DANA INC
Form PRE 14A
March 02, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

(AMENDMENT NO.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to Section 240.14a-12

DANA INCORPORATED

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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(3) Filing Party:

(4) Date Filed:

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Dana Incorporated

Proxy Statement and Notice of

2018 Annual Meeting of Shareholders

Our Proxy Statement and Annual Report

are Available at www.dana.com/proxy

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Dana Incorporated

3939 Technology Drive

Maumee, Ohio 43537

March , 2018

Dear Fellow Shareholder:

It is our pleasure to invite you to attend the 2018 Annual Meeting of Shareholders of Dana Incorporated at 8:30 a.m., Eastern Time, on Thursday, April 26, 2018 at our World Headquarters located at 3939 Technology Drive, Maumee, Ohio 43537. Registration will begin at 7:30 a.m., Eastern Time.

The annual report, which is included in this package, summarizes Dana s major developments and includes our consolidated financial statements.

Whether or not you plan to attend the 2018 Annual Meeting of Shareholders, please either sign and return the accompanying proxy card in the postage-paid envelope or instruct us by telephone or via the Internet indicating how you would like your shares voted. Instructions on how to vote your shares by telephone or via the Internet are on the proxy card enclosed with this proxy statement.

Sincerely,

Keith E. Wandell
Chairman of the Board of Directors

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Dana Incorporated

Notice of Annual Meeting of Shareholders

March , 2018

Date:	April 26, 2018
Time:	8:30 a.m., Eastern Time
Place:	Dana Incorporated World Headquarters 3939 Technology Drive Maumee, Ohio 43537

We invite you to attend the Dana Incorporated 2018 Annual Meeting of Shareholders to:

1. Elect eight Directors for a one-year term expiring in 2019 or upon the election and qualification of their successors;

2. Act on an advisory vote to approve executive compensation;

3. Ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the fiscal year ending December 31, 2018;

4. Approve amending the Second Restated Certificate of Incorporation to eliminate supermajority voting requirements;

5. Consider a shareholder proposal regarding special shareholder meetings, if properly presented at the Annual Meeting; and

6. Transact any other business that is properly submitted before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

The record date for the Annual Meeting is February 26, 2018 (the Record Date). Only shareholders of record at the close of business on the Record Date can vote at the Annual Meeting. Dana mailed this Notice of Annual Meeting or a Notice of Availability of Proxy Materials to those shareholders. Action may be taken at the Annual Meeting on any of the foregoing proposals on the date specified above or any date or dates to which the Annual Meeting may be adjourned or postponed.

Dana will have a list of shareholders who can vote available for inspection by shareholders at the Annual Meeting and, for 10 days prior to the Annual Meeting, during regular business hours at Dana s Law Department, 3939 Technology Drive, Maumee, Ohio 43537.

Whether or not you plan to attend the Annual Meeting and whether you own a few or many shares of stock, the Board of Directors urges you to vote promptly. Registered holders may vote by signing, dating and returning the enclosed proxy card, by using the automated telephone voting system, or by using the Internet voting system. You will find instructions for voting by telephone and by the Internet on the proxy card and in the Questions and Answers section of the proxy statement. If you wish to attend the Annual Meeting in person, you must register in advance. Please vote your proxy, then follow the instructions in the Questions and Answers section below.

By Order of the Board of Directors,

Douglas H. Liedberg
Senior Vice President, General Counsel, and Corporate Secretary

March , 2018

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Dana Incorporated

3939 Technology Drive

Maumee, Ohio 43537

2018 PROXY STATEMENT

QUESTIONS AND ANSWERS

The Board of Directors is soliciting proxies to be used at the Annual Meeting of Shareholders to be held on Thursday, April 26, 2018, beginning at 8:30 a.m., Eastern Time, at our World Headquarters located at 3939 Technology Drive, Maumee, Ohio 43537. This proxy statement and the enclosed form of proxy are being made available to shareholders beginning March , 2018.

What is a proxy?

A proxy is your authorization for someone else to vote for you in the way that you want to vote. When you complete and submit a proxy card or use the automated telephone voting system or the Internet voting system, you are submitting a proxy. Dana s Board of Directors is soliciting this proxy. All references in this proxy statement to you will mean you, the shareholder, and to yours will mean the shareholder s or shareholders , as appropriate.

What is a proxy statement?

A proxy statement is a document the United States Securities and Exchange Commission (the SEC) requires to explain the matters on which you are asked to vote on by proxy and to disclose certain related information. This proxy statement and the accompanying proxy card were first mailed to the shareholders on or about March , 2018.

What is the purpose of the Annual Meeting?

At our Annual Meeting, shareholders will act upon the matters outlined in the notice of meeting, including i) the election of directors; ii) an advisory vote on executive compensation; iii) ratification of the appointment of Dana s independent registered public accounting firm; iv) amending the Second Restated Certificate of Incorporation (the Certificate of Incorporation) to eliminate supermajority voting requirements; and v) a shareholder proposal, if properly presented at the Annual Meeting. Also, management will report on the state of Dana and respond to questions from shareholders.

What is the record date and what does it mean?

The record date for the Annual Meeting is February 26, 2018 (the Record Date). The Record Date was established by the Board of Directors as required by Delaware law. Holders of our common stock at the close of business on the Record Date are entitled to receive notice of the meeting and to vote at the meeting and any adjournments or postponements of the meeting.

Who is entitled to vote at the Annual Meeting?

Holders of our common stock at the close of business on the Record Date may vote at the meeting. On February 26, 2018, 145,233,661 shares of our common stock were outstanding, and accordingly, are eligible to be voted.

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What are the voting rights of the holders of common stock?

Each outstanding share of common stock will be entitled to one vote on each matter to be voted upon.

What is the difference between a shareholder of record and a street name holder?

If your shares are registered directly in your name, you are considered the shareholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, then the brokerage firm, bank or other nominee is considered to be the shareholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the brokerage firm, bank or other nominee how to vote their shares. See How do I vote my shares? below.

How do I vote my shares?

If you are a shareholder of record as of February 26, 2018, as opposed to a street name holder, you will be able to vote in four ways: In person, by telephone, by the Internet, or by proxy card.

To vote by proxy card, sign, date and return the enclosed proxy card. To vote by using the automated telephone voting system or the Internet voting system, the instructions for shareholders of record are as follows:

TO VOTE BY TELEPHONE: 866-883-3382

Use any touch-tone telephone to vote your proxy.

Have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available when you call.

Follow the simple instructions the system provides you.

You may dial this toll-free number at your convenience, 24 hours a day, 7 days a week. The deadline for telephone voting is 11:59 p.m. (ET) on April 25, 2018.

(OR)

TO VOTE BY THE INTERNET: www.proxypush.com/DAN

Use the Internet to vote your proxy.

Have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available when you access the website.

Follow the simple instructions to obtain your records and create an electronic ballot.

You may log on to this Internet site at your convenience, 24 hours a day, 7 days a week. The deadline for Internet voting is 11:59 p.m. (ET) on April 25, 2018.

If you submit a proxy to Dana before the Annual Meeting, the persons named as proxies will vote your shares as you directed. If no instructions are specified, the proxy will be voted: i) FOR all of the listed director nominees; ii) FOR approval of the advisory vote on executive compensation; iii) FOR ratification of PricewaterhouseCoopers LLP as the independent registered public accounting firm; iv) FOR amending the Certificate of Incorporation to eliminate supermajority voting requirements; and v) AGAINST the shareholder proposal.

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You may revoke a proxy at any time before the proxy is exercised by:

(1) delivering written notice of revocation to the Corporate Secretary of Dana at the Dana Law Department, 3939 Technology Drive, Maumee, Ohio 43537;

(2) submitting another properly completed proxy card that is later dated;

(3) voting by telephone at a subsequent time;

(4) voting by Internet at a subsequent time; or

(5) voting in person at the Annual Meeting.

If you hold your shares in street name, you must provide voting instructions for your shares in the manner prescribed by your brokerage firm, bank or other nominee. Your brokerage firm, bank or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the brokerage firm, bank or other nominee how to vote your shares. If you hold your shares in street name and you want to vote in person at the Annual Meeting, you must obtain a legal proxy from your broker and present it at the Annual Meeting. You will also need to provide to us a brokerage statement if you intend to attend the Annual Meeting.

What is a quorum?

There were 145,233,661 shares of Dana s common stock issued and outstanding on the Record Date. A majority of the issued and outstanding shares or 72,616,831 shares, present or represented by proxy, constitutes a quorum. A quorum must exist to conduct business at the Annual Meeting.

Will my shares be voted if I do not provide my proxy?

For shareholders of record: If you are the shareholder of record and you do not vote by proxy card, by telephone or via the Internet or in person at the Annual Meeting, your shares will not be voted at the Annual Meeting.

For holders in street name: If your shares are held in street name, your shares may be voted even if you do not provide the brokerage firm with voting instructions. Under New York Stock Exchange (NYSE) rules, your broker may vote shares held in street name on certain routine matters. The NYSE rules consider the ratification of the appointment of our independent registered public accounting firm to be a routine matter. As a result, your broker is permitted to vote your shares on this matter at its discretion without instruction from you.

When a proposal is not a routine matter, such as the election of directors, the advisory vote on executive compensation, amending the Certificate of Incorporation and the shareholder proposal, and you have not provided voting instructions to the brokerage firm with respect to that proposal, the brokerage firm cannot vote the shares on that proposal. The missing votes for these non-routine matters are called broker non-votes. Broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but not as shares present and voting on a specific proposal.

What vote is required?

Proposal I Election of Directors: If a quorum exists, the election requires a plurality vote of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote, meaning that the director nominees with the most affirmative votes are elected to fill the available seats. As outlined in our Bylaws, regardless of this plurality vote any director who receives more withheld votes than for votes in an uncontested election is required to tender his or her resignation to the Board for consideration in accordance with the procedures set forth in the Bylaws. Our Nominating and Corporate Governance Committee will then evaluate the best interests of Dana and its shareholders and will recommend to the Board the action to be taken with respect to the tendered resignation. Following the Board s determination, Dana will promptly publicly disclose the Board s decision of whether or not to accept the resignation and an explanation of how the decision was reached, including, if applicable, the reasons for rejecting the resignation. Broker non-votes will not be counted as eligible to vote and, therefore, will have no effect on the outcome of the voting.

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Proposal II Advisory Vote on Executive Compensation: The proposal represents an advisory vote and the results will not be binding on the Board or Dana. If a quorum exists, the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the matter will constitute the shareholders non-binding approval with respect to our executive compensation programs. Therefore, abstentions will have the same effect as voting against the proposal. Broker non-votes will not be counted as eligible to vote on the proposal and, therefore, will have no effect on the outcome of the voting on the proposal. The Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

Proposal III Ratification of the Appointment of the Independent Registered Public Accounting Firm: If a quorum exists, the proposal to ratify the appointment of the independent registered public accounting firm must receive the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Therefore, abstentions will have the same effect as voting against the proposal. Brokers will have discretionary voting power to vote this proposal so we do not anticipate any broker non-votes (described above).

Proposal IV Amend the Certificate of Incorporation to Eliminate Supermajority Voting Requirements: If a quorum exists, the proposal must receive the affirmative vote of 66 2/3% of the outstanding capital stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Therefore, abstentions will have the same effect as voting against the proposal. Broker non-votes will not be counted as eligible to vote on the proposal and, therefore, will have no effect on the outcome of the voting on the proposal.

Proposal V Shareholder Proposal: The shareholder proposal will be voted on at the Annual Meeting only if properly presented by or on behalf of the shareholder proponent. If a quorum exists, the shareholder proposal must receive the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Therefore, abstentions will have the same effect as voting against the proposal. Broker non-votes will not be counted as eligible to vote on the proposal and, therefore, will have no effect on the outcome of the voting on the proposal.

Dana will vote properly completed proxies it receives prior to the Annual Meeting in the way you direct. If you do not specify how you want your shares voted, they will be voted in accordance with the Board s recommendations. If you hold shares in more than one account, you must vote each proxy and/or voting instruction card you receive to ensure that all shares you own are voted. No other matters are currently scheduled to be presented at the Annual Meeting. An independent third party, Equiniti Trust Company (formerly Wells Fargo Bank, N.A.), will act as the inspector of the Annual Meeting and the tabulator of votes.

How do I attend the annual meeting?

All shareholders as of the Record Date, or their duly appointed proxies, may attend the Annual Meeting. You must pre-register to attend. Please contact Dana Shareholder Services by email at InvestorRelations@dana.com or by telephone at 1-800-537-8823 providing your name, address, telephone number with area code, and note that you plan to attend the annual meeting. Dana will independently verify the status of shareholders of record as of the Record Date. Beneficial Shareholders must provide evidence of share ownership to Dana Shareholder Services.

Beneficial Shareholders Those shareholders that hold their shares in street name must contact their brokerage firm, bank or other nominee and obtain a legal proxy in order to attend the meeting and vote their shares in person. Generally, there will be a box that you can check on the voting instruction card or website to indicate that you wish to attend and vote your shares at the annual meeting. You must provide a copy of the legal proxy to Dana Shareholder Services as definitive proof of ownership as of the Record Date in order to attend the meeting and to vote your shares in person.

If a beneficial shareholder does not obtain a legal proxy, but still wants to attend the annual meeting (and not vote their shares in person), you may provide other evidentiary material, such as broker statements, trade advices

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or a letter from your broker proving ownership as of the Record Date. Dana reserves the right to restrict admission if evidentiary material is not definitive proof of proper and timely ownership.

Dana will maintain a list of verified shareholders at the Annual Meeting of Shareholders. To gain admission at the meeting, you must present government-issued photo identification that matches the name on the pre-registration list.

Annual meeting pre-registration requests must be received by the end of business on Wednesday, April 25, 2018.

Seating is limited and admission is on a first-come basis.

Who pays for the costs of the Annual Meeting?

Dana pays the cost of preparing and printing the proxy statement and soliciting proxies. Dana will solicit proxies primarily by mail, but may also solicit proxies personally and by telephone, the Internet, facsimile or other means. Dana will use the services of D.F. King & Co., Inc., a proxy solicitation firm, at a cost of approximately $12,500 plus out-of-pocket expenses and fees for any special services. Officers and regular employees of Dana and its subsidiaries may also solicit proxies, but they will not receive additional compensation for soliciting proxies. Dana also will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their out-of-pocket expenses for forwarding solicitation materials to beneficial owners of Dana s common stock.

How can shareholders propose business (other than nominations) for consideration by shareholders at the 2019 Annual Meeting of Shareholders?

Proposals to be Considered for Inclusion in Dana s Proxy Materials Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act), we must receive shareholder proposals by November 22, 2018 to consider them for inclusion in our proxy materials for the 2019 Annual Meeting of Shareholders. A shareholder submitting a proposal for inclusion in our proxy materials must comply with Rule 14a-8.

Other Proposals for Consideration at the 2019 Annual Meeting A shareholder who intends to propose an item of business at the 2019 Annual Meeting of Shareholders (not for inclusion in our proxy materials) must comply with the requirements set forth in our Bylaws. Under Dana s Bylaws, our shareholders must provide advance notice to Dana in such cases. For the 2019 Annual Meeting of Shareholders, notice must be received by Dana s Corporate Secretary no later than the close of business on January 26, 2019 and no earlier than the open of business on December 27, 2018.

If Dana moves the 2019 Annual Meeting of Shareholders to a date that is more than 25 days before or after the date which is the one-year anniversary of this year s Annual Meeting date (*i.e.,* April 26, 2018), Dana must receive your notice no later than the close of business on the 10th day following the day on which notice of the meeting date is first distributed to shareholders or Dana makes a public announcement of the meeting date, whichever occurs first.

Under Dana s Bylaws, the notice of proposed business must include a description of the business and the reasons for bringing the proposed business to the meeting, any material interest of the shareholder in the business and certain other information about the shareholder. Dana s Bylaws specifying the advance notice and additional requirements for submission of shareholder proposals are available on Dana s website at www.dana.com.

How can shareholders nominate individuals for election as directors for consideration by shareholders at the 2019 Annual Meeting of Shareholders?

Director Nominations for Inclusion in Dana s Proxy Materials (Proxy Access) Pursuant to Dana s Bylaws, a shareholder (or a group of up to 20 shareholders) who has continuously owned at least 3% of our shares for at least three years and has complied with the other requirements of our Bylaws may nominate and include in

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Dana s proxy materials director nominees constituting up to 25% of Dana s Board. Notice of a proxy access nomination for consideration at the 2019 Annual Meeting must be received no later than the close of business on November 22, 2018 and no earlier than the open of business on October 23, 2018.

Other Nominations for Consideration at the 2019 Annual Meeting A shareholder who intends to nominate a person for election as a director at the 2019 Annual Meeting of Shareholders (other than under proxy access) must comply with the requirements set forth in our Bylaws. Under Dana s Bylaws, our shareholders must provide advance notice to Dana in such cases. For the 2019 Annual Meeting of Shareholders, notice must be received by Dana s Corporate Secretary no later than the close of business on January 26, 2019 and no earlier than the open of business on December 27, 2018.

If Dana moves the 2019 Annual Meeting of Shareholders to a date that is more than 25 days before or after the date which is the one-year anniversary of this year s Annual Meeting date (*i.e.,* April 26, 2018), Dana must receive your notice no later than the close of business on the 10th day following the day on which notice of the meeting date is first distributed to shareholders or Dana makes a public announcement of the meeting date, whichever occurs first.

In All Cases Whether a nomination is made under our proxy access bylaw or under our advance notice bylaw, a shareholder s notice to nominate individuals for election to the Board of Directors must provide information about the shareholder and the nominee, as well as the written consent of the proposed nominee to being named in the proxy statement and to serve as a director if elected. Dana s Bylaws specifying the proxy access, advance notice and additional requirements for submission of nominations are available on Dana s website at www.dana.com.

Where should shareholders send proposals for business and director nominations for consideration at the 2019 Annual Meeting of Shareholders?

All shareholder nominations of individuals for election as directors or proposals of other items of business to be considered by shareholders at the 2019 Annual Meeting of Shareholders must be submitted in writing to our Corporate Secretary, Dana Incorporated, 3939 Technology Drive, Maumee, Ohio 43537.

How many of Dana s directors are independent?

Dana s Board of Directors has determined that nine of Dana s ten current directors are independent and seven out of the eight directors being nominated for election are independent. For a discussion of the Board of Directors basis for this determination, see the section of this proxy statement entitled Director Independence and Transactions of Directors with Dana.

Does Dana have a Code of Ethics?

Yes, Dana has *Standards of Business Conduct for Employees*, which applies to employees and agents of Dana and its subsidiaries and affiliates, as well as *Standards of Business Conduct for Members of the Board of Directors*. The *Standards of Business Conduct for Employees* and *Standards of Business Conduct for Members of the Board of Directors* are available on Dana s website at www.dana.com.

Is this year s proxy statement available electronically?

Yes. You may view this proxy statement and the proxy card, as well as the 2017 Annual Report, electronically by going to our website at www.dana.com/proxy and clicking on the document you wish to view, either the proxy statement and proxy card or annual report.

How can I find the results of the Annual Meeting?

Preliminary results will be announced at the Annual Meeting. Final results will be published in a Current Report on Form 8-K to be filed with the SEC within four business days after the Annual Meeting. If the official results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

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A copy of Dana s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with the SEC, may be obtained without charge upon written request to the Corporate Secretary, Dana Incorporated, 3939 Technology Drive, Maumee, Ohio 43537.

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

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EXECUTIVE OFFICERS

Following are the names and ages of the executive officers of Dana, their positions with Dana and summaries of their backgrounds and business experience. Our executive officers are those individuals who serve on Dana s Executive Leadership Team. All executive officers are elected or appointed by the Board of Directors and hold office until the annual meeting of the Board of Directors following the annual meeting of shareholders in each year.

Name	Age as of February 26, 2018	Principal Occupation and Business Experience During Past 5 Years	Executive Officer	
Aziz S. Aghili	59	President of Off-Highway Drive and Motion Systems (since July 2011), Dana Incorporated.	2011	Present
Jonathan M. Collins	38	Executive Vice President and Chief Financial Officer (since January 2017), Senior Vice President and Chief Financial Officer (March 2016 to January 2017), Dana Incorporated; Senior Vice President and Chief Financial Officer (April 2013 to March 2016), Vice President, Finance (October 2010 to April 2013), ProQuest (a global information, content and technology company).	2016	Present
James K. Kamsickas	51	President and Chief Executive Officer (since August 2015), Dana Incorporated; President, Chief Executive Officer (April 2012 to August 2015), Global Co-Chief Executive Officer and President of North America and Asia (January 2011 to April 2012), International Automotive Components Group, S.A. (global supplier of automotive interior components and systems).	2015	Present
Douglas H. Liedberg	50	Senior Vice President, General Counsel and Secretary (since May 2017), Associate General Counsel (November 2008 to April 2017), Dana Incorporated.	2017	Present
Dwayne E. Matthews	58	President of Power Technologies (since September 2009), Dana Incorporated.	2011	Present
Robert D. Pyle	51	President of Light Vehicle Driveline Technologies (since January 2014); President of Asia Pacific (May 2012 to December 2013), Dana Incorporated.	2014	Present
Mark E. Wallace	51	Executive Vice President, President of Dana Commercial Vehicle Driveline Technologies, Aftermarket & Operational Excellence (since August 2016), Executive Vice President, Dana On-Highway Driveline Technologies (January 2014 to August 2016), Executive Vice President (June 2011 to January 2014), President of Light Vehicle Driveline Technologies (September 2012 to January 2014), Dana Incorporated.	2008	Present

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Executive Compensation

Compensation Discussion and Analysis

Introduction

Our Compensation Discussion and Analysis (CD&A) describes the key principles and approaches used to determine the elements of compensation awarded to, earned by and paid to each of our named executive officers (NEOs) during 2017. This discussion provides information and context to the compensation disclosures included in the accompanying compensation tables and corresponding narrative discussion and footnotes below, and it should be read in conjunction with those disclosures.

The following Dana executives are our NEOs for 2017:

Name	Title
James K. Kamsickas	President and Chief Executive Officer
Jonathan M. Collins	Executive Vice President and Chief Financial Officer
Mark E. Wallace	Executive Vice President Dana, President of Dana Commercial Vehicle Driveline Technologies, Aftermarket & Operational Excellence
Aziz S. Aghili	President, Off-Highway Drive and Motion Technologies
Robert D. Pyle	President, Light Vehicle Driveline Technologies

We first provide a brief executive overview of our compensation program and then discuss and analyze the following topics:

- Relationship between Dana s Pay & Performance
- Elements of Executive Compensation Program
- How Compensation Decisions are Made
- Compensation Policies & Practices

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Executive Overview

Dana Performance

Dana s financial performance in 2017 was very strong and we are well positioned for long term success. Continued execution of our enterprise strategy has rewarded shareholders with a share price that reached a ten-year high. Below are some key results of Dana s performance in 2017:

- Dana s sales for 2017 were $7.2 billion, an increase of approximately $1.4 billion (24% from 2016), primarily due to strong end-market demand, acquisitions, conversion of sales backlog and favorable currency.

- Adjusted EBITDA was $835 million, an increase of $175 million (27%) from 2016, and adjusted EBITDA margin was 11.6% of sales, an improvement of 30 bps over 2016.

- Dana s share price appreciated by 69% during 2017 and an increase in the quarterly dividend from $0.06 to $0.10 per share beginning in 2018 was recently announced.

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Dana s Compensation Philosophy

Our compensation program is designed to balance short-term performance with long-term growth. Our compensation and benefits must be competitive with executive compensation arrangements provided to executive officers at similar levels at comparably-sized companies with whom we compete for talent. Dana s executive compensation philosophy is reviewed annually by the Compensation Committee, and has the following key objectives:

Reward performance A substantial percentage of executive pay is performance-based and therefore at risk. Our pay programs reflect our pay-for-performance culture that aligns incentives with shareholder interests.

Emphasize long-term incentive compensation We share a portion of the value created for shareholders with those responsible for the results through our performance-based long-term incentive compensation plans. Performance Shares reward executives for delivering long-term adjusted EBITDA Margin and Return on Invested Capital (ROIC) performance.

Drive ownership mentality We require executives to personally invest in Dana s success through stock ownership guidelines that require executives to own a significant amount of our stock.

Attract, retain and reward the best talent to achieve superior results To be consistently better than our competitors, we need to recruit and retain superior talent that is able to drive superior results. We have structured our compensation program to motivate and reward these results.

Compensation Alignment with Business Strategy

Our long-range enterprise strategy builds on our strong technology foundation and leverages our operating model driven by cross functional resource sharing while maintaining a customer centric focus. Our strategy furthers the expansion of our global markets while accelerating the commercialization of new technology as we evolve into the era of vehicle electrification and a broader definition of mobility.

Our executive pay program reflects our enterprise strategy by design and with the metrics used to evaluate performance in our incentive plans. These metrics are important financial measures that help provide sharp focus on critical results in running our business effectively and efficiently.

Enterprise Strategy

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Dana s Executive Compensation Practices

Dana s executive compensation program features many best practices that serve shareholder interests.

What We Do....	What We Don t Do....
Base half of our long-term compensation on the achievement of objective, pre-established goals tied to financial, operational, and strategic measures.	No excise tax gross ups.
Award incentive compensation based on objective measures.	No excessive perquisites.
Apply an accelerated schedule to meet minimum stock ownership guidelines.	No hedging or pledging of Dana stock.
Maintain a clawback policy to recapture unearned incentive payments.	No excessive change-in-control or executive severance provisions.
Retain an independent compensation consultant.	
Include double trigger of vesting of equity awards and severance payments upon a change in control.	

Say on Pay

Last year s advisory vote on executive compensation (Say on Pay) was strongly supported by our shareholders with 94% of the votes cast in favor of our pay practices. Given the new Enterprise Strategy, the Compensation Committee decided to make some modifications to the executive compensation program to better align compensation with our business goals and objectives and shareholder interests.

2017 Compensation Changes

For 2017, the Compensation Committee approved changes to incentive plan metrics for the 2017 annual incentive plan and long-term incentive plan. Below is a summary of the changes along with the rationale:

Annual Incentive Plan

* Adjustments are defined in the incentive plan section of this Compensation & Discussion Analysis

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Relationship between Dana Pay & Performance

Comparator Compensation Data

One of the factors our Compensation Committee uses in setting executive compensation is an evaluation of how our target compensation and benefit levels compare to those of similarly-situated executives at companies that comprise our executive compensation peer group (Peer Group). Dana s philosophy for senior executive pay, including NEO pay, is to target a range of +/- 15% of the 50th percentile of our Peer Group and general industry market data as provided by the Compensation Committee s independent compensation consultant. In addition to market data, other factors such as an individual s experience, responsibilities, and long-term strategic value to Dana are also considered when making recommendations and decisions on compensation.

The Peer Group used for benchmarking executive pay for all NEOs is made up of companies that are:

- in similar industries where Dana competes for talent, customers and capital auto components, industrial machinery, construction and farm machinery, heavy trucks, and other durable goods manufacturers,
- of similar size (as measured by annual revenue), with a range of about 1/3rd to 3x of Dana s revenue that results in a median revenue close to Dana s, and
- of similar complexity to Dana (e.g. multi-country and multi-segment)

The Peer Group is reviewed by the Compensation Committee every year and modifications are made to ensure each company in the group meets the above comparison criteria. The companies shown in the table below comprise our Peer Group:

American Axle & Mfg Holdings	Lear Corp.
BorgWarner, Inc.	The Manitowoc Company, Inc.
Cooper-Standard Holdings	Meritor, Inc.
Cooper Tire & Rubber Co.	Navistar International Corporation
Cummins, Inc.	Oshkosh Corporation
Delphi Automotive	Parker-Hannifin Corp.
Dover Corp.	Rexnord Corp.
Flowserve Corp.	Tenneco Inc.
Fortive Corp.	Terex Corp.
Ingersoll-Rand PLC	The Timken Company

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In 2017, the Compensation Committee, upon analysis and review with its executive compensation consultants, made changes to the Peer Group. Cummins, Inc., Fortive Corp., Parker-Hannifin Corp. and Rexnord Corp. were added to broaden the benchmarking of our compensation programs and practices and for purposes of evaluating pay for performance. Metaldyne Performance Group and Joy Global Inc. were withdrawn from the Peer Group due to being acquired and consolidated into other companies.

Pay for Performance

We believe it is important to look at how NEO realizable pay compares to Dana s performance as the pay that NEOs actually or could potentially receive is designed to link to such performance. The Compensation Committee and management analyzed the alignment between the pay of our NEOs and Dana s three-year (2014-2016) performance relative to the Peer Group. A one-year period was considered for our CEO since Mr. Kamsickas was hired in 2015. The table below shows the characteristics that were used for the study:

Realizable Pay	&	Performance Measurement
Realizable Pay includes base salary, actual bonus payouts and theoretical gains of long-term incentive grants from 2014 through 2016 (in-the-money portion of options, all restricted stock awards/units granted and performance share/cash payouts). Long-term incentives include the value at the end of the period of the awards granted, which is not necessarily the value at vesting or exercise. Note that this differs from the summary compensation table pay, which represents the grant-date expected fair value of the awards.		For purposes of this analysis, the following financial metrics were used cash flow, earnings before interest and taxes (EBIT), ROIC, and revenue growth.

The following graphs show the correlation between realizable pay and the financial performance measures indicated above:

Over a one-year period for Dana s CEO, who was hired in 2015 and the CEOs in our Peer Group; and

Over a three-year period for Dana s other NEOs and the other NEOs in our Peer Group.

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Alignment of Cash Compensation with Performance

Chief Executive Officer

Alignment of Realizable Pay with Performance

Named Executive Officers

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NEO Pay Mix

To align pay levels for our NEOs with Dana s performance, our pay mix places the greatest emphasis on performance-based incentives. A significant majority (84% of our CEO s target compensation and 75% of the average target compensation of our other NEOs) is performance-based.

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Elements of 2017 Executive Compensation Program

Our annual executive compensation program has three primary pay components: base salary, annual performance-based cash bonuses and long-term equity incentives. We also offer retirement and additional benefits.

Cost to Dana	Element	Key Characteristic	Why We Pay this Element	How We Determine the Amount
Fixed	Base salary	Fixed compensation payable in cash. Reviewed annually and adjusted when appropriate.	Provide base level of competitive cash compensation for attracting and retaining executive talent.	Experience, job scope, market data and individual performance.
Variable	Annual cash incentive award	Variable compensation payable in cash based on performance-related financial and individual goals.	Motivate high performance and reward short-term Dana-wide, Business Unit and individual performance.	Corporate funding pool is based on financial performance metrics (adjusted EBITDA, adjusted EBITDA Margin and Free Cash Flow) and individual performance goals.
	Performance share awards	PSAs vest after the three-year performance period based on meeting financial metrics.	Align the interests of senior executives with long-term shareholder value and retain executive talent.	Target awards based on job scope, market data and individual performance.
			Minimize risk-taking behaviors for positive long-term results.	Payouts are based on our performance on financial metrics (adjusted EBITDA Margin & ROIC) over a three-year period.
	Restricted stock units	RSUs vest on the third anniversary of the grant date.	Increase long-term equity ownership and focus executives on providing shareholders with superior investment returns.	Target award based on job scope, market data and individual performance.
			Vesting terms and ownership guidelines promote retention and a strong linkage to the long-term interests of shareholders.	

Base Salary

We provide base salaries to compensate our NEOs for their primary roles and responsibilities and to provide a stable level of annual compensation. Actual NEO salary levels and increases vary based on the NEO s role, level of responsibility, experience, individual performance, future potential and market value. In addition, salary increases may be warranted because of a promotion or change in responsibilities.

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Considering market-based positioning and each NEO s individual performance, the Compensation Committee approved the 2017 annualized base salary adjustments (effective April 1, 2017) below:

NEO	2016 Salary	2017 Salary	Percent Increase
James K. Kamsickas	$ 1,100,000	$1,130,000	2.7%
Jonathan M. Collins	$ 500,000	$575,000	15.0%
Mark E. Wallace	$ 580,000	$590,000	1.7%
Aziz S. Aghili	$ 515,000	$530,000	2.9%
Robert D. Pyle	$ 482,000	$510,000	5.8%

Messrs. Collins and Pyle s base salaries were adjusted to align with base compensation comparable to similar positions of Dana s peer group.

Annual Performance-Based Cash Incentive

Our performance-based annual bonus program, the Dana Annual Incentive Plan (AIP) is a cash-based plan intended to motivate and reward employees based on Dana-wide, business unit and individual performance that drive shareholder value.

The AIP covers approximately 3,300 employees, including our NEOs. At the beginning of each year, the Compensation Committee reviews and approves an annual cash bonus target for each NEO, as a percentage of base salary for the upcoming performance period. The NEOs may earn from 0% to 200% of their target incentive opportunity. 80% of the incentive opportunity is based on actual consolidated and/or business unit financial performance compared to targets, and 20% is based on personal performance goals focused on driving strategic, operational and other priorities of the business. All performance-related goals are approved by the Compensation Committee.

For our NEOs, the 2017 AIP target payout opportunities and results weightings are shown in the table below:

NEO	AIP Target Opportunity (% of Base Salary)	Performance Results Weighting
James K. Kamsickas	120%	100% Consolidated results
Jonathan M. Collins	75%	100% Consolidated results
Mark E. Wallace	75%	60% Consolidated; 40% Business Unit results
Aziz S. Aghili	70%	40% Consolidated; 60% Business Unit results
Robert D. Pyle	70%	40% Consolidated; 60% Business Unit results

Following the review of compensation paid within our peer group, the Compensation Committee determined that for 2017, Mr. Kamsickas AIP target opportunity would be increased (from 110% of base salary to 120%) in an effort to better align his AIP award with annual incentive compensation opportunities afforded to the chief executive officers of the companies in Dana s peer group. No other changes were made to the AIP target opportunities for any other NEO in 2017, as the target opportunity levels were within the competitive pay range for each position.

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The 2017 AIP was based on four key performance metrics and designed to reward the achievement of performance goals at the consolidated, business unit and individual levels. The performance metrics were:

Annual Incentive Plan Metrics	Weighting	
Financial Performance Metrics		
Adjusted EBITDA	60%	
Adjusted EBITDA Margin	20%	80%
Free Cash Flow	20%	
Personal Performance Metric		
		20%

EBITDA is defined as net income before interest, taxes, depreciation, and amortization

Why adjust reported results (e.g. EBITDA), for purposes of our incentive plans?

Our incentive plans require that certain adjustments be made to our reported results of operations for purposes of calculating incentive awards. Such adjustments are designed to provide a comparable basis from year to year from which incentive awards are calculated so as to ensure that participants in the plan are incentivized and rewarded appropriately.

Adjustments generally include equity grant expense, restructuring expense and other adjustments not related to our core operations (e.g. gain/loss on debt extinguishment, pension settlements, divestitures and impairments). With these adjustments for incentive plan purposes, there is alignment with the Adjusted EBITDA measure used in our public reporting. An additional adjustment for incentive compensation is made to remove the effect of currency exchange rate fluctuations, which may have a significant impact on our financial results given our international footprint, which is not within management s control.

Company Financial Metrics and Performance

Dana s financial performance makes up 80% of the overall AIP awards for the NEOs and is measured by three financial metrics: adjusted EBITDA (weighted 60%), adjusted EBITDA Margin (weighted 20%) and Free Cash Flow weighted (20%). These metrics are not only appropriate measures of our underlying earnings, but also align with our overall business enterprise strategy and our external financial reporting commitments.

To determine whether annual incentive awards are paid, performance for the year is measured against specified target levels for each financial and personal performance metric. The target for 100% annual incentive achievement was based on achieving the levels of the three financial metrics from Dana s (and Business Unit s) annual operating plan reflecting a level of performance, which at the time was anticipated to be challenging but achievable. The threshold level was set to be reflective of performance at which the Compensation Committee believed a portion of the award opportunity should be earned. The maximum level was set well above the target, requiring significant achievements and reflecting performance at which the Compensation Committee believed a 200% target award was warranted.

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Consolidated AIP Performance

The weighting, target performance, actual performance and payout of the 2017 AIP metrics at the consolidated level are as follows:

AIP Performance Metrics	Weight	Threshold	Target	Maximum	Actual	Payout (% of Target)
Adjusted EBITDA*	60%	$616M	$725M	$798M	$801.1M	200%
Adjusted EBITDA Margin*	20%	9.7%	11.4%	12.5%	11.6%	116%
Free Cash Flow	20%	$15M	$45M	$75M	$161M	200%
			Weighted Payout for Consolidated Metrics:			183%

* *Adjustments include equity grant expense, restructuring expense and other adjustments not related to our core operations (e.g. gain/loss on debt extinguishment, pension settlements, divestitures and impairments) and currency exchange rate fluctuations, as approved by the Compensation Committee.*

Business Unit AIP Performance

For Mr. Wallace, 40% of his AIP award is based on the weighted payout of the three performance metrics described above for the Commercial Vehicle Driveline Technologies business unit for which he is responsible. The weighted payout for adjusted EBITDA, adjusted EBITDA Margin and Free Cash Flow in the Commercial Vehicle Driveline Technologies business unit was 189% of Target.

For Mr. Aghili, 60% of his AIP award is based on the weighted payout of the three performance metrics described above for the Off-Highway Drive and Motion Technologies business unit for which he is responsible. The weighted payout for adjusted EBITDA, adjusted EBITDA Margin and Free Cash Flow in the Off-Highway Drive and Motion Technologies business unit was 189% of Target.

For Mr. Pyle, 60% of his AIP award is based on the weighted payout of the three performance metrics described above for the Light Vehicle Driveline Technologies business unit for which he is responsible. The weighted payout for adjusted EBITDA, adjusted EBITDA Margin and Free Cash Flow in the Light Vehicle Technologies Driveline business unit was 150% of Target.

Personal Performance Metrics

The NEOs personal performance makes up 20% of the overall AIP award. For 2017, the NEOs personal goals were focused on driving specific priorities such as, but not limited to, sales growth, financial performance, operational efficiencies, safety commitments and execution of our overall strategy.

The Compensation Committee reviews the strategic, operational and other personal performance goals for the CEO and other NEOs. The CEO sets forth each of the NEOs personal goals (and the weighting of each goal), subject to approval by the Compensation Committee. The Compensation Committee sets the personal goals and weighting for the CEO.

The levels of achievement (0% 200% of targeted goals) for the personal performance portion of the 2017 Annual Incentive award for each of our NEOs were Mr. Kamsickas (200%), Mr. Collins (200%), Mr. Wallace (133%), Mr. Aghili (200%) and Mr. Pyle (200%).

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2017 Annual Incentive Plan Results

The annual incentive payment for 2017, based on the financial and personal performance metrics shown above, for the NEOs are shown in the table below:

NEO	2017 AIP Award
James K. Kamsickas	$ 2,522,160
Jonathan M. Collins	$ 802,125
Mark E. Wallace	$ 774,375
Aziz S. Aghili	$ 704,900
Robert D. Pyle	$ 606,900

The performance and payout range (threshold, target and maximum incentive opportunity) of annual cash incentives for reaching 2017 performance goals under the 2017 AIP for each of our NEOs is provided in the table titled Grants of Plan-Based Awards. The actual award paid, as shown in the table above, is also provided in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table below.

Long-Term Incentive Program (LTIP)

We believe that Dana s long-term performance is driven through an ownership culture that rewards executives for creating and maximizing shareholder value. Our LTIP provides participants, including our NEOs, with incentive awards that serve an important role by balancing short-term goals with long-term shareholder value creation while minimizing risk-taking behaviors that could negatively affect long-term results.

The Compensation Committee approves the amount of the long-term incentive award, which is based on a percentage of the NEO s base salary. Each NEO s award opportunity is based on a target dollar value (determined prior to the beginning of the performance period) assigned to his or her position based on market comparisons for similar positions, using both peer group and general industry market data. For 2017, following its review of market data, the Compensation Committee approved an increase in Mr. Collins LTIP target opportunity in an effort to better align with long-term compensation opportunities afforded to executives with similar positions of Dana s peer group. No other changes were made to the 2017 target LTIP opportunities for any of our other NEOs which fall within the competitive range for our peer group.

One-half (50%) of the total value of the target long-term incentive opportunity is delivered through performance shares awards (PSAs) and the other half (50%) through restricted stock units (RSUs). We believe both PSAs and RSUs are forms of performance-based incentive compensation because PSAs provide direct alignment with shareholder interests and the value of RSUs fluctuates based on stock price performance.

In addition to requiring achievement of performance criteria in respect of the performance shares, PSAs and RSUs require the NEO to remain employed with Dana for three years from the grant date, unless the NEO attains retirement age (at least age 60 with at least 10 years of service, or at least age 65) whereby a prorated award is paid. The value of performance share awards and RSUs granted to each of our NEOs in 2017 is shown in the Summary Compensation Table below.

Performance Shares

The LTIP is designed to provide PSAs for a select group of senior executives, including our NEOs. PSAs are tied to the achievement of two performance measures, each weighted equally: adjusted EBITDA Margin and ROIC. Each metric is based on a three-year performance period (2017-2019) with a performance range that can result in PSAs of 0% to 200% of the target opportunity.

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Adjusted EBITDA Margin drives the long-term expansion commitments and continues focus on shareholder return. It also drives profitable sales growth and optimizes our cost structure. ROIC ensures management uses Dana s capital in an effective manner that drives shareholder return. Furthermore, the value of Performance Shares is also tied to Dana s stock price performance, which aligns the executives interests with those of shareholders. The target opportunities of PSAs for the NEOs are shown in the table below:

NEO	Number of PSAs awarded in 2017 (Target Opportunity)
James K. Kamsickas	126,663
Jonathan M. Collins	31,985
Mark E. Wallace	34,135
Aziz S. Aghili	26,356
Robert D. Pyle	24,667

Restricted Stock Units

The other 50% of the LTIP design consists of RSU awards. RSUs incent and reward executives for improving long-term stock value and serve as a retention tool. RSUs are generally granted in February to approximately 170 senior management employees, including our NEOs, and cliff vest on the third anniversary of the grant, provided the recipient remains employed by Dana. The RSUs awarded in 2017, based on the target opportunities, for the NEOs are shown in the table below:

NEO	Number of RSUs awarded in 2017
James K. Kamsickas	126,663
Jonathan M. Collins	31,985
Mark E. Wallace	34,135
Aziz S. Aghili	26,356
Robert D. Pyle	24,667

Equity awards granted to each of our NEOs are shown in the Grants of Plan-Based Awards table and Summary Compensation Table below.

2015 LTIP Performance (Three-year performance period ending December 31, 2017)

December 31, 2017 marks the end of the three-year performance period of the 2015 LTIP awards. The performance metrics, targets and performance-payout ranges for such awards were set and approved by the Compensation Committee in February 2015.

Although the 2014 LTIP awards (three-year performance period ending December 31, 2016) resulted in no payout of performance shares for that performance period, the significant improvement of our stock price, relative to the TSR index (Dow Jones U.S. Industrial Index) during 2015-2017, resulted in a payout of performance shares from the 2015 LTIP awards. Given challenging economic conditions in certain areas outside the U.S. and currency fluctuations, our ROIC during the performance period was below the threshold limit set in

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2015. The table below shows the results of the 2015 LTIP performance period relative to targets and the actual achievement level for the 2015 LTIP awards.

Performance Measures	2015-2017 Goals			2015-2017 Performance	2017 Actual
(and weighting) for PSAs	Threshold	Target	Maximum	Actual	Award
Total Shareholder Return (50%)	25th Percentile	50th Percentile	80th Percentile	63.3 Percentile	144.30%
Pre-Tax ROIC (50%)	18.3%	20.1%	21.1%	16.5%	0.00%
Weighted Payout:					72.15%

The actual payout with respect to the PSAs issued as part of the 2015 LTIP award, based on the financial metrics shown above for the three-year performance period ending December 31, 2017, for the NEOs is shown in the table below. Note that Mr. Collins did not receive a LTIP award in 2015 as he was hired in March 2016.

NEO	2015 LTIP Performance Shares Target Award	2015 Performance Share Payout
James K. Kamsickas	98,061	70,750
Mark E. Wallace	29,189	21,059
Aziz S. Aghili	23,135	16,691
Robert D. Pyle	19,766	14,261

Other Elements of Compensation

To remain competitive with other companies and to attract, retain and motivate highly talented executives, we offer perquisites and a benefits package.

Executive Perquisites Plan

We have adopted an Executive Perquisites Plan that provides an annual cash allowance to eligible employees (including our NEOs) in lieu of individual executive perquisites. We provide a fixed cash allowance as part of a competitive pay package to assist in recruiting and retaining talented executives. A cash-based program is preferred over programs such as car allowances, club memberships, and tax and financial planning typically provided in a company-managed executive perquisite program, which can be administratively burdensome and costly. In addition, our cash perquisite program is a taxable benefit paid on a semi-monthly basis and, unlike some managed perquisite programs, we do not provide tax gross-up payments to cover applicable taxes on the allowance. Our CEO is entitled to $50,000 annually and the remaining NEOs are each entitled to $35,000 annually.

International Assignment Benefits

We maintain an International Assignment Policy for certain employees who accept an international assignment at the request of Dana. The benefits under this program generally include some or all of the following benefits as needed: cost of living allowance, location premium, relocation allowance, housing allowance, transportation allowance, tax preparation, assignment completion payment, repatriation allowance and annual home leave. Mr. Aghili received benefits under this program in 2017.

For more information on the benefits provided to Mr. Aghili, see the Summary Compensation Table and related footnotes below.

Health & Welfare Wellness Benefits

We also provide other benefits such as medical, dental, life insurance, accidental disability and dismemberment insurance, short-term disability and long-term disability to our NEOs, which are also provided to

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all eligible U.S.-based salaried employees. Eligible employees can purchase additional life, dependent life and accidental death and dismemberment coverage as part of their employee benefits package. Our NEOs and certain other manager-level employees may also purchase supplemental long-term disability insurance.

As part of our employee health and wellness benefit initiative, we provide an executive physical program to certain executives, including Messrs. Kamsickas, Collins, Wallace, Aghili and Pyle. The benefit provides an annual routine wellness examination and physical at a cost to Dana not to exceed $2,500 per executive.

Retirement Benefits

We maintain a tax-qualified, safe harbor 401(k) plan for our employees, including the NEOs. Eligible participants may make voluntary contributions to the plan up to Internal Revenue Code limits. Dana makes matching contributions and a discretionary fixed contribution to each eligible employee s 401(k) plan account. We match 100% of the employee s contributions up to 3% of compensation and 50% of the employee s contributions from 3% to 5% of compensation, providing a maximum employer match of 4% of compensation to an employee. For 2017, a company fixed contribution of 3.5% of an employee s compensation was also made into the eligible employee s 401(k) account.

We maintain a non-qualified savings plan (restoration plan), to which we credit amounts to participants, including our NEOs, that we would have otherwise provided as matching and fixed contributions under the 401(k) plan if IRS statutory limits on 401(k) plan contributions had not been applicable.

We maintain a non-qualified defined contribution Supplemental Executive Retirement Plan (SERP) for certain executives, including our NEOs. We believe that the SERP enables us to provide our NEOs with a competitive retirement program in line with our peers. A portion of the SERP benefit is based on our performance.

We maintain a non-qualified deferred compensation plan that allows eligible employees, including our NEOs, to defer base salary and/or incentive pay to be paid at a future date. For more information regarding our non-qualified retirement programs, see the narrative following the Nonqualified Deferred Compensation table.

How Compensation Decisions are Made

Role of the Compensation Committee and CEO

The Compensation Committee of the Board of Directors assists the Board in fulfilling its obligations related to the compensation of Dana s executive officers and, in general, with respect to compensation and benefits programs relating to all employees. Our current Compensation Committee consists of a chairman and independent directors who are appointed annually by the Board. Under its Charter, the Compensation Committee must have a minimum of three members who meet the requirements for independence as set forth by the Securities and Exchange Commission (SEC), the New York Stock Exchange (NYSE) and our Standards of Director Independence. Members of the Committee must also qualify as non-employee directors within the meaning of Exchange Act Rule 16b-3 and as outside directors for purposes of Section 162(m) of the Internal Revenue Code.

The Compensation Committee members during 2017 were: Keith E. Wandell (Chairman), Virginia A. Kamsky, Terrence J. Keating, Raymond E. Mabus, Jr., R. Bruce McDonald and Mark A. Schulz.

The Compensation Committee s responsibilities include, but are not limited to, reviewing our executive compensation philosophy and strategy, participating in the performance evaluation process for our CEO, setting base salary and incentive opportunities for our CEO and other senior executives, establishing the overarching pay philosophy for Dana s management team, establishing incentive compensation and performance goals and objectives for our executive officers and other eligible executives and management and determining whether

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performance objectives have been achieved. The Compensation Committee also recommends to the Board employment and severance agreements for our CEO and other senior executives. Executive sessions are held by the Compensation Committee without the participation of any member of executive management, including the NEOs. Each year, the Compensation Committee reviews the performance and total compensation package of our NEOs. The Compensation Committee reviews and establishes each NEO s total target and actual compensation for the current year, which includes base salary, annual bonus opportunities and long-term incentive awards.

Our CEO is responsible for making recommendations to the Compensation Committee regarding base salary and incentive opportunities for the NEOs other than with respect to his own compensation.

Compensation decisions are made by the Compensation Committee using its sole judgment. The Compensation Committee focuses primarily on each NEO s performance against his or her financial and strategic objectives, Dana s overall performance, and a Business Unit s performance where applicable, while reserving discretion to reflect the overall business performance.

Role of the Independent Compensation Consultant

The Compensation Committee s charter states the Compensation Committee may retain outside compensation consultants, legal advisors or other advisors. The Compensation Committee retains an independent compensation consultant, Mercer (US) Inc. (Mercer), a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (MMC), to advise it on certain compensation matters. The Compensation Committee has the sole authority to retain, compensate and terminate any independent compensation consultants of its choosing.

In connection with the Compensation Committee s engagement of Mercer, the Compensation Committee considered factors relevant to Mercer s independence, including six factors specified by NYSE rules, and determined that Mercer s work does not raise any conflict of interest. The Compensation Committee requested Mercer s advice on a variety of issues, including compensation strategy, market comparisons, review of our peer group, pay and performance alignment versus industry peers, executive pay trends, stock ownership guidelines, compensation best practices and potential compensation plan designs and modifications.

Mercer provided the Peer Group and general industry compensation data to management and the Compensation Committee and it was used as a frame of reference for establishing compensation targets for base salary, annual bonus and long-term incentives for all of the NEOs at the beginning of 2017.

In addition to its services for the Compensation Committee, separate and distinct from executive and director compensation consulting services, Mercer provided select services for Dana in various other capacities in 2017. Those services included other global compensation consulting where Mercer data was most relevant in a given country. Mercer s fees for executive compensation consulting in fiscal year 2017 were $204,697. During the fiscal year, Dana retained Mercer (and its MMC affiliates) to provide services unrelated to executive compensation. The aggregate fees paid for these other services were $106,278. These other services were not approved by our Board of Directors or the Compensation Committee because they relate to broad-based compensation and benefit plans. Our management used Pay Governance LLC (Pay Governance) for executive compensation advice.

Compensation Policies & Practices

Dana s Stock Ownership Guidelines

The Compensation Committee adopted stock ownership guidelines for our NEOs to encourage executives to own a significant number of shares of our common stock. The stock ownership guidelines are calculated based on a multiple of the executive s annual base salary and the average stock price during the prior calendar year.

We require the NEOs to achieve the required percentage of the targeted stock ownership levels on a schedule from two to five years of being promoted or named to the applicable executive position. In determining if our NEOs have satisfied the ownership requirements, we generally include RSUs that have been granted and any shares owned outright by the NEO. Stock options and unearned performance shares are not counted in determining stock ownership for this purpose.

The table below shows the schedule for attaining the targeted amount of stock ownership:

Title	Minimum Investment	Percentage of Ownership Guideline to Satisfy 2 Years	4 Years	5 Years
President and Chief Executive Officer	5 x Base Salary	40%	80%	100%
Other NEOs	3 x Base Salary	40%	80%	