Undertaking Provider under the other provisions of this Deed.

11.3 The provisions of this Clause shall be supplemental to and not in derogation of any rights and remedies of any Beneficiary under any separate subordination agreement which any Beneficiary may at any time and from time to time enter into with the Performance Undertaking Provider.

12. **TERMINATION; REINSTATEMENT**

The Performance Undertaking Provider's obligations under this Deed shall continue in full force and effect until the Final Payout Date; provided, that this Deed shall continue to be effective or shall be reinstated, as the case may be, if at any time payment or other satisfaction of any of the Obligations is rescinded or must otherwise be restored or returned upon the bankruptcy, insolvency, arrangement or reorganisation of any Performance Party or otherwise, as though such payment had not been made or such other satisfaction had not occurred and each Beneficiary shall be entitled to recover the value or amount of that Obligation from each Transaction Party, as though such payment has not been made or such other satisfaction had not occurred.

13. **EFFECT OF BANKRUPTCY**

This Deed shall survive the bankruptcy, insolvency, reorganisation or arrangement of any Performance Party and the commencement of any case or proceeding by or against any Performance Party under any applicable bankruptcy, insolvency or similar Law of any jurisdiction. No stay of actions or remedies under any applicable bankruptcy, insolvency or similar Law of any jurisdiction to which any Performance Party is subject shall postpone the obligations of the Performance Undertaking Provider under this Deed, except to the extent required by Law.

14. **JUDGMENT CURRENCY**

14.1 If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing under this Deed in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

14.2 The obligations of the Performance Undertaking Provider in respect of any sum due to any Beneficiary shall, notwithstanding any judgment in a currency (the **"Judgment Currency"**) other than the currency in which such sum is stated to be due under this Deed (the **"Agreement Currency"**), be discharged only to the extent that, on the Business Day following receipt by that Beneficiary of any sum adjudged to be so due in the Judgment Currency, the Beneficiary may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Beneficiary in the Agreement Currency, the Performance Undertaking Provider agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Beneficiary against such loss. The obligations of the Performance Undertaking Provider contained in this Clause shall survive the termination of this Deed and the payment of all other amounts owing under this Deed.

15. **BENEFIT OF DEED**

15.1 This Deed shall be binding upon the Performance Undertaking Provider, its successors and permitted assigns, and shall inure to the benefit of and be enforceable by each Beneficiary and its successors and assigns.

15.2 No Person other than the Performance Undertaking Provider and the Beneficiaries and their respective successors and assigns shall have any rights under this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

16. **ASSIGNMENT**

16.1 The Performance Undertaking Provider may not assign or transfer any of its obligations under this Deed without the prior written consent of the Administrative Agent and the Required Lenders.

16.2 The Intermediate Transferor may assign or otherwise transfer its rights under this Deed to the Borrower pursuant to each Intermediate Transfer Agreement to which it is a party. The Borrower may assign or otherwise transfer its rights under this Deed to the Administrative Agent on behalf of the Secured Parties.

16.3 The Performance Undertaking Provider acknowledges that the Borrower has assigned will assign to the Administrative Agent, for the benefit of the Secured Parties, all of its rights, remedies, powers and privileges under this Deed, and that each Secured Party may further assign such rights, remedies, powers and privileges to the extent permitted in the Receivables Loan Agreement and the other Transaction Documents. The Performance Undertaking Provider agrees that the Administrative Agent, as the assignee of the Borrower, shall have the right to enforce this Deed and to exercise directly all of the Borrower's rights and remedies under this Deed (including the right to give or withhold any consents or approvals to be given or withheld by the Borrower under this Deed).

17. **AMENDMENTS AND WAIVERS**

No amendment or waiver of any provision of this Deed and no consent to any departure by the Performance Undertaking Provider from any provision of this Deed

shall be effective unless the same is in writing and signed by the Administrative Agent (with the consent or at the direction of the Required Lenders) and, in the case of an amendment, by the Borrower, the Intermediate Transferor and the Performance Undertaking Provider; provided that no amendment, waiver or consent, unless in writing and signed by the Intermediate Transferor, the Borrower and the Administrative Agent (with the consent or at the direction of all the Lenders), shall release the Performance Undertaking Provider from its obligations under this Deed. No failure on the part of any Beneficiary to exercise, and no delay in exercising, any power, right or remedy under this Deed shall operate as a waiver of that power, right or remedy; nor shall any single or partial exercise of any power, right or remedy under this Deed preclude any other or further exercise of that power, right or remedy or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and non-exclusive of any rights and remedies provided by law.

18. **NOTICES**

All communications and notices provided for under this Deed shall be provided in the manner and to the addresses set out in Schedule 1 (*Address and Notice Information*) to the Schedule of Definitions.

19. **GOVERNING LAW, JURISDICTION AND PROCESS**

19.1 This Deed and the rights and obligations of the parties hereto shall be governed by and construed in accordance with English law.

19.2 Each party hereto agrees that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Deed, any other Transaction Document or the transaction contemplated hereby or thereby and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts.

19.3 Each of the parties hereto irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 19.2 being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Deed, any other Transaction Document or the transactions contemplated hereby or thereby and agrees not to claim any such court is not a convenient or appropriate forum.

19.4 Each of the parties hereto (other than such parties as are registered in England and Wales or otherwise have a place of business in England and Wales) agrees that the process by which any suit, action or proceeding is begun may be served on it by being delivered in connection with any suit, action or proceeding in England to the English Process Agent for such party.

19.5 The submission to the jurisdiction of the courts referred to in Clause 19.2 shall not (and shall not be construed so as to) limit the right of the Administrative Agent to take proceedings against the Performance Undertaking Provider or any of its respective property in any other court of competent jurisdiction nor shall the taking of proceedings in any other jurisdiction preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

20. **NO PROCEEDINGS; LIMITED RECOURSE**

(a) Each of the parties hereto agrees that (i) it will not institute against, or join any other Person in instituting against, any Transaction SPV any proceeding of the type referred to in the definition of Event of Bankruptcy so long as there shall not have elapsed two years plus one day since the Final Payout Date (or, in the case of an Account SPV, the Seller Payout Date with respect to all Originators related to such Account SPV); and (ii) notwithstanding anything contained herein or in any other Transaction Document to the contrary, the obligations of each Transaction SPV under the Transaction Documents are solely the corporate obligations of such Transaction SPV and shall be payable solely to the extent of funds which are received by such Transaction SPV pursuant to the Transaction Documents and available for such payment in accordance with the terms of the Transaction Documents and shall be non-recourse other than with respect to such available funds and, without limiting Clause 20, if ever and until such time as such Transaction SPV has sufficient funds to pay such obligation, shall not constitute a claim against such Transaction SPV.

(b) No recourse under any obligation, covenant or agreement of any Transaction SPV contained in this Deed or any other Transaction Document shall be had

against any incorporator, stockholder, officer, director, member, manager, employee or agent of such Transaction SPV by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Deed and the other Transaction Documents are solely a corporate obligation of such Transaction SPV, and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer, director, member, manager, employee or agent of any Transaction SPV or any of them under or by reason of any of the obligations, covenants or agreements of such Transaction SPV contained in this Deed or any other Transaction Document, or implied therefrom, and that any and all personal liability for breaches by any Transaction SPV of any of such obligations, covenants or agreements, either at common law or at equity, or by statute, rule or regulation, of every such incorporator, stockholder, officer, director, member, manager, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of this Deed; provided that the foregoing shall not relieve any such Person from any liability it might otherwise have as a result of fraudulent actions taken or fraudulent omissions made by them.

21. **ENTIRE AGREEMENT; SEVERABILITY**

(a) This Deed constitutes the entire agreement of the parties hereto with respect to the matters set forth herein.

(b) The rights and remedies provided in this Deed are cumulative and not exclusive of any remedies provided by law or any other agreement.

(c) In any action or proceeding in any jurisdiction, if the obligations of the Performance Undertaking Provider under this Deed would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of the Performance Undertaking Provider's liability under this Deed, then, notwithstanding any other provision of this Deed to the contrary, the amount of such liability shall, without any further action by the Performance Undertaking Provider or any Beneficiary, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding.

(d) The provisions of this Deed are severable. Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability in that jurisdiction without invalidating or making unenforceable any of the remaining provisions in that jurisdiction or that provision or any other provision in any other jurisdiction.

22. **EXECUTION**

This Deed may be executed in any number of counterparts, and by different parties on separate counterparts, each of which shall be an original and all of which shall constitute one and the same agreement. Delivery by facsimile transmission or by electronic file in a format that is accessible by the recipient of a copy of an executed signature page of this Deed shall operate as delivery of an executed counterpart of this Deed.

EXECUTION:

The parties have shown their acceptance of the terms of this Deed by executing it as a deed below.

Execution of Performance and Indemnity Deed:

The Performance Undertaking Provider

DANA INTERNATIONAL LUXEMBOURG SARL

Signature: /s/ Cornelia v. Künsberg

Name: Cornelia von Künsberg

Title/Authority: Authorised Director and PoA Holder

Execution of Performance and Indemnity Deed:

The Borrower

Given under the Common Seal

of Dana Europe Financing (Ireland) Limited:

/s/ Frank Heffernan

Director

/s/ Michelle Hall

Secretary
Structured Finance Management (Ireland) Limited
as Secretary

Execution of Performance and Indemnity Deed:

The Administrative Agent

Signed as a deed by Adam Johnson / Adrian Spurling as
attorney for **GE LEVERAGED LOANS LIMITED**

/s/ Adam Johnson /s/ Adrian Spurling

under a power of attorney dated 22 March 2007 in the presence of Richard Todd

_____ as

attorney for _____

/s/ Richard J. Todd

Name of witness: Richard Todd

Address of witness: Mayer, Brown, Rowe & Maw LLP, 11 Pilgrim Street, London EC4V GRW

Occupation of witness: Solicitor

Execution of Performance and Indemnity Deed:

The Intermediate Transferor

Signed as a deed by Adam Johnson / Adrian Spurling

as attorney for **GE FACTOFRANCE SNC**

/s/ Adam Johnson /s/ Adrian Spurling

under a power of attorney dated 16 July 2007 in the presence of Richard Todd

_____ as

attorney for _____

/s/ Richard J. Todd

Name of witness: Richard Todd

Address of witness: Mayer, Brown, Rowe & Maw LLP, 11 Pilgrim Street, London EC4V GRW

Occupation of witness: Solicitor

EXHIBIT 31-A

Certification of Chief Executive Officer

I, Michael J. Burns, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dana Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2007

/s/ Michael J. Burns
Michael J. Burns
Chief Executive Officer

EXHIBIT 31-B

Certification of Chief Financial Officer

I, Kenneth A. Hiltz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dana Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2007

/s/ Kenneth A. Hiltz
Kenneth A. Hiltz
Chief Financial Officer

EXHIBIT 32

Certifications Pursuant to 18 U.S.C. Section 1350

In connection with the Quarterly Report of Dana Corporation (Dana) on Form 10-Q for the three months ended June 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the Report), each of the undersigned officers of Dana certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Dana as of the dates and for the periods expressed in the Report.

Date: August 9, 2007

/s/ Michael J. Burns
Michael J. Burns
Chief Executive Officer

/s/ Kenneth A. Hiltz
Kenneth A. Hiltz
Chief Financial Officer