Hearing Date and Time: December 19, 2006 at 10:00 a.m.
Objection Deadline: December 14, 2006 at 4:00 p.m.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Dana Corporation, *et al.*,	:	Case No. 06-10354 (BRL)
Debtors.	:	(Jointly Administered)

NOTICE OF HEARING ON DEBTORS' REQUEST, PURSUANT TO SECTIONS 105, 363 AND 365 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004 AND 6006, FOR ORDER (A) APPROVING BIDDING PROCEDURES AND BIDDER PROTECTIONS FOR THE SALE OF ENGINE PRODUCTS GROUP, AND (B) SCHEDULING A FINAL SALE HEARING AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. A hearing shall be held before the Honorable Burton R. Lifland, United States Bankruptcy Judge, in Room 623 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, on **December 19, 2006 at 10:00 a.m. (New York time)**, or as soon thereafter as counsel may be heard, to consider the portion of the motion filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") on December 4, 2006 (the "Motion") seeking an order (A) Approving Bidding Procedures and Bidder Protections for the Sale of Engine Products Group and (B) Scheduling a Final Sale Hearing and Approving the Form and Manner of Notice Thereof (the "Order").

2. Objections, if any, to the relief proposed in the Order must be made in writing, with a hard copy to chambers, conform to the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court Southern District of New York and be filed with the Bankruptcy Court and served in accordance with the Amended Administrative Order, Pursuant to Rule 1015(c) of the Federal Rules of Bankruptcy Procedure, Establishing Case Management and Scheduling Procedures in these cases (Docket No. 574) (the "Case Management Order") so as to be actually received by the parties on the Special Service List and the General Service List not later than 4:00 p.m. (New York time) on December 14, 2006 (the "Objection Deadline").

3. If no objections are timely filed and served with respect to the Motion, the Debtors shall, on or after the Objection Deadline, submit to the Court a final bidding procedures order substantially in the form attached to the Motion as Exhibit C, which order shall be

submitted and may be entered with no further notice or opportunity to be heard offered to any party.

4. Copies of the Motion, the Case Management Order, the Special Service List and the General Service List may be obtained on from the Court's website http://www.ecf.nysb.uscourts.gov or, without charge, at the website of the Debtors' claims and noticing agent at http://www.dana.bmcgroup.com.

Dated: December 4, 2006
New York, New York

Respectfully submitted,

/s/ Richard H. Engman

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ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

Bidding Procedures Order Hearing Date and Time: December 19, 2006 at 10:00 a.m.
Objection Deadline for Bidding Procedures Order: December 14, 2006 at 4:00 p.m.

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and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Dana Corporation, *et al.*,	:	Case No. 06-10354 (BRL)
Debtors.	:	(Jointly Administered)

MOTION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT TO SECTIONS 105, 363 AND 365 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004 AND 6006, FOR (I) ORDER (A) APPROVING BIDDING PROCEDURES AND BIDDER PROTECTIONS FOR THE SALE OF ENGINE PRODUCTS GROUP, AND (B) SCHEDULING A FINAL SALE HEARING AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF; AND (II) AN ORDER (A) AUTHORIZING SALE OF ASSETS AND STOCK RELATING TO THE DEBTORS' ENGINE PRODUCTS GROUP FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES (B) AUTHORIZING THE ASSUMPTION

AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND LEASES IN CONNECTION THEREWITH, AND (C) GRANTING CERTAIN RELATED RELIEF

TO THE HONORABLE BURTON R. LIFLAND,
UNITED STATES BANKRUPTCY JUDGE:

Dana Corporation ("Dana") and 40 of its domestic direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), respectfully represent as follows:

Background

1. On March 3, 2006 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). By an order entered on the Petition Date, the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On March 10, 2006, the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Creditors' Committee"), pursuant to section 1102 of the Bankruptcy Code. On June 27, 2006, the U.S. Trustee appointed an official committee of equity security holders (the "Equity Committee"), pursuant to section 1102 of the Bankruptcy Code. On August 31, 2006, the U.S. Trustee appointed an official committee of non-union retired employees, pursuant to section 1114(d) of the Bankruptcy Code and as directed by an order of the Court entered on August 9, 2006 (Docket No. 2773).

3. Debtor Dakota New York Corp. ("Dakota") is a New York corporation. Debtor Dana is the direct or indirect parent of Dakota and each of the other Debtors. Dana

maintains its corporate headquarters in Toledo, Ohio. The Debtors and their nondebtor affiliates (collectively, the "Dana Companies") have over 100 leased and owned domestic business locations and have operations in approximately 25 states, as well as in Mexico, Canada, 11 countries in Europe and 14 countries elsewhere in the world.

4. The Dana Companies are leading suppliers of modules, systems and components for original equipment manufacturers and service customers in the light, commercial and off-highway vehicle markets. The products manufactured and supplied by the Dana Companies are used in cars; vans; sport-utility vehicles; light, medium and heavy trucks; and a wide range of off-highway vehicles.

5. As disclosed in Dana's Form 10-K filed on April 27, 2006, for the year ended December 31, 2005, the Dana Companies recorded revenue of approximately $8.7 billion and had assets of approximately $7.4 billion and liabilities totaling $6.8 billion. As of the Petition Date, the Dana Companies had approximately 44,000 employees.

Jurisdiction

6. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

7. Dana has executed a stalking horse Stock and Asset Purchase Agreement (the "Agreement") with MAHLE GmbH ("MAHLE") dated as of December 1, 2006 which, together with certain related agreements, contemplates a set of related transactions (collectively, the "Sale Transaction") for the sale of the Dana Companies' Engine Products Group (the "Engine

Products Group") to MAHLE and its affiliates.[1] By this Motion, pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the Debtors hereby seek the entry of two orders. First, at the omnibus hearing currently scheduled for December 19, 2006, the Debtors request entry of an order in the form attached hereto as Exhibit C (the "Bidding Procedures Order"):

(a) scheduling a hearing (the "Sale Hearing") at the Court's ordinary omnibus hearing on February 14, 2007 to consider approval of the sale of the Engine Products Group to MAHLE or to the successful bidder at an auction (the "Auction") to be held on February 12, 2007; and

(b) authorizing and approving (i) notice of the Auction and Sale Hearing in the form attached hereto as Exhibit B (the "Sale Notice") and (ii) the Debtors' proposed procedures for marketing the Engine Products Group (the "Bidding Procedures") including the granting of certain stalking-horse bidder protections and the conduct of the Auction.

Second, upon conclusion of the Sale Hearing, the Debtors request the entry of an order in the form attached hereto as Exhibit D (the "Sale Order") authorizing (x) the sale of assets free and clear of liens and other interests and (y) the assumption and assignment of the executory contracts and unexpired leases to be assigned as part of the Sale Transaction.

The Decision to Sell the Engine Products Group

The Dana Companies' Engine Products Group

8. The Engine Products Group consists of four broad categories of businesses: (a) the manufacture of piston rings for original equipment manufacturers; (b) the manufacture of bearings for original equipment manufacturers; (c) the global aftermarket distribution business including the "Clevite" operations; and (d) the manufacture of heavy duty camshafts for heavy duty diesel and industrial markets. The Engine Products Group generated pro forma sales in 2005 of $674.1 million and sales in the first nine months of 2006 of $505.4

[1] A copy of the Agreement (without schedules or exhibits), the deposit agreement for MAHLE's Good Faith Bidder Deposit (as such term is defined below) and the Victor Reinz Distribution Agreement (without exhibits) are attached collectively hereto as Exhibit A. Copies of other exhibits and schedules to the Agreement are available from counsel to the Debtors upon request.

million. The Engine Products Group employs approximately 5,000 employees in 39 facilities located in 10 countries and also has interests in joint ventures in North America and India.

The Dana Companies' Asset Divestiture Program

9. As part of their restructuring efforts, the Dana Companies are in the process of divesting a number of non-core businesses, so as to allow them to focus on their core business operations. In October 2005, the Dana Companies publicly announced their intention to divest a number of businesses, including the Engine Products Group.

10. In addition, since late March 2006, Miller Buckfire & Co. LLC ("Miller Buckfire"), the Debtors' investment banker, has actively been engaged in an effort to market the Engine Products Group. As part of this effort, Miller Buckfire contacted approximately 50 potential buyers of the Engine Products Group, including both strategic buyers and financial buyers. Miller Buckfire gave the 29 buyers who signed confidentiality agreements a confidential information memorandum describing the Engine Products Group. Eight potential buyers attended management presentations after they provided a satisfactory indication of interest to the Debtors concerning a possible purchase of the Engine Products Group and received access to an electronic data room with due diligence information regarding the Engine Products Group. After vigorous negotiations with certain of these parties, the Dana Companies selected MAHLE as the stalking horse bidder for the Engine Products Group. MAHLE is a German strategic buyer who manufactures, among other things, piston systems, cylinder components, valve train systems and liquid management systems for original equipment manufacturers.

The Proposed Sale Transaction

11. Pursuant to the Agreement and the other agreements between the Dana Companies and MAHLE and its affiliates (the "MAHLE Companies"), the Dana Companies will engage in the Sale Transaction to sell the Engine Products Group to the MAHLE Companies for

$97.7 million in cash (subject to certain adjustments) plus the assumption of certain liabilities of the Dana Companies related to the Engine Products Group. The total consideration to the Dana Companies from the Sale Transaction is estimated to aggregate to approximately $157 million. Under the Sale Transaction:

(a) the MAHLE Companies will purchase substantially all of the assets used by the Debtors in their manufacture of piston rings, bearings, and camshafts and in their aftermarket distribution business;

(b) the MAHLE Companies will purchase all of the issued equity shares of a newly created nondebtor Dana Company in France ("Engines Newco") to which certain assets of nondebtor Dana Company Glacier Vandervell SAS, which are used as part of the Engine Products Group, will be contributed;

(c) the MAHLE Companies will purchase substantially all of the assets used by the nondebtor Dana Companies, other than those contributed to the Engines Newco, in an asset sale;

(d) the MAHLE Companies will acquire the Dana Companies' interests in the Allied Ring Corporation joint venture ("ARC") with Riken, which operates in certain of the facilities of the Debtors in the United States, and Promotora de Industrias Mecánicas, S.A. de C.V. ("Promec") with Grupo Condumex, S.A. de C.V. and the Dana Companies' interest in Perfect Circle India, Ltd. ("PCIL");

(e) the MAHLE Companies will take on substantially all of the employees of the Engine Products Group;

(f) the MAHLE Companies will assume the Debtors' existing domestic collective bargaining agreements related to the Engine Products Group and certain related retiree medical obligations(but certain retiree medical obligations in the collective bargaining agreements will not be assumed, as detailed in the Agreement) ;

(g) the MAHLE Companies will assume certain, but not all, environmental, products liability and warranty claims and the postpetition liabilities of the Engine Products Group which are listed on the Closing Statement of Net Assets;

(h) MAHLE will enter into the Victor Reinz Distribution Agreement for the distribution of certain products manufactured by the Dana Companies, which are currently distributed by Clevite in the United States and Canada, for a period of 10 years and they will acquire certain distribution rights in

Mexico and certain countries in Central and South America through the end of the same 10 year period; and

(i) a nondebtor Dana Company will lease the facility used by the Engine Products Group in Gravatai, Brazil (the "Gravatai Facility") to the MAHLE Companies for up to 2 years at market rent.

12. The principal terms of the Agreement are as follows:[2]

(a) Purchased Assets. Except for the Excluded Assets (as such term is defined below), the MAHLE Companies will purchase substantially all of the assets (the "Purchased Assets") of Dana and certain other Dana Companies (collectively, the "Asset Selling Affiliates") which are primarily related to the Engine Products Group;

(b) Excluded Assets. The MAHLE Companies will not be purchasing certain assets (the "Excluded Assets") of the Engine Products Group, including the following:

(1) any cash, cash equivalents, bank deposits, investment accounts, lockboxes, certificates of deposit or similar cash items of any Seller;

(2) with the exception of direct rollovers of assets in defined contribution pension plans, any assets of any Seller Employee Benefit Plan that is not an Assumed Benefit Plan;

(3) with limited exceptions, all insurance policies, binders and claims and rights thereunder and the proceeds thereof and all prepaid insurance premiums;

(4) all right, title and interest in the intellectual property (the "Excluded Intellectual Property") listed on Schedule 1.3(d) to the Agreement and all associated goodwill;

(5) certain other assets listed on Schedules 1.3(f) and 1.3(g) to the Agreement;

(6) all rights in any Retention Agreements that are not Assumed Retention Agreements;

(7) any books, records and other materials that a Dana Company is required to retain, all tax returns and related

[2] Capitalized terms not otherwise defined herein have the meanings given to them in the Agreement. The description of the Agreement described herein is for the convenience of the Court and other parties in interest. The Agreement should be reviewed with respect to any particular question regarding its terms.

materials and all sale and promotional materials and brochures bearing or reflecting the Excluded Intellectual Property;

(8) all claims, defenses, causes of action, choses of action or claims of any kind primarily related to either the Excluded Assets or the Excluded Liabilities;

(9) except as set forth in Section 1.2(a) of the Agreement, all assets related primarily to facilities Related to the Business which have ceased operation prior to the execution of the Agreement;

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

(11) except as otherwise scheduled on Schedule 1.3(n) to the Agreement, all intercompany receivables, loans and investments among the Dana Companies;

(12) the notes receivable listed on Schedule 1.3(o) to the Agreement;

(13) any and all avoidance or other causes of action under sections 544 through 550 of the Bankruptcy Code or similar state laws; and

(14) all claims, defenses, causes of action, choses of action, rights of recovery, rights of setoff and rights of recoupment listed on Schedule 1.3(q) to the Agreement.

(c) Assumed Liabilities. The MAHLE Companies shall assume certain liabilities related to the Engine Products Group, including the following:

(1) all liabilities to the extent relating to any Purchased Asset and arising on or after the Closing;

(2) all liabilities under the Debtor Contracts and the Non-Debtor Contracts which arise on or after the Closing;

(3) all liabilities relating to post-retirement medical coverage for (i) Union Transferred Employees; (ii) any former members of the collective bargaining units at Dana's Muskegon, Michigan; Caldwell, Ohio; or Churubusco, Indiana Facilities who retire prior to the Closing Date but who retired with eligibility for such post-retirement welfare benefits under the current collective bargaining agreement for those facilities which are being assumed by MAHLE

and after the effective date of such agreements; and (iii) the dependents of such bargaining unit retirees described in clauses (i) and (ii) to the extent provided in the terms of the relevant collective bargaining agreement;

(4) with certain exceptions, all liabilities relating to the assumed collective bargaining agreements;

(5) with certain limited exceptions: (i) all Liabilities arising out of the employment of the Transferred Employees prior to the Closing Date that are assumed by MAHLE under Sections 10.1 through 10.5 of the Agreement (which are described under Employment Provisions below); (ii) the Liabilities of the Dana Companies for severance, separation or notice payments to any Transferred Employee under any Debtor Contract, any policy or practice under the Assumed Retention Agreements; (iii) all Liabilities arising from workers compensation or workplace injury claims asserted by any Transferred Employee relating to accidents or incidents occurring on or after the Closing Date; (iv) MAHLE's pro rata portion of all liabilities arising out of or relating to claims concerning any occupational disease suffered by any Transferred Employee based on employment on or after the Closing Date; and (v) any Severance Payments (except any Severance Payments arising as a result of a Dana Severance Event) arising after Closing in accordance with the terms of the Assumed Retention Agreement;

(6) except as set forth in Section 1.6(m) of the Agreement, all Liabilities arising under any Assumed Benefit Plan;

(7) to the extent reflected on the Closing Statement of Net Assets, any and all Liabilities, claims, demands, expenses or commitments related to the Business arising after the filing by the Debtors of these Cases and prior to the Closing Date;

(8) as described below, certain Product Liability Claims;

(9) certain Taxes which accrue prior to the Closing and are reflected on the Closing Statement of Net Assets;

(10) all Liabilities relating to, resulting from, caused by or arising out of (i) known and unknown On-site Soil and Groundwater Contamination at the Real Property (other than the Real Property in Gravatai, Brazil) and

(ii) violations of, or non-compliance with, any Environmental Law or Permit relating to the Real Property (other than the Real Property in Gravatai, Brazil) existing as of and after the Closing Date, including Liabilities relating to any investigation or remediation of On-Site Soil and Groundwater Contamination at the Real Property required by any Governmental Body; and excluding any fines, penalties or other third party claims (the "Assumed Environmental Liabilities"); and

(11) liabilities for the Guaranties listed on Schedule 7.7 to the Agreement.

(d) Excluded Liabilities. The MAHLE Companies will not be assuming any Liabilities other than the Assumed Liabilities (collectively, the "Excluded Liabilities"), including, among others:

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

(2) all Liabilities for which the Dana Companies (other than the Acquired Company) is expressly made responsible pursuant to the Agreement or the Transition Agreements;

(3) all Liabilities to the extent related to any Excluded Asset;

(4) all other Taxes;

(5) all intercompany payables, loans and investments between the Dana Companies; and

(6) with the exception of the Assumed Liabilities relating to employees, all other Liabilities arising out of the employment of the Transferred Employees prior to the Closing Date;

(7) all Liabilities under Dana's Employee Benefit Plans (other than the Assumed Benefit Plans) as well as all Liabilities relating to post-retirement health or life insurance coverage for former employees of Dana's Muskegon, Michigan; Caldwell, Ohio; or Churubusco, Indiana facilities who retired prior to the effective date of the collective bargaining agreements for those facilities which are being assumed by MAHLE ;

(8) (i) Liabilities that arise as a result of circumstances or conditions relating to the Environment occurring or

existing prior to or at Closing at the Real Property in Gravatai, Brazil; (ii) Liabilities as a "potentially responsible party" under CERCLA for certain property owned by third parties; and (iii) other than the Assumed Environmental Liabilities, Liabilities relating to any penalties, fines or third party claims (including attorneys fees and expenses related thereto) that arise as a result of circumstances or conditions relating to the Environment that existed prior to Closing at the Real Property, including without limitation: (A) non-compliance with Environmental Law prior to the Closing Date; (B) offsite disposal of waste prior to the Closing Date; (C) exposure to asbestos, lead or other Hazardous Materials prior to the Closing Date; and (D) claims arising from On-Site Soil and Groundwater Contamination at the Real Property; and

(9) except as set forth above, all Liabilities under the Assumed Retention Agreements.

(e) Assumption of Certain Product Liability and Recall Claims.

a. The MAHLE Companies shall assume all responsibility for:

(1) (i) all Liabilities (including, without limitation, Liabilities for negligence, strict liability, design or manufacturing defect, conspiracy, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose) to third parties (other than certain liabilities to Transferred Employees) for death, personal injury, other injury to persons or damage to property caused by or arising out of accidents or incidents involving products manufactured or sold by the Business on or after Closing; and (ii) all Liabilities to third parties (other than to Transferred Employees) for death, personal injury, other injury to persons or damage to property caused by or arising out of accidents or incidents occurring after the fifth anniversary of Closing and involving products manufactured or sold by the Business prior to, on or after Closing;

(2) (i) all Liabilities arising from or in connection with any product recall not required by a Governmental Body with respect to a product manufactured or sold by the Business prior to the Closing (an "Assumed Recall"); provided that with respect to Assumed Recalls initiated prior to the fifth anniversary of the Closing Date, MAHLE shall be liable only for the first $1,000,000 of the Liabilities arising from

or in connection with each such Assumed Recall, plus 25% of all Liabilities arising from or in connection with each such Assumed Recall that are in excess of $1,000,000; and (ii) all Liabilities arising from or in connection with any product recall initiated on or after the fifth anniversary of the Closing Date for products manufactured or sold by the Business prior to, on or after Closing; and

(3) (i) all Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) in respect of any products manufactured or sold by the Business prior to Closing; provided that with respect to Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) made prior to the fifth anniversary of the Closing Date, MAHLE's liability for such claims shall be limited to $1,000,000 in aggregate; (ii) all Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) in respect of products manufactured by the Business on or after Closing; and (iii) all Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) made on or after the fifth anniversary of the Closing Date for products manufactured or sold by the Business prior to, on or after Closing.

b. Dana shall retain

(1) all Liabilities to third parties for death, personal injury, other injury to persons or damage to property caused by or arising out of accidents or incidents occurring prior to the fifth anniversary of the Closing involving products manufactured or sold by the Business prior to Closing;

(2) with respect to products manufactured or sold by the Business prior to Closing: (A) all Liabilities arising from or in connection with any product recall required by a Governmental Body initiated prior to the fifth anniversary of the Closing Date; and (B) 75% of all Liabilities in excess of $1,000,000 arising from or in connection with any

Assumed Recall initiated prior to the fifth anniversary of the Closing Date; and

(3) all Liabilities arising from or in connection with product warranty, return or rebate claims in respect of products manufactured or sold by the Business prior to Closing to the extent that such Liabilities exceed $1,000,000 in the aggregate and relate to claims made prior to the fifth anniversary of the Closing Date.

(f) Debtor Contracts. Schedule 1.2(e) to the Agreement lists the Debtors' executory contracts and unexpired leases (the "Debtor Contracts") which are to be assumed and assigned as part of the Sale Transaction. Under the Agreement, the MAHLE Companies have until the Sale Hearing to (i) designate additional prepetition executory contracts to be assumed and assigned or (ii) designate postpetition contracts to be assigned to the MAHLE Companies. Under Section 1.7(b) of the Agreement, the MAHLE Companies also have the ability through 90 Business Days after the Closing to require the Dana Companies to file a motion to assume and assign any executory contracts which were not listed on Schedule 1.2(e) and which relate to the Engine Products Group to the MAHLE Companies.

(g) Payment of Cure Costs. The MAHLE Companies shall be responsible for payment of all cure costs for the Debtor Contracts, however, to the extent that the cure costs exceed $3,000,000 in aggregate, the initial cash purchase price shall be adjusted downward by the amount by which the cure costs exceed $3,000,000 or in the event cure costs exceed $3,000,000 after such date, Dana shall reimburse MAHLE within 30 days after receiving proof such payments have been made by MAHLE.

(h) Purchase Price Adjustment. At Closing $7,825,000 of the initial cash purchase price will be deposited into an escrow (the "Purchase Price Escrow") for the purchase price adjustment. Within 60 days of the Closing, the Dana Companies will prepare and deliver to MAHLE a statement of the net assets of the Business at the Closing Date and a calculation of the net working capital adjustment. The MAHLE Companies will have a 45 day period to challenge the calculation of the net working capital adjustment. If the parties are unable to resolve any such dispute within a 30 day period, the dispute will be submitted to an independent auditor who is agreed to by the parties (the "Independent Auditors") for final determination with the two parties splitting the cost of the Independent Auditors. The target range for the net assets is a range of $154 million to $159 million. The cash purchase price shall be adjusted to the extent that the net assets fall outside of this range with any such adjustment in favor of MAHLE to be made first out of the Purchase Price Escrow with any excesses above that escrow to be paid by Dana.

(i) Tender Offer for PCIL. At the Closing, Dana and a MAHLE Company will enter into a stock acquisition agreement for the 11,634,462 shares (the "Dana PCIL Stock") of PCIL owned by Dana and the MAHLE Companies will deliver an amount equal to the share of the purchase price allocated to the PCIL shares to the Escrow Agent. A MAHLE Company will then make a public tender offer (the "PCIL Public Offering"), pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation 1997, for up to 20% of the shares of PCIL, which are not owned by Dana, with the MAHLE Companies' purchase of the Dana PCIL Stock not to become effective until completion of the PCIL Public Offering;

(j) Dana Representations and Warranties. In addition to standard representations and warranties, the Agreement contains the following representations and warranties: (i) that the statements of net assets as of December 31, 2005 and June 30, 2006 and the unaudited operating statements for the year ended December 31, 2005 and June 30, 2006 are true and correct; and (ii) that the Statement of Net Assets reflects adequate reserves for accounts receivable. Certain limited representations are made in the Agreement with respect to the ARC and Promec joint ventures.

(k) Pre-Closing Covenants. In addition to customary pre-closing covenants, the Agreement provides that within five business days after execution of the Agreement, the Dana Companies shall start taking all necessary steps to obtain necessary antitrust approvals for the sale of the Engine Products Group and shall provide title commitments for the owned real property in the United States which is being sold as part of the Sale Transaction.

(l) Maintenance of Insurance. Dana shall be required to maintain certain insurance policies related to ARC through the end of the current policy year.

(m) Employment Provisions.

(1) Transferred Employees. As of the Closing Date, the MAHLE Companies shall continue to employ (or offer to employ) substantially all of the current employees of the Engine Hard Parts Business and employees who are out on disability, military leave or other authorized leave who have the right to return to employment other than any such employees who work in Brazil (collectively, the "Closing Date Employees"). MAHLE shall indemnify and hold Dana and its affiliates harmless for all claims by Closing Date Employees it fails to make the required offers of employment to.

(2) Vacation. The MAHLE Companies shall be responsible for all vacation, personal days, floating holidays, sick pay and other leave of the Non-Union Transferred Employees which is not paid or taken before the closing and shall honor such accrued leave under its policies. The MAHLE Companies shall indemnify Dana for any payments it is required to make to Non-Union Transferred Employees under applicable law or Dana's Benefit Plan for such leave.

(3) Retirement Plans. As of the Closing Date, each Closing Date Employee whose employment is transferred by operation of law or who accepts an offer of employment from the MAHLE Companies, (the "Transferred Employees") shall cease to be credited with service and to accrue any benefits under the Dana Corporation Retirement Plan and the Dana Corporation Savings and Investment Plan. Each Non-Union Transferred Employee participating in the Dana Retirement Plan shall be eligible to receive a distribution of his or her vested accrued benefits under the Dana Retirement Plan in accordance with its terms. The MAHLE Companies shall accept direct roll-overs from the Dana Defined Contribution Plan and the Dana Retirement Plan.

(4) Pension Funding Adjustment. At the closing of the Sale Transaction, $2,200,000 of the initial cash purchase price shall be deposited in an escrow for pension funding (the "Pensions Funding Adjustment Escrow") on account of the funding of Dana's pension plans in the United States which are being transferred as part of the Sale Transaction. Within 60 days after receipt from an actuary of all information necessary to calculate the funding status for these pension plans as of the closing, Dana will deliver a calculation of the funding status of these plans. MAHLE will then be provided 45 days to review such calculation. If the parties are in dispute, an independent actuary will determine the final net funding level. If when the net funding level is finally calculated post-closing it is a positive amount, MAHLE will make payments to Dana. If the net funding level is negative Dana will make payments to MAHLE with any such payments by Dana to first come out of the Pension Funding Adjustment Escrow. Any such adjustment shall bear interest at the LIBOR rate from the closing date through the date of payment of the adjustment amount.

(5) Other Plans. Except as otherwise required by applicable Law, coverage for all Transferred Employees and their respective eligible dependents under Dana's Employee Benefit Plans as of 12:01 a.m. on the Closing Date. The Dana Companies shall remain responsible for all claims under Dana's Employee Benefit Plans that accrue before that date.

(6) Assumed Benefit Plans. The MAHLE Companies shall assume sponsorship of each of the Assumed Benefit Plans listed on Schedule 10.3 of the Agreement and be responsible for all liabilities and obligations thereunder, including ones which accrue pre-closing.

(7) Multiemployer Plans. The MAHLE Companies shall assume the Dana Companies' obligations to make contributions to the Steelworkers Pension Trust for certain employees at the Caldwell, Ohio facility and the IAM National Pension Fund for workers at the McConnelsville, Ohio facility. The MAHLE Companies will indemnify the Dana Companies for any withdrawal liability associated with those plans and will post any bonds required under Section 4204(a)(1)(B) of ERISA. The Dana Companies will post any bond required under Section 4204(a)(3) of ERISA.

(8) U.K. Pension Plans. The Dana Companies shall be responsible for all liabilities relating to the pension schemes maintained in the United Kingdom. The Dana Companies shall indemnify the MAHLE Companies for any losses associated with those pension schemes.

(9) Other Foreign Pension Plans. MAHLE will assume responsibility for all pension obligations of the Engine Products Group in Germany. The Dana Companies shall retain all liabilities associated with an early retirement program for Business Employees who work in Argentina who retired before the Closing. With respect to other international locations than the United Kingdom, Germany and Argentina, MAHLE will assume the pension obligations for all workers still employed by the Dana Companies as of the Closing in other countries as part of the Engine Products Group.

(n) Closing Conditions. In addition to customary closing conditions on pre-closing covenants and truthfulness of representations and warranties, the consummation of the sale of the Engine Products Group is conditioned on

(a) the completion of necessary antitrust procedures in the United States, the European Union and certain other jurisdictions, (b) obtaining the consent of the Dana Companies' partners in the ARC, PCIL and Promec joint ventures to the transfer of the Dana Companies' interests in those joint ventures to MAHLE and (c) obtaining certain other specified consents.

(o) Dana Indemnification. From and after the closing, Dana shall indemnify the MAHLE Companies for any breach of any representation or warranty of Dana set forth in Article IV of the Agreement, any breach of, or default in the performance of, any post-closing covenant or agreement of the Dana Companies in the Agreement and any Excluded Liabilities. In addition, Dana shall indemnify the MAHLE Companies and ARC for up to $20 million in losses if certain specified product liability claims which Dana is disputing occur (the "ARC Product Issue"). Dana shall also indemnify MAHLE for up to $11 million in diminution of the value of the interest it is acquiring in ARC if the ARC Product Issue causes the diminution in value of the interest in ARC. Any payments on account of diminution will also count against the $20 million cap on the indemnity on the ARC Product Issue. Any disputes regarding whether the ARC Product Issue will give rise to a claim will be resolved by a single arbitrator with particularized knowledge of recalls in the automobile industry in an arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules.

(p) MAHLE Indemnification. The MAHLE Companies shall indemnify Dana for the breach of any representation or warrant, any default by MAHLE on a post-closing covenant or agreement in the Agreement and any of the Assumed Liabilities.

(q) Survival Periods on Dana Indemnification. If the Closing occurs, Dana will have no liability for indemnification or otherwise for breach of (a) a covenant or obligation to be performed or complied with before the Closing Date or (b) a representation or warranty other than those in Sections 4.1 (organization and qualification), 4.2 (capital structure), 4.3 (corporate authorization), 4.4 (consents and approvals), 4.5 (non-contravention), 4.6 (binding effect) and 4.10 (taxes) of the Agreement, unless notice of a potential indemnification claim for the breach of such provisions is provided on or before the date that falls 18 months after the Closing Date. A claim with respect to the representations or warranties in Section 4.10 of the Agreement shall survive until the date that is 90 days after the date upon which the Liability to which any claim for such breach may be barred by the applicable statute of limitation. A claim with respect to Sections 4.1, 4.2, 4.3, 4.4, 4.5 and 4.6 of the Agreement or a claim for indemnification or reimbursement not based upon any covenant or obligation to be performed or complied with before the Closing Date may be made at any time.

(r) Survival Periods on MAHLE Indemnification. If the Closing occurs, MAHLE will have no liability for (a) breach of a covenant or obligation to be performed before the Closing Date or (b) a representation or warranty, other than in Sections 5.1 (organization and qualification), 5.2 (corporate authorization), 5.3 (consents and approvals), 5.4 (non-contravention) and 5.5 (binding effect) of the Agreement, unless written notice is provided of a claim on or before the date that is 18 months after the Closing Date.

(s) Limitations on Amount – Dana. Dana will have no liability with respect to the matters governed by Section 11.2(a)(i) of the Agreement or, to the extent relating to any failure to perform or comply before the Closing Date, Section 11.2(a)(ii), or Section 11.2(a)(iv) of the Agreement (i) unless the monetary value of any Losses with respect to a particular matter, when aggregated with other Losses based on substantially the same facts or circumstances, exceeds $20,000, and (ii) until the total monetary value of all Losses with respect to such matters exceeds $500,000, in which case Dana shall be liable for just the excess, provided, however, that Dana will have no liability (for indemnification or otherwise) for the amount by which the total monetary value of all Losses (i) for breaches of representations and warranties (other than those in Sections 4.1 (organization and qualification), 4.2 (capital structure), 4.3 (corporate authority), 4.4 (consents and approvals), 4.5 (non-contravention), 4.6 (biding effect) and 4.10 (taxes) or matters governed by Section 11.2(a)(ii) of the Agreement exceeds $10,000,000 or (ii) for breaches of representations and warranties in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, and 4.10 exceeds $50,000,000 or (iii) for matters set forth in Section 11.2(a)(iv) of the Agreement exceeds $20,000,000. Notwithstanding the foregoing, the liability limitation on Dana's breach of any of its representations and warranties of which breach Dana had Knowledge before the date on which Dana made such representation and warranty (after giving effect to any supplements to Dana's Schedules to the Agreement), or (b) Dana's intentional breach of any covenant or obligations is not applicable; Dana will be liable for all Losses with respect to such breaches.

(t) Deposit. MAHLE will deposit $9,770,000 as a deposit with Bank of New York within three Business Days of execution of the Agreement.

(u) Indemnification Escrow. At Closing, $10 million of the initial cash consideration will be deposited in escrow for a period of 18 months to satisfy any indemnity claims of the MAHLE Companies against the Dana Companies.

(v) Bidder Protections. The Agreement provides for a breakup fee of $1,954,000 (i.e., 2% of the initial cash purchase price) (the "Breakup Fee") to be paid if the Dana Companies consummate an Alternative Transaction for the Engine Products Group. The MAHLE Companies are also entitled

to reimbursement of actual out-of-pocket expenses of up to $977,000 (i.e., 1% of the initial cash consideration) (the "Expense Reimbursement").

(w) Damages for Certain Breaches by Dana. If MAHLE terminates the Agreement pursuant to Section 13.1(b)(i) (material breach) or Section 1.3(f)(i) (failure of closing conditions on accuracy of representations and warranties performance of preclosing covenants or failure to deliver an officers' certificate) as a result of a willful breach by Dana or if the agreement is terminated because Dana fails to obtain certain specified consents, Dana shall be liable for damages in an amount that does not exceed $1,950,000.

(x) Noncompete. The Dana Companies will be prohibited from directly or indirectly engaging in the design, manufacture, assembly, marketing, sale and distribution of: (a) metallic thin wall engine bearings, bushings, and thrust washers; (b) steel and cast iron piston rings; (c) cast iron cylinder liners; and (d) heavy duty steel cam shafts for a period of three years following the Closing Date.

In connection with the sale of assets and transfer of liabilities under the Agreement, MAHLE and the Debtors will be executing, in addition to customary transfer documents and a transition services agreement whose form will be agreed to between signing and closing: (a) escrow agreements for the Purchase Price Escrow, the Indemnity Escrow, the escrow for the PCIL Public Offering and the Pensions Funding Adjustment Escrow; and (b) the Victor Reinz Distribution Agreement.

13. Under the Victor Reinz Agreement, MAHLE shall be the sole distributor for certain products made by operations which the Dana Companies are retaining which are currently distributed by Clevite or third party distributors for a period of 10 years. The distribution area for these products includes the United States and Canada for a 10 year period and certain distribution rights in Mexico and certain countries in Central and South America through the end of the same 10 year period. For the first year, the prices will be set at a level equal to the existing prices charged to Clevite for those goods, with prices being adjusted annually thereafter if mutually agreed to by the parties. The Victor Reinz Agreement contains

minimum purchase requirements for MAHLE and customary termination provisions in agreements of this type.

Extraordinary Provisions Under the Guidelines

14. The Agreement contains the following items which may be considered Extraordinary Provisions under the Guidelines for the Conduct of Asset Sales (General Order M-331):[3]

(a) Use of Proceeds. Section 2.5 of the Agreement provides for a preliminary allocation of the purchase price being paid for the assets of the Engine Products Group. The Sale Transaction involves both Debtors and nondebtor Dana Companies. Some of the nondebtor Dana Companies will need an allocation of purchase price prior to the Closing to meet the relevant local law requirements for them to be able to approve their portion of the Sale Transaction. In addition, to obtain the consent of the joint venture partners to the transaction, it is necessary to allocate value to the Dana Companies' interest in the joint ventures which are being transferred as part of the Sale Transaction. Therefore, without approval of a preliminary purchase allocation, it will be impossible for the Sale Transaction to close.

(b) Successor Liability. The proposed form of Sale Order contains certain findings with respect to successor liability. Not only are the Debtors providing notice to all known tort and warranty claimants, but they are also proposing to publish notice of the proposed sale in the *USA Today* and the *Automotive News* so as to provide broad notice to unknown claimants. MAHLE has required these findings to as a condition in its offer to purchase the assets of the Engine Products Group.

(c) Requested Findings as to Fraudulent Conveyance. MAHLE has required that the Debtors obtain a finding that the transaction does not constitute a fraudulent conveyance as part of the Sale Order. Because of the substantial cash purchase price being paid and the assumption of real liabilities of the Debtors in the Sale Transaction and the fact that MAHLE provided the highest and best offer for the assets of the Engine Products Group after the extensive marketing process conducted by Miller Buckfire, the Debtors believe that it is obvious that MAHLE is providing reasonably equivalent value for the assets of the Engine Products Group and that this finding is reasonable.

[3] The following listing of possible "Extraordinary Provisions" as such term is defined in the Guidelines is not intended to be an admission that any of these items are unusual relief in a large, multinational sale of assets pursuant to section 363 of the Bankruptcy Code.

(d) Relief from Bankruptcy Rule 6004(h). The proposed form of Sale Order contains a waiver of the stays imposed by Bankruptcy Rule 6004(h) and 6006(c). The Engine Products Group operates in an intensely competitive market for automotive parts and the uncertainty regarding the ultimate ownership of this business is making it more difficult to compete in those markets. Because of that pressure, the Dana Companies and MAHLE would like to consummate the sale of the Engine Products Group as soon as all necessary antitrust and other approvals are obtained. Given the lengthy proposed marketing process, the Debtors may obtain these approvals by the Sale Hearing.

Bidding Procedures for the Engine Products Group

15. The Debtors request that the Court approve the following Bidding Procedures for the Engine Products Group:[4]

(a) Important Dates: The Debtors shall, in consultation with the Creditors' Committee, the Equity Committee and the DIP Lenders:

- assist Potential Bidders (as defined below) in conducting their respective due diligence investigations and accept Bids (as defined below) until 12:00 p.m. (Eastern Time) on February 8, 2007;

- negotiate with Qualified Bidders (as defined below) in preparation for the Auction to be held on February 12, 2007); and

- select the Successful Bidder (as defined below) at the conclusion of the Auction and seek authority to sell assets to such Successful Bidder at the Sale Hearing to be held by the Bankruptcy Court on February 14, 2007.

(b) Determinations by Debtors. The Debtors shall (i) determine (with the assistance of Miller Buckfire) whether any person or entity is a Qualified Bidder, (ii) coordinate the efforts of Potential Bidders (as defined below) in conducting their respective due diligence investigations regarding the Purchased Assets and the Dana Companies' rights in certain related executory contract and unexpired leases (collectively, the "Offered Assets") and the Assumed Liabilities, (iii) receive bids from Qualified Bidders, (iv) negotiate any bids and (v) conduct an auction on the Offered Assets (collectively, the "Bidding Process"). Any person or entity who wishes to participate in the Bidding Process must be a Qualified Bidder.

[4] The description of the Bidding Procedures described herein is for the convenience of the Court and other parties in interest. The full copy of the Bidding Procedures, which are included as part of the proposed bidding procedures order attached hereto as Exhibit C, should be reviewed with respect to any particular question regarding the Bid Procedures.

(c) Participation Requirements. Unless otherwise ordered by the Bankruptcy Court for cause shown, to participate in the Bidding Process, each interested person or entity (a "Potential Bidder") must deliver so as to be received by the deadline the following (unless previously delivered) to: (i) Dana Corporation, 4500 Dorr Street, Toledo, Ohio, 43615, attn: Douglas H. Liedberg; (ii) Miller Buckfire & Co., L.L.C., 250 Park Avenue, 19th Floor, New York, New York, 10177, attn: Richard Morgner; (iii) Hunton & Williams L.L.P., 951 East Byrd Street, Richmond, Virginia, 23219, attn: Cyane B. Crump; (iv) Jones Day, 325 John H. McConnell Boulevard, Columbus, Ohio, 43215, attn: Randall M. Walters; (v) Kramer, Levin Naftalis & Frankel L.L.P., 1177 Avenue of the Americas, New York, New York, 10036, attn: Thomas Moers Mayer, Esq.; (vi) Fried, Frank, Harris, Shriver & Jacobson L.L.P., One New York Plaza, New York, New York, 10004, attn: Gary L. Kaplan; and (vii) Shearman & Sterling L.L.P., 599 Lexington Avenue, New York, New York, 10022, attn: Douglas Bartner, no later than 12:00 p.m. (Prevailing Eastern Time) on February 8, 2007:

(1) An executed confidentiality agreement in form and substance satisfactory to the Debtors; and

(2) A statement demonstrating to the Debtors' satisfaction a bona fide interest in purchasing the Offered Assets together with the Assumed Liabilities of the Debtors.

(d) Due Diligence Access. If the Debtors determine, in consultation with the Creditors' Committee and the Equity Committee, that a potential bidder has a bona fide interest in the Offered Assets, no later than two business days after the Debtors make that determination and have received from a Potential Bidder all of the materials required above, the Debtors will deliver to the Potential Bidder: (i) a confidential memorandum containing information and financial data with respect to the Offered Assets and the Assumed Liabilities (the "Confidential Memorandum"); (ii) a copy of the Agreement and a form agreement for overbidders; and (iii) access information for the Debtors' confidential electronic data room concerning the Offered Assets and the Assumed Liabilities (the "Data Room"). Until the Bid Deadline (as defined below) the Debtors will provide any Potential Bidder such due diligence access or additional information as may be reasonably requested by the Potential Bidder that the Debtors, in their business judgment, determine to be reasonable and appropriate under the circumstances.

(e) Bid Delivery Requirements. A Potential Bidder that desires to make a bid shall deliver written and electronic copies of its bid to: (i) Dana Corporation, 4500 Dorr Street, Toledo, Ohio, 43615, attn: Douglas H. Liedberg; (ii) Miller Buckfire & Co., L.L.C., 250 Park Avenue, 19th Floor, New York, New York, 10177, attn: Richard Morgner; (iii) Hunton

& Williams L.L.P., 951 East Byrd Street, Richmond, Virginia, 23219, attn: Cyane B. Crump; (iv) Jones Day, 325 John H. McConnell Boulevard, Columbus, Ohio, 43215, attn: Randall M. Walters; (v) Kramer, Levin Naftalis & Frankel L.L.P., 1177 Avenue of the Americas, New York, New York, 10036, attn: Thomas Moers Mayer, Esq.; (vi) Fried, Frank, Harris, Shriver & Jacobson L.L.P., One New York Plaza, New York, New York, 10004, attn: Gary L. Kaplan; and (vii) Shearman & Sterling L.L.P., 599 Lexington Avenue, New York, New York, 10022, attn: Douglas Bartner, so as to be received not later than 12:00 p.m. (Prevailing Eastern Time) on February 8, 2007 (the "Bid Deadline"). Electronic delivery information for bids will be posted in the Data Room or otherwise provided to each Potential Bidder.

(f) Bid Requirements. A bid is a signed document from a Potential Bidder that provides, at a minimum, that:

(1) The Potential Bidder offers to purchase the Offered Assets and to assume the Assumed Liabilities of the Debtors at the purchase price and upon the terms and conditions set forth in a copy of an asset purchase agreement enclosed therewith, marked to show any proposed amendments and modifications to the Agreement (the "Marked Agreement");

(2) The bid is not subject to any due diligence or financing contingency and is irrevocable until one business day following the closing of the Sale Transaction with the Successful Bidder;

(3) The purchase price in such bid is a higher and better offer for the Offered Assets, and such offer shall not be considered a higher or better offer unless such bid provides for net consideration to the Dana Companies of at least $3 million more than the sum of the Initial Cash Consideration of $97.7 million and the value of the Assumed Liabilities (the "Alternative Minimum Purchase Price");

(4) Is a bid received by the Bid Deadline; and

(5) Does not entitle a bidder (other than MAHLE) to any break up fee, termination fee or similar type of payment or reimbursement.

(g) Supporting Information for Bids. A Potential Bidder shall accompany its bid with: (i) written evidence of available cash, a commitment for financing or ability to obtain a satisfactory commitment if selected as the Successful Bidder and such other evidence of ability to consummate the

Sale Transaction as the Debtors may reasonably request; (ii) a copy of a board resolution or similar document demonstrating the authority of the Potential Bidder to make a binding and irrevocable bid on the terms proposed; and (iii) any pertinent factual information regarding the Potential Bidder's operations that would assist the Debtors in their analysis of issues arising with respect to any applicable antitrust laws.

(h) Deposit Requirement. A Potential Bidder must deposit with the Deposit Agent selected by the Debtors a Good Faith Deposit equal to 10% of the cash purchase price set forth in the Marked Agreement. The Good Faith Deposit must be made by certified check or wire transfer and will be held by the Deposit Agent in accordance with the terms of the escrow agreement to be provided with the Agreement.

(i) Qualification of Bids. A bid received from a Potential Bidder that meets the above requirements will be considered a "Qualified Bid" and each Potential Bidder that submits a Qualified Bid will be considered a "Qualified Bidder." For purposes of the Bidding Procedures, MAHLE is a Qualified Bidder and the Agreement executed by MAHLE is a Qualified Bid. A Qualified Bid will be valued based upon factors such as: (a) the purported amount of the Qualified Bid, including any benefit to the Debtors' bankruptcy estates and the nondebtor Dana Companies from any assumption of liabilities; (b) the fair value to be provided to the Debtors under the Qualified Bid; (c) the ability to close the proposed Sale Transaction without delay; (d) the ability to obtain all necessary antitrust approvals for the proposed transaction; and (e) any other factors the Debtors may deem relevant. Within two business days after receipt from a Qualified Bidder, the Debtors shall distribute a copy of each Qualified Bid to counsel to MAHLE by facsimile, hand delivery or overnight courier.

(j) Selection of Baseline Bid. Qualified Bidders that have submitted Qualified Bids are eligible to participate in the Auction. The Debtors will select, after consultation with the DIP Lenders, the Creditors' Committee and the Equity Committee, the highest and best bid or bids (the "Baseline Bid") to serve as the starting point for the Auction. The Baseline Bid either will be (i) the bid set forth by MAHLE in the Agreement or (ii) a Qualified Bid which proposes a purchase price in excess of the Alternative Minimum Purchase Price.

(k) Time and Place for Auction. If more than one Qualified Bid is received by the Bid Deadline, the Debtors will conduct the Auction. The Auction shall take place at 10:00 a.m. (Prevailing Eastern Time) on February 12, 2007, at the offices of Jones Day, located at 222 East 41st Street, New York, New York, or such later time or such other place as the Debtors shall notify all Qualified Bidders who have submitted Qualified Bids. Only a Qualified Bidder who has submitted a Qualified Bid will be eligible to participate at the Auction. Professionals for the DIP Lenders,

the Creditors' Committee, and the Equity Committee shall be able to attend and observe the Auction.

(l) Minimum Bid Increment. At the Auction, participants (including MAHLE) will be permitted to increase their bids and will be permitted to bid based only upon the terms of the Baseline Bid (except to the extent otherwise authorized by the Debtors). The bidding will start at the purchase price and terms proposed in the Baseline Bid, and continue in increments of at least $1,000,000.

(m) Additional Rules for Auction. The Debtors may adopt, in consultation with the DIP Lenders, the Creditors' Committee and the Equity Committee, rules for the Auction at any time that will best promote the goals of the Bidding Process and that are not inconsistent with any provisions of the Agreement or the Bidding Procedures described herein. Any such rules will provide that: (i) the procedures must be fair and open, with no participating Qualified Bidder disadvantaged in any material way as compared to any other Qualified Bidder; (ii) all bids will be made and received in one room, on an open basis, and all other bidders will be entitled to be present for all bidding with the understanding that the true identity of each bidder will be fully disclosed to all other bidders and that all material terms of each Qualified Bid will be fully disclosed to all other bidders throughout the entire Auction; and (iii) each Qualified Bidder will be permitted a fair, but limited, amount of time to respond to the previous bid at the Auction.

(n) Selection of Successful Bid. Immediately prior to the conclusion of the Auction, the Debtors, after consultation with the DIP Lenders, the Creditors' Committee, and the Equity Committee will: (i) review and evaluate each bid made at the Auction on the basis of financial and contractual terms, including any benefit to the Debtors' bankruptcy estates from any proposal to assume reclamation or other obligations of the Debtors, and other factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale Transaction; (ii) identify the successful bid (the "Successful Bid"); and (iii) notify all Qualified Bidders participating in the Auction, prior to its adjournment, of the successful bidder or bidders (the "Successful Bidder"), and the amount and other material terms of the Successful Bid. At the Sale Hearing, the Debtors shall present the Successful Bid to the Bankruptcy Court for approval.

(o) Return of Deposits. The Good Faith Deposits of all Qualified Bidders, including MAHLE, shall be held in escrow by the Debtors, but shall not become property of the Debtors' estates absent further order of the Bankruptcy Court. The Good Faith Deposit of the Successful Bidder will be retained by the Deposit Agent, notwithstanding the Bankruptcy Court's approval of the Sale Transaction, until the earlier of (a) the Closing of the

> Sale Transaction or (b) the termination of an executed Agreement or Marked Agreement and withdrawal of the Offered Assets together with the Assumed Liabilities for sale by the Debtors. At the closing of the Sale Transaction contemplated by the Successful Bid, the Successful Bidder will be entitled to a credit for the amount of its Good Faith Deposit in accordance with the Successful Bidder's purchase agreement. The Good Faith Deposits of all Qualified Bidders, other than the Successful Bidder, shall be released by the Debtors upon the earlier of (a) the closing of the Sale Transaction or (b) the withdrawal of the Offered Assets together with the Assumed Liabilities for sale by the Debtors. Additionally, if the Agreement is terminated, MAHLE's Good Faith Deposit shall be returned in accordance with the Agreement. Upon the return of the Good Faith Deposits, their respective owners shall receive any and all interest that will have accrued thereon.

The Debtors believe that the proposed Bidding Procedures provide an appropriate framework for selling the assets of the Engine Products Group and will enable the Debtors to review, analyze and compare all Bids received to determine which Bid is in the best interests of the Debtors' estates and creditors.

Proposed Stalking Horse Bidding Protections

16. As part of the Bidding Procedures, the Debtors are also requesting approval of the provisions of the Agreement regarding the payment of the Breakup Fee of $1.954 million (i.e., 2% of the initial cash purchase price) and the Expense Reimbursement for actual out-of-pocket costs and expenses of MAHLE up to a cap of $977,000 (i.e., 1% of the initial cash purchase price). The Breakup Fee is only payable upon closing of a Court approves sale of these assets to an entity other than MAHLE who outbids MAHLE at the Auction (an "Alternative Transaction"). The Expense Reimbursement is payable (a) upon the earlier of the closing of an Alternative Transaction or the consummation of a plan of reorganization by the Debtors, if Dana terminates the Agreement because it accepts or the Court approves an Alternative Transaction; (b) within 10 Business Days of a termination by MAHLE if MAHLE terminates the Agreement because Dana commits a material breach of the Agreement or (c)

within 10 Business Days of a termination by MAHLE if MAHLE terminates because Dana is unable to satisfy its closing conditions on truthfulness of representations and warranties, performance of covenants or delivery of an officer's certificate. MAHLE required the inclusion of these provisions in the Agreement to be willing to serve as a stalking horse bidder. MAHLE's bid establishes a very high floor value for the assets of the Engine Products Group. Bankruptcy courts have approved bidding incentives similar to the Breakup Fee and the Expense Reimbursement under the "business judgment rule," which proscribes judicial second-guessing of the actions of a corporation's board of directors taken in good faith and in the exercise of honest judgment. See, e.g., In re Loral Space & Commc'ns Ltd., No. 03-41710 (RDD) (Bankr. S.D.N.Y. 2003) (approving break-up fee and expense reimbursement); In re Magellan Health Servs., Inc., No. 03-405115 (PCB) (Bankr. S.D.N.Y. 2003) (approving termination fee, commitment fee, and reimbursement of expenses); In re Adelphia Bus. Solutions, Inc., No. 02-11389 (REG) (Bankr. S.D.N.Y. 2002) (approving termination fee and reimbursement of expenses); In re Bradlees Stores, Inc., Nos. 00-16033 (BRL) through 00-16036 (BRL) (Bankr. S.D.N.Y. 2000) (approving termination fee and reimbursement of expenses); Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 662 (S.D.N.Y. 1992), appeal dismissed, 3 F.3d 49 (2d Cir. 1993) (approving termination fee plus reimbursement of expenses); In re 995 Fifth Ave. Assocs., L.P., 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989) (bidding incentives may be "legitimately necessary to convince a white knight to enter the bidding by providing some form of compensation for the risks it is undertaking.") (citation omitted).

17. The Breakup Fee and the Expense Reimbursement meet the "business judgment rule" standard because (a) they are not excessive compared to fees and reimbursements

approved in other cases and (b) they will not diminish the Debtors' estates. Expense reimbursements and break-up fees such as those proposed herein enable a debtor to assure a sale to a contractually-committed bidder at a price the debtor believes is fair and reasonable, while providing the debtor with the opportunity of obtaining even greater benefits for the estate through an auction process. Additionally, the Breakup Fee and the cap on the Expense Reimbursement total to just 3% of the aggregate initial cash consideration being paid under the Agreement, which is in line with fees previously approved in this district.

18. The Debtors submit that the proposed Breakup Fee and the Expense Reimbursement will not chill bidding, are reasonable and their availability to the Debtors will enable the Debtors to maximize the value of their estates. Accordingly, the Debtors should be authorized to offer such forms of bid protection, as is necessary in the Debtors' business judgment. See In re Integrated Res., Inc., 135 B.R. 746 (Bankr. S.D.N.Y.), aff'd, 147 B.R. 650 (S.D.N.Y. 1992).

Proposed Notice of the Sale Hearing

19. Pursuant to Bankruptcy Rule 2002(a), the Debtors are required to provide their creditors with 20 days' notice of the Sale Hearing. Pursuant to Bankruptcy Rule 2002(c), such notice must include the date, time, and place of the Auction and the Sale Hearing, and the deadline for filing any objections to the relief requested herein. The Debtors propose that the deadline for objecting to approval of the Sale Transaction, including (i) the sale of the Purchased Assets owned by the Debtors (the "Domestic Net Assets") free and clear of liens, claims, encumbrances and interests pursuant to section 363 of the Bankruptcy Code, (ii) any Cure Costs and/or (iii) the assumption by Dana and assignment to MAHLE of a Debtor Contract pursuant to the Agreement, shall be February 8, 2007 (the "Bidding and Objection Deadline"), provided, however, that in the event the Auction results in a Successful Bidder (as such term is defined in

the Bidding Procedures) other than MAHLE, the deadline for objecting to the sale of the Domestic Net Assets to such Successful Bidder shall be the commencement of the Sale Hearing.

20. Within three business days after entry of the Bidding Procedures Order (the "Mailing Deadline"), serve the Sale Notice together with a copy of this Order by first-class mail, postage prepaid upon: (i) counsel to the Creditors' Committee; (ii) counsel to the Equity Committee; (iii) counsel to the Debtors' postpetition lenders; (iv) counsel to MAHLE; (v) any party who, in the past year, expressed in writing to the Debtors an interest in the Domestic Net Purchased Shares and Purchased Assets, and who the Debtors and their representatives reasonably and in good faith determine potentially have the financial wherewithal to effectuate the transaction contemplated in the Agreement; (vi) non-Debtor parties to the Debtor Contracts; (vii) all parties who are known to claim interests in or liens upon the Domestic Net Assets; (viii) the Securities and Exchange Commission; (ix) the Internal Revenue Service; (x) all applicable state attorneys general, local environmental enforcement agencies and local regulatory authorities; (xi) all applicable state and local taxing authorities; (xii) the U.S. Trustee; (xiii) Federal Trade Commission; (xiv) United States Attorney General/Antitrust Division of Department of Justice; (xv) Environmental Protection Agency; (xvi) Transferred Employees of the Debtors; (xvii) Indenture Trustees; (xviii) United States Attorney; (xix) existing tort and warranty claimants; (xx) the entities set forth in the Special Service List and the General Service List established pursuant to that certain Amended Administrative Order, Pursuant to Rule 1015(c) of the Federal Rules of Bankruptcy Procedure, Establishing Case Management and Scheduling Procedures (D.I. 574), dated March 23, 2006; (xxi) former members of the collective bargaining units at Dana's Muskegon, Michigan, Caldwell, Ohio or Churubusco, Indiana facilities who retired with eligibility for such post-retirement welfare benefit plan coverage under

(A) the Muskegon collective bargaining agreement prior to the July 16, 2004 effective date of the current Muskegon bargaining agreement assumed by MAHLE pursuant to Section 10.1(c) of the Original Agreement; (B) under the Caldwell collective bargaining agreement prior to the November 6, 2001 effective date of the current Caldwell bargaining agreement assumed by MAHLE pursuant to Section 10.1(c) of the Original Agreement; or (C) under the Churubusco collective bargaining agreement prior to the May 6, 2002 effective date of the current Churubusco bargaining agreement assumed by MAHLE pursuant to Section 10.1(c) of the Original Agreement; and dependents of such bargaining unit retirees, to the extent provided in the terms of the relevant assumed collective bargaining agreement. In addition, on the Mailing Deadline, or as soon as practicable thereafter, the Debtors will run a publication version of the Sale Notice one time in the national edition of *USA Today* and *Automotive News (U.S., Europe and Asia editions)*. The Sale Notice provides that any party that wishes to obtain a copy of this Sale Motion, including all exhibits, may make such a request in writing to Jones Day, 222 East 41st Street, New York, New York 10017 (Attn: Richard H. Engman, Esq.), Telephone: (212) 326-3939, Facsimile: (212) 755-7306, or by accessing the website of the Debtors' claims and noticing agent, BMC Corporation at www.bmccorp.net.

21. The Debtors submit that the notice of the Sale Motion, the Auction and the Sale Hearing as provided for herein complies fully with Bankruptcy Rule 2002 and constitutes good and adequate notice of the sale of the Engine Products Group and the proceedings with respect thereto. Therefore, the Debtors respectfully request that this Court approve the notice procedures proposed above.

Argument

Approval of the Sale Transaction under Section 363

22. Section 363(b) of the Bankruptcy Code provides that a debtor "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). A debtor must demonstrate a sound business justification for a sale or use of assets outside the ordinary course of business. See, e.g., Licensing By Paolo, Inc. v. Sinatra (In re Gucci), 126 F.3d 380, 387 (2d Cir. 1997); Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983); In re Global Crossing Ltd., 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); In re Ionosphere Clubs, Inc., 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989); In re Phoenix Steel Corp., 82 B.R. 334, 335-36 (Bankr. D. Del. 1987) (stating that judicial approval of a section 363 sale requires a showing that the proposed sale is fair and equitable, a good business reason exists for completing the sale, and that the transaction is in good faith).

23. The Debtors have sound business justifications for selling the Engine Products Group at this time. The Engine Products Group is not a core business of the Dana Companies. The Engine Products Group operates in highly competitive markets against certain manufacturers that produce the complete power cylinder system for original equipment manufacturers, thereby relegating on occasion the Engines Product Group to a tier 2 supplier. The Engines Products Groups financial results have declined in recent years and are projected to continue to decline due to decreasing vehicle production volumes, the loss of market share by Engines Products Group customers, the loss of certain customers and rising raw material costs. In addition, the Engine Products Group will require significant capital investments over the next few years to fund both the technological improvements and cost savings initiatives necessary for the Engines Products Group to produce a competitive product offering. Divesting the Engine

Products Group will allow the Debtors to monetize this business for the benefits of their estates and creditors. MAHLE is paying significant consideration for this business and is also by the Assumed Liabilities removing significant environmental, pension and other employee benefit costs from the Dana Companies.

MAHLE is a Good Faith Purchaser

24. Section 363(m) of the Bankruptcy Code also provides:

> The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m). Although the Bankruptcy Code does not define "good faith," the Second Circuit Court of Appeals in In re Gucci held that the:

> [g]ood faith of a purchaser is shown by the integrity of his conduct during the course of the sale proceedings; where there is a lack of such integrity, a good faith finding may not be made. A purchaser's good faith is lost by 'fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.'

126 F.3d at 390 (quoting In re Rock Industries Machinery Corp., 572 F.2d 1195, 1198 (7th Cir. 1978)) (interpreting Bankruptcy Rule 805, the precursor of section 363(m) of the Bankruptcy Code); see also Evergreen Int'l Airlines Inc. v. Pan Am Corp. (In re Pam Am Corp.), Nos. 91 Civ. 8319 (LMM) to 91 Civ. 8324 (LMM), 1992 WL 154200, at *4 (S.D.N.Y. June 18, 1992); In re Sasson Jeans, Inc., 90 B.R. 608, 610 (S.D.N.Y. 1988). MAHLE is not an “insider” of the Debtors. The parties have entered into the Agreement without collusion, in good faith, and from arm’s-length bargaining positions, and no party has engaged in any conduct that would cause or permit the Agreement to be avoided under section 363(n) of the Bankruptcy Code. Accordingly,

the Debtors seeks a finding that MAHLE is a good faith purchaser under section 363(m) of the Bankruptcy Code.

Approval of Sale Free and Clear

25. The Debtors request approval to sell the Domestic Net Assets free and clear of any and all liens, claims, and encumbrances in accordance with section 363(f) of the Bankruptcy Code (except for Assumed Liabilities or Transferred Liens). Pursuant to section 363(f) of the Bankruptcy Code, a debtor in possession may sell property of the estate "free and clear of any interest in such property of an entity other than the estate" if any one of the following conditions is satisfied:

- applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- such entity consents;
- such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- such interest is in bona fide dispute; or
- such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

26. The DIP Lenders have already consented to the sale of the Purchased Assets in the credit agreement for the debtors' post petition financing. For all other lienholders, the Debtors believe that the $46.6 million part of the initial cash purchase price allocated to the Acquired Assets owned by the Debtors is far in excess of the value of any asserted lien and that any such lien can be satisfied under section 365(f)(2) as part of the sale. The Sale Order provides that any liens on the Domestic Net Assets will attach to the proceeds of the Sale Transaction. The Debtors also believe that the service of the mail version of the Sale Notice and the publication of the Sale Notice is reasonably calculated to notify both known and unknown

creditors of the sale and thus provides additional justification for approval of the free and clear sale.

Approval of Assumption of Contracts

27. The standard for a debtor to assume and assign or reject an executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code is whether the debtor's decision is made within its sound business judgment. See, e.g., Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.), 4 F.3d 1095, 1099 (2d Cir. 1993) (noting that section 365 of the Bankruptcy Code "permits the trustee or debtor-in-possession, subject to the approval of the bankruptcy court, to go through the inventory of executory contracts of the debtor and decide which ones it would be beneficial to adhere to and which ones it would be beneficial to reject.").

28. 28. The Debtors seek authority to assume and assign the Debtor Contracts that are listed in Schedule 1.2(e) of the Agreement and the Cure Schedule (as defined below). The Debtors assert that, upon compliance with the procedures outlined below, they will have met all requirements of section 365(b) and (f) of the Bankruptcy Code and should be permitted to assume and assign the Debtor Contracts to MAHLE (or a successful bidder other than MAHLE).

29. The Debtors have sought to assume and assign five current collective bargaining agreements (the "CBA's") to MAHLE under Section 10.1(c) of the Agreement. Certain liabilities to union retirees are not being assigned to MAHLE (the "Excluded Retiree Liabilities"). Specifically, the Excluded Retire Liabilities are all Liabilities under the Seller Employee Benefit Plans (other than the Assumed Benefit Plans), as well as all Liabilities relating to post-retirement health or life insurance coverage for (i) any former member of the collective bargaining units at the Seller's Muskegon, Michigan, Caldwell, Ohio or Churubusco, Indiana

facilities who retired with eligibility for such post-retirement welfare benefit plan coverage under (A) the Muskegon collective bargaining agreement prior to the July 16, 2004 effective date of the current Muskegon bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) of the Agreement; (B) the Caldwell collective bargaining agreement prior to the November 6, 2001 effective date of the current Caldwell bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) of the Agreement; or (C) the Churubusco collective bargaining agreement prior to the May 6, 2002 effective date of the current Churubusco bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) of the Agreement, as well as (ii) dependents of such bargaining unit retirees, to the extent provided in the terms of the relevant assumed collective bargaining agreement. The term "Debtor Contracts" does not include the Excluded Retiree Liabilities; rather, such liabilities are Excluded Liabilities.

30. The assumption of the Debtor Contracts is provided for in the Agreement and is an integrated part of the Sale Transaction. It is thus an appropriate exercise of business judgment for Dana to agree to assume the Debtor Contracts.

The Court Should Fix (i) a Deadline to Object to the Assumption and Assignment of Executory Contracts and Unexpired Leases and (ii) the Cure Amounts as Set Forth in a Cure Schedule

31. In connection with the assumption and assignment of executory contracts and unexpired leases pursuant to any Sale Transaction, the Debtors believe that it is necessary to establish a process by which the Debtors and the counterparties to executory contracts and unexpired leases that will be assumed can establish the cure obligations, if any, to be paid in accordance with section 365 of the Bankruptcy Code and for the counterparties of such assumed contracts and leases to assert any objection they may have to the assumption and assignment of same. By the time of the mailing of the Sale Notice, the Debtors shall file a schedule of cure obligations (the "Cure Schedule") for the Debtor Contracts, , which shall include a description of

each Debtor Contract to be assumed and assigned under the Agreement and the amount, if any, necessary to cure such Debtor Contracts pursuant to section 365 of the Bankruptcy Code. A copy of the Cure Schedule, together with the Sale Notice and the Bid Procedures Order, will be served on each of the nondebtor parties listed on the Cure Schedule by first class mail. Any objections to the assumption and assignment of any executory contract or unexpired Lease identified on the Cure Schedule, including, but not limited to, objections relating to adequate assurance of future performance or to the cure amount set forth on such schedule, must be in writing, filed with the Court, and be actually received on or before the Bidding and Objection Deadline, by Dana Corporation, 4500 Dorr Street, Toledo, Ohio, 43615, attn: Douglas H. Liedberg, Esq., with copies to: (a) attorneys to the Debtors, Jones Day, 222 East 41st Street, New York, New York, 10017 (Attn: Richard H. Engman, Esq.); (b) attorneys to the Creditors' Committee, Kramer, Levin Naftalis & Frankel L.L.P., 1177 Ave of the Americas, New York, New York, 10036 (Attn: Thomas Mayer, Esq.); (c) counsel to the Equity Committee, Fried, Frank, Harris, Shriver & Jacobson L.L.P., One New York Plaza, New York, New York, 10004 (Attn: Gary L. Kaplan); (d) attorneys for the Administrative Agent to the DIP Lenders, Shearman & Sterling L.L.P., 599 Lexington Avenue, New York, New York, 10022 (Attn: Douglas Bartner); and (e) counsel to MAHLE, Baker & McKenzie LLP, 2300 Trammel Crow Center, 2001 Ross Avenue, Dallas, Texas (Attn: David W. Parham). In the event that the Auction results in a Successful Bidder other than MAHLE, the deadline for objecting to whether such Successful Bidder has provided adequate assurance of future performance on a Debtor Contract shall be the commencement of the Sale Hearing.

32. If no objections are received, then the cure amounts set forth in the Cure Schedule shall be binding upon the nondebtor parties to the unexpired leases or executory

contracts for all purposes in these chapter 11 cases and will constitute a final determination of the total cure amounts required to be paid by the Debtors in connection with the assumption and assignment to the Successful Bidder. In addition, each nondebtor party to such unexpired lease or executory contract shall be forever barred from objecting to the cure information set forth in the Cure Schedule, including, without limitation, the right to assert any additional cure or other amounts with respect to the unexpired leases or executory contracts.

33. If a timely objection is received and such objection cannot otherwise be resolved by the parties, the Debtors request that the Court establish a date to hear such objection and, pending such hearing, the amount necessary will be reserved and paid upon a final Court order determining the correct cure amount and will be paid as provided in the Agreement (in the case of a sale to MAHLE) or in the Marked Agreement (in the case of a sale to a Successful Bidder other than MAHLE). The pendency of a dispute relating to cure amounts will not prevent or delay the closing on any sale of assets, including the assumption and assignment of executory contracts and unexpired leases necessary to effectuate such closing. The Debtors intend to cooperate with counterparties to executory contracts and unexpired leases to attempt to reconcile any difference in a particular cure amount.

34. The Debtors request that any party failing to object to the proposed transactions be deemed to consent to the treatment of its executory contract and/or unexpired Lease under section 365 of the Bankruptcy Code and this Sale Motion. See Hargrave v. Twp. of Pemberton (In re Tabone, Inc.), 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (by not objecting to sale motion, creditor deemed to consent); Pelican Homestead v. Wooten (In re Gabeel), 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same). Moreover, the Debtors request that each such party be deemed to consent to the assumption and assignment of its executory contract and/or unexpired

lease notwithstanding any anti-alienation provision or other restriction on assignment. See 11 U.S.C. §§ 365(c)(1)(B), (e)(2)(A)(ii), and (f).

Memorandum of Law

35. This Motion includes citations to the applicable authorities and does not raise any novel issues of law. Accordingly, the Debtors respectfully request that the Court waive the requirement contained in Local Bankruptcy Rule 9013-1(b) that a separate memorandum of law be submitted.

Notice

36. Pursuant to the Amended Administrative Order, Pursuant to Rule 1015(c) of the Federal Rules of Bankruptcy Procedure, Establishing Case Management and Scheduling Procedures (Docket No. 579) (the "Case Management Order"), entered on March 23, 2006, notice of this Motion has been given to counsel to MAHLE and to the parties identified on the Special Service List and the General Service List (as such terms are defined in the Case Management Order). Notice of the Sale Hearing will be provided in the manner described above. The Debtors submit that no other or further notice need be provided.

No Prior Request

37. No prior request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that the Court (a) enter the Bidding Procedures Order in substantially the form attached hereto as Exhibit C, approving the Bidding Procedures; (b) enter the Sale Order in substantially in the form attached hereto as Exhibit D, authorizing the sale of the Engine Products Group to the Successful Bidder at the Auction; and (c) grant such other and further relief to the Debtors as the Court may deem proper.

Dated: December 4, 2006
New York, New York

Respectfully submitted,

/s/ Richard H. Engman

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ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT A

[Agreement with Selected Exhibits]

STOCK AND ASSET PURCHASE AGREEMENT

BY AND BETWEEN

MAHLE GmbH

AND

DANA CORPORATION

Dated as of December 1, 2006

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SCHEDULES

STOCK AND ASSET PURCHASE AGREEMENT

STOCK AND ASSET PURCHASE AGREEMENT, dated as of December 1, 2006 (this "***Agreement***"), by and between MAHLE GmbH, a corporation organized under the laws of the Federal Republic of Germany ("***Purchaser***"), and Dana Corporation, a corporation organized under the laws of the Commonwealth of Virginia ("***Seller***").

RECITALS

WHEREAS, Seller and its Selling Affiliates are, among other things, engaged through Seller's Engine Products Group in the Business;

WHEREAS, upon the terms and subject to the conditions hereinafter set forth, the parties desire that Seller and its Selling Affiliates sell, assign and transfer to Purchaser and its Designated Affiliates, and that Purchaser and its Designated Affiliates purchase and acquire from Seller and its Selling Affiliates, all of the right, title and interest of Seller and its Selling Affiliates in and to the Purchased Shares and the Purchased Assets, and that Purchaser and its Designated Affiliates assume the Assumed Liabilities; and

WHEREAS, Seller and certain of its Subsidiaries, as identified on Exhibit A 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"***) 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. Purchase and Sale of Shares.

On the terms and subject to the conditions set forth herein and subject to the approval of the Bankruptcy Court pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, at the Closing, Seller shall sell and deliver, and cause each of its respective Share Selling Affiliates to sell and deliver, to Purchaser (or its Designated Affiliates), and Purchaser shall purchase, acquire and accept, or cause one or more of its Designated Affiliates to purchase, acquire and accept, from Seller, or the applicable Share Selling Affiliate, legal and beneficial ownership of all of the issued and outstanding capital stock or other equity interests owned beneficially, directly or indirectly, by Seller and the Share Selling Affiliates (the "***Purchased Shares***") of the entity on Schedule 1.1 (the "***Acquired Company***").

Section 1.2. Purchase and Sale of the Purchased Assets.

On the terms and subject to the conditions hereof and subject to the approval of the Bankruptcy Court pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, and subject to the exclusions set forth in Sections 1.3 and 1.7, at the Closing, Seller shall sell, assign, transfer, convey and deliver, and cause each of its respective Asset Selling Affiliates, to sell, assign, transfer, convey and deliver to Purchaser (or its Designated Affiliates), and Purchaser shall purchase, acquire and accept, or cause one or more of its Designated Affiliates to purchase, acquire and accept, from Seller, or the applicable Asset Selling Affiliate, all of the right, title and interest of Seller, or the applicable Asset Selling Affiliate, in, to and under all assets, properties, rights, Contracts and claims of Seller and the Asset Selling Affiliates, wherever located, whether tangible or intangible, real, personal or mixed (collectively, and excluding the Excluded Assets, the "***Purchased Assets***"), that are Related to the Business and as such exist on the Closing Date, including, without limitation, the following, in each case free and clear of all Liens (except Transferred Liens):

(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 Related to the Business, including, without limitation, the items set forth on Schedule 1.2(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, in each case that are Related to the Business (the "***Purchased Inventory***");

(d) all trade accounts and other receivables and rights to payment arising out of the sale or other disposition of goods or services and the full benefit of all security for such accounts, receivables and rights to payment, in each case that are Related to the Business;

(e) subject to Sections 1.7 and 6.2, all rights and incidents in, to and under those Contracts of the Debtor Sellers listed on Schedule 1.2(e) (collectively, the ***"Debtor Contracts"*** and each, individually, a ***"Debtor Contract"***);

(f) subject to Section 6.2, all rights and incidents in, to and under all Contracts of the Non-Debtor Sellers Related to the Business, including without limitation those Contracts listed on Schedule 1.2(f) (collectively, the ***"Non-Debtor Contracts"*** and each, individually, a ***"Non-Debtor Contract"***);

(g) Intellectual Property (other than Excluded Intellectual Property) owned or licensed by Seller or any of its Asset Selling Affiliates, in each case that is Related to the Business, including, without limitation, the Trademarks, Patents and Software identified on Schedule 1.2(g) (the "***Purchased Intellectual Property***");

(h) subject to Section 10.7, all books and records (other than Tax Returns and related work papers and items set forth in Section 1.3(i), files, papers, disks, manuals,

keys, reports, plans, catalogs, sales and promotional materials, and all other printed and written materials, in each case that are Related to the Business;

(i) the Permits issued by any Governmental Body and all pending applications therefor or renewals thereof (in each case that are Related to the Business and to the extent transferable to Purchaser or a Designated Affiliate of Purchaser);

(j) all deferred and prepaid charges and expenses that are Related to the Business;

(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 with respect to any of the other Purchased Assets (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, in each case that are Related to the Business, other than the Bankruptcy Avoidance Actions;

(m) all equity interests in the joint ventures identified on Schedule 1.2(m) (such joint ventures being referred to collectively as "***Transferred JVs***" and such equity interests being referred to as the "***Transferred JV Interests***");

(n) all goodwill of the Business as a going concern; and

(o) to the extent provided in Section 10.3, all of the rights Seller or its Subsidiaries may have under the trusts, or other assets held pursuant to, or set aside to fund the obligations of Seller or its Subsidiaries under any Assumed Benefit Plan, and any data and records (or copies thereof) required to administer the benefits of the Acquired Company Employees or the Business Employees under any Assumed Benefit Plan.

Section 1.3. Excluded Assets.

Notwithstanding anything to the contrary contained in Section 1.2, the parties expressly understand and agree that the Purchased Assets shall not include, and neither Seller nor any of its Asset Selling Affiliates is hereunder selling, assigning, transferring or conveying to Purchaser or any of its Designated Affiliates, 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 Asset Selling Affiliate;

(b) with the exception of direct rollovers as provided for in Section 10.2(a), any assets under any Seller Employee Benefit Plan that 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 Asset Selling Affiliates under, any such Employee Benefit Plan and any data and records (or copies thereof) required to administer the benefits of Acquired Company Employees or Business Employees under any such Employee Benefit Plan;

(c) subject to Section 6.15(b), any and all insurance policies, binders and claims and rights thereunder and the proceeds thereof and all prepaid insurance premiums;

(d) subject to Section 7.8, all right, title and interest of Seller and its Asset Selling Affiliates in the Intellectual Property listed on Schedule 1.3(d) together with all of the goodwill represented thereby, or pertaining thereto (the "***Excluded Intellectual Property***");

(e) all tangible personal property disposed of or consumed in the ordinary course of business as permitted by this Agreement;

(f) the assets, Owned Real Property, Real Property Leases and Contracts of the Debtor Sellers listed on Schedule 1.3(f);

(g) the assets, Real Property Leases and Contracts of the Non-Debtor Sellers listed on Schedule 1.3(g);

(h) all rights and incidents in, to and under any retention agreements that are not Assumed Retention Agreements;

(i) any books, records and other materials that Seller or any Asset Selling Affiliate is required by Law to retain, all Tax Returns and related work papers and, subject to Section 7.8, all sales and promotional materials and brochures bearing or reflecting the Excluded Intellectual Property and which are not Related to the Business;

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

(k) all assets, business lines, properties, rights, Contracts and claims of Seller or any Asset Selling Affiliate, Stock Selling Affiliate or Subsidiary not Related to the Business, wherever located, whether tangible or intangible, real, personal or mixed;

(l) except as set forth in Section 1.2(a), all assets related primarily to facilities Related to the Business which have ceased operations prior to the date hereof;

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

(n) except as set forth on Schedule 1.3(n), all intercompany receivables, loans and investments (i) between Seller or any of its Subsidiaries, on the one hand, and Seller or any of its Subsidiaries, on the other hand, or (ii) required to be settled in accordance with Section 6.9;

(o) those notes receivable listed on Schedule 1.3(o);

(p) any and all avoidance or other causes of action arising under Sections 544 through 550 of the Bankruptcy Code or under similar state laws (collectively, the ***"Bankruptcy Avoidance Actions"***);

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

(r) any real property interests, whether owned or leased, other than the Owned Real Property and the Real Property Leases; and

(s) any Contracts other than the Debtor Contracts and the Non-Debtor Contracts.

Section 1.4. [Intentionally Omitted.]

Section 1.5. Assumed Liabilities.

Simultaneously with the Closing, Purchaser shall assume and be liable for, and shall pay, perform and discharge, or cause one or more of its Designated Affiliates to assume and be liable for, and to pay, perform and discharge, only the following obligations and Liabilities to the extent Related to the Business, whether known or unknown, of Seller and its Asset Selling Affiliates (collectively, and excluding the Excluded Liabilities, the "***Assumed Liabilities***"):

(a) all Liabilities relating solely to any Purchased Asset and arising on or after the Closing;

(b) all Liabilities under the Debtor Contracts and the Non-Debtor Contracts arising on or after the Closing;

(c) subject to Section 7.2, the Cure Costs;

(d) all Liabilities relating to post-retirement welfare benefit plan coverage for (i) Union Transferred Employees, and (ii) any former member of the collective bargaining units at the Seller's Muskegon, Michigan, Caldwell, Ohio or Churubusco, Indiana facilities who retired prior to the Closing Date but who retired with eligibility for post-retirement welfare benefit plan coverage under (A) the Muskegon collective bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) on or after the July 16, 2004 effective date of the current Muskegon bargaining agreement; (B) the Caldwell collective bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) on or after the November 6, 2001 effective date of the current Caldwell bargaining agreement; or (C) the Churubusco collective bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) on or after the May 6, 2002 effective date of the current Churubusco bargaining agreement, and (iii) the dependents of such bargaining unit retirees described in clauses (i) and (ii), to the extent provided in the terms of the relevant assumed collective bargaining agreement;

(e) except as set forth in Section 1.6(m), all Liabilities relating to the collective bargaining agreements assumed pursuant to Section 10.1(c);

(f) except as set forth in Sections 10.1 through 10.5: (i) all Liabilities arising out of the employment of the Transferred Employees prior to the Closing Date that are assumed by Purchaser under Sections 10.1 through 10.5, (ii) all Liabilities arising from workers compensation or workplace injury claims asserted by any Transferred Employee relating to accidents or incidents occurring on or after the Closing Date; (iii) Purchaser's pro rata portion of all Liabilities arising out of or relating to claims concerning any latent type injury, disease or illness including but not limited to occupational disease, cumulative trauma or hearing loss, illness, disease or sickness suffered by any Transferred Employee resulting from or arising in connection with, the employment of such Transferred Employee by the Business attributable to periods on and after the Closing Date ("Occupational Disease"); and (iv) any Severance Payments (except any Severance Payments arising as a result of a Dana Severance Event) arising after Closing in accordance with the terms of the Assumed Retention Agreements;

(g) except as set forth in Section 1.6(m), all Liabilities arising under any Assumed Benefit Plan;

(h) to the extent reflected on the Closing Statement of Net Assets, any and all Liabilities, claims, demands, expenses or commitments Related to the Business arising after the filing by the Debtors of the Case and prior to the Closing Date;

(i) except as set forth in Section 1.6(q), (i) all Liabilities (including without limitation Liabilities for negligence, strict liability, design or manufacturing defect, conspiracy, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose) to third parties (other than Transferred Employees, which are subject to Section 1.5(f)) for death, personal injury, other injury to persons or damage to property caused by or arising out of accidents or incidents involving products manufactured by the Business on or after Closing; and (ii) all Liabilities (including without limitation Liabilities for negligence, strict liability, design or manufacturing defect, conspiracy, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose) to third parties (other than Transferred Employees, which are subject to Section 1.5(f)) for death, personal injury, other injury to persons or damage to property caused by or arising out of accidents or incidents occurring after the fifth anniversary of Closing and involving products manufactured or sold by the Business prior to, on or after Closing;

(j) except as set forth in Section 1.6(q), (i) all Liabilities arising from or in connection with any product recall not required by a Governmental Body with respect to a product manufactured or sold by the Business prior to the Closing (an "***Assumed Recall***"); provided that with respect to Assumed Recalls initiated prior to the fifth anniversary of the Closing Date, Purchaser shall be liable only for the first one million Dollars ($1,000,000) of the Liabilities arising from or in connection with each such Assumed Recall, plus twenty-five percent (25%) of all Liabilities arising from or in connection with each such Assumed Recall that are in excess of one million Dollars

($1,000,000); and (ii) all Liabilities arising from or in connection with any product recall initiated on or after the fifth anniversary of the Closing Date for products manufactured or sold by the Business prior to, on or after Closing;

(k) (i) all Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) in respect of any products manufactured or sold by the Business prior to Closing; provided that with respect to Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) made prior to the fifth anniversary of the Closing Date, Purchaser's liability for such claims shall be limited to one million Dollars ($1,000,000) in aggregate; (ii) all Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) in respect of products manufactured by the Business on or after Closing; and (iii) all Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) made on or after the fifth anniversary of the Closing Date for products manufactured or sold by the Business prior to, on or after Closing;

(l) 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 hereof or of the Transition Agreements;

(m) all Taxes imposed on or payable with respect to the Business for which Purchaser is responsible pursuant to Section 14.1(b);

(n) all Liabilities relating to, resulting from, caused by or arising out of (i) known and unknown On-site Soil and Groundwater Contamination at the Real Property (other than the Real Property in Gravatai, Brazil) and (ii) violations of, or non-compliance with, any Environmental Law or Permit relating to the Real Property (other than the Real Property in Gravatai, Brazil) existing as of and after the Closing Date, including Liabilities relating to any investigation or remediation of On-Site Soil and Groundwater Contamination at the Real Property required by any Governmental Body; and excluding any fines, penalties or other third party claims (the "***Assumed Environmental Liabilities***"); and

(o) Liabilities for the Guarantees set forth on Schedule 7.7

Section 1.6. Excluded Liabilities.

Notwithstanding the provisions of Section 1.5 or any other provision in this Agreement, it is expressly understood and agreed that there shall be excluded from the Liabilities being assumed by Purchaser and its Designated Affiliates hereunder all Liabilities of Seller or any of its Affiliates, whether occurring or accruing before, on or after the Closing Date, whether known

or unknown, fixed or contingent, asserted or unasserted, other than the Assumed Liabilities (collectively, the "***Excluded Liabilities***"), including, without limitation:

(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 Seller or any of its Subsidiaries (other than the Acquired Company) is expressly made responsible pursuant hereto or to the Transition Agreements;

(c) all Liabilities to the extent related to any Excluded Asset;

(d) all Excluded Taxes;

(e) fees, expenses, indemnification obligations and other Liabilities owed by Seller or its Subsidiaries (including the Acquired Company) 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 or otherwise;

(f) except as set forth on Schedule 1.6(f), all intercompany payables, loans and investments (i) between Seller or any of its Subsidiaries, on the one hand, and Seller or any of its Subsidiaries, on the other hand, or (ii) required to be settled in accordance with Section 6.9;

(g) All Chapter 11 Expenses;

(h) all Liabilities of which the Purchased Assets are being sold free and clear under the Approval Order;

(i) except as set forth in Section 1.5(i)(ii), all Liabilities (including without limitation Liabilities for negligence, strict liability, design or manufacturing defect, conspiracy, failure to warn, or breach of express or implied warranties of merchantability or fitness for a particular purpose) to third parties (other than Transferred Employees, which are subject to Section 1.5(f)) for death, personal injury, other injury to persons or damage to property caused by or arising out of accidents or incidents involving products manufactured or sold by the Business prior to Closing;

(j) with respect to products manufactured or sold by the Business prior to Closing: (A) all Liabilities arising from or in connection with any product recall required by a Governmental Body initiated prior to the fifth anniversary of the Closing Date; and (B) seventy-five percent (75%) of all Liabilities in excess of $1,000,000 arising from or in connection with any Assumed Recall initiated prior to the fifth anniversary of the Closing Date;

(k) all Liabilities arising from or in connection with product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) in respect of products manufactured or sold by

the Business prior to Closing to the extent that such Liabilities exceed $1,000,000 in the aggregate and relate to claims made prior to the fifth anniversary of the Closing Date;

(l) except as set forth in Sections 1.5(d), (e), (f) and (g) and 10.1 through 10.5, all Liabilities arising out of the employment of the Transferred Employees prior to the Closing Date;

(m) all Liabilities under the Seller Employee Benefit Plans (other than the Assumed Benefit Plans), as well as all Liabilities relating to post-retirement health or life insurance coverage for (i) any former member of the collective bargaining units at the Seller's Muskegon, Michigan, Caldwell, Ohio or Churubusco, Indiana facilities who retired with eligibility for such post-retirement welfare benefit plan coverage under (A) the Muskegon collective bargaining agreement prior to the July 16, 2004 effective date of the current Muskegon bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c); (B) the Caldwell collective bargaining agreement prior to the November 6, 2001 effective date of the current Caldwell bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c); or (C) the Churubusco collective bargaining agreement prior to the May 6, 2002 effective date of the current Churubusco bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c), as well as (ii) dependents of such bargaining unit retirees, to the extent provided in the terms of the relevant assumed collective bargaining agreement;

(n) (i) Liabilities that arise as a result of circumstances or conditions relating to the Environment occurring or existing prior to or at Closing at the Real Property in Gravatai, Brazil; (ii) Liabilities as a "potentially responsible party" under CERCLA for the third party sites identified in Schedule 4.20; and (iii) other than Assumed Environmental Liabilities, Liabilities relating to any penalties, fines or third party claims (including attorneys fees and expenses related thereto) that arise as a result of circumstances or conditions relating to the Environment that existed prior to Closing at the Real Property, including without limitation: (A) non-compliance with Environmental Law prior to the Closing Date; (B) offsite disposal of waste prior to the Closing Date; (C) exposure to asbestos, lead or other Hazardous Materials prior to the Closing Date; and (D) On-site Soil and Groundwater Contamination at the Real Property (the "***Excluded Environmental Liabilities***"); and for the avoidance of doubt, Liabilities relating to remediation and other actions required by Governmental Bodies in connection with remediation including any Liabilities arising from or related to Purchaser's conduct of any such remediation or investigation shall be Assumed Environmental Liabilities;

(o) all Liabilities to the extent arising out of the Legal Proceedings details of which are set forth in Schedule 4.18(a)(i);

(p) except as set forth in Section 1.5(f)(iv), all Liabilities under the Assumed Retention Agreements; and

(q) any independent Liability of Seller or any of its Affiliates, other than pursuant to Section 11.2(a)(iv) of this Agreement, arising from or in connection with the ARC Product Issue.

Section 1.7. Assumption of Debtor Contracts.

(a) Schedule 1.2(e) shall include a list of "executory contracts" and "unexpired leases" that Purchaser has elected to have Seller and the other Debtor Sellers assume and assign to Purchaser or its Designated Affiliates at Closing. Purchaser shall have until the date scheduled by the Bankruptcy Court to enter the Approval Order to designate (i) the pre-petition Contracts it wishes Seller and the other Debtor Sellers to assume and assign to Purchaser or its Designated Affiliates at Closing and (ii) the Contracts entered into subsequent to the commencement of the Cases it wishes to have Seller and the other Debtor Sellers assign to Purchaser or its Designated Affiliates at Closing (such date being referred to as the "***Debtor Contract Designation Date***"). In all cases, appropriate additions but not deletions to Schedule 1.2(e) shall be made to reflect such elections by Purchaser when made. The procedures for the assumption and assignment of the Debtor Contracts, and the procedure for establishing the Cure Costs, shall be mutually acceptable to Purchaser and Seller.

(b) If, at any time after the date hereof through the 90th Business Day after the Closing Date, any party to this Agreement becomes aware that Seller or any other Debtor Seller is a party to any Contract Related to the Business that is not disclosed on Schedule 1.2(e) (each, an "***Undisclosed Contract***"), the discovering party shall immediately notify the other party to this Agreement in writing (the "***Notification***") of such Undisclosed Contract. For a period of thirty (30) Business Days after the date of Purchaser's receipt or delivery, as the case may be of the Notification, Purchaser shall have the right, in its sole discretion, to require Seller and/or such other Debtor Seller that is the party to such Undisclosed Contract to file one or more motions with the Bankruptcy Court (which motion(s) shall be in form and substance reasonably satisfactory to Purchaser) seeking the entry of an order (the "Undisclosed Contract Assignment Order"), pursuant to Sections 363 and 365 of the Bankruptcy Code, to assign, transfer, convey and deliver to Purchaser or one of its Designated Affiliates such Undisclosed Contract as if it had been disclosed on Schedule 1.2(e), or to otherwise transfer the benefits of such Undisclosed Contract to the Purchaser or one of its Designated Affiliates without any additional consideration (except for any obligation Purchaser may have to pay applicable Cure Costs pursuant to Section 7.2), by written notice to such Seller or Affiliate. Any Cure Costs in relation to any such Undisclosed Contract shall be dealt with in accordance with Section 7.2. In the event that Purchaser notifies Seller or one of the other Debtor Sellers of Purchaser's desire to acquire any Undisclosed Contract, Seller or such other Debtor Seller, as the case may be, shall, as soon as practicable after receiving such notification, file with the Bankruptcy Court the motion(s) seeking the entry of the Undisclosed Contract Assignment Order. In addition, Seller or such other Debtor Seller, as the case may be, shall (i) use its reasonable best efforts to cause the Undisclosed Contract Assignment Order to become a Final Order and (ii) not take any action that would delay, prevent or impede the entry of, or result in the revocation, modification or amendment of, the Undisclosed Contract Assignment Order. Any Undisclosed Contract that Purchaser elects to acquire pursuant to this Section 1.7 and for which an Undisclosed Contract Assignment Order is entered and becomes a Final Order shall constitute a Purchased Asset.

Section 1.8. Product Recall and Warranty Claims.

(a) Subject to Article XI, Purchaser shall have responsibility after Closing for the management of all proceedings relating to product recall and warranty claims for products manufactured or sold by the Business prior to the Closing, provided that, where the relevant claim is in its entirety an Excluded Liability, Seller shall have responsibility for the management of the relevant proceedings. In the event that after the Closing Date, Purchaser (i) receives notice with respect to product recall or warranty obligations relating to products manufactured or sold by the Business prior to the Closing Date and which entail Excluded Liabilities or (ii) determines in Purchaser's reasonable business judgment that it is advisable, or is required by a notice from a Governmental Body, to undertake a recall of any products manufactured or sold by the Business prior to the Closing Date, and such recall entails an Excluded Liability, then, in each case, Purchaser shall (x) notify Seller of such circumstance within twenty (20) Business Days of the receipt of such notice or the date of such determination, as applicable, and (y) not enter into any agreement with any claimants with respect to such product recall or warranty obligations or with a Governmental Body, without first permitting Seller the reasonable opportunity to review and comment on such agreement or proposed recall. If Seller does not respond within fifteen (15) Business Days after receipt of notice thereof, such claims shall be considered to be approved by Seller for purposes of this Section. No delay or failure to give such notice by Purchaser to Seller shall adversely affect any of the rights or remedies which Purchaser has under this Agreement, or alter or relieve Seller of its obligations to indemnify Purchaser except to the extent that such delay or failure has materially prejudiced Seller. Purchaser shall undertake and/or honor, as applicable, with respect to the products of the Business manufactured or sold prior to the Closing Date, product warranty, return or rebate claims (in each case, not involving product recall, death, personal injury, other injury to persons or damage to property) that entail Excluded Liabilities in substantially the same manner as undertaken, processed, approved and performed, as the case may be, by Seller and its Affiliates in connection with the Business prior to the Closing Date. Purchaser shall submit a written quarterly report to Seller describing with reasonable detail any and all product recall and warranty expenses that entail Excluded Liabilities that Purchaser claims to have incurred during such quarter in respect of product recalls and/or warranty claims undertaken, satisfied, settled or performed during such quarter, together with documentation sufficiently evidencing such expenses and the basis therefor.

(b) All product liability claims for death, personal injury, other injury to persons or damage to property shall be managed in accordance with Article XI.

(c) Liabilities of the Transferred JVs arising from or in connection with products manufactured or sold by the Transferred JVs shall remain the responsibility of the Transferred JVs and shall be neither Assumed Liabilities nor Excluded Liabilities for the purposes of this Agreement.

ARTICLE II

CONSIDERATION

Section 2.1. Amount and Form of Consideration.

The consideration (which shall be exclusive of any applicable VAT or other Transfer Taxes imposed thereon) to be paid (subject to any requirements to make local payments under applicable Law) by Purchaser, for its own account and as agent for its Designated Affiliates, to Seller, for its own account and for the account of its Selling Affiliates, in full consideration of the Purchased Shares and the Purchased Assets shall consist of:

(a) Ninety Seven Million, Seven Hundred Thousand Dollars ($97,700,000) (the "***Initial Cash Consideration***") in cash, subject to adjustment as set forth in Sections 2.3, 2.4, 7.2 and 10.3 (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 Purchaser or its Designated Affiliates on and as of the Closing Date 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"***), Purchaser will deliver to The Bank of New York Trust Company, N.A., as deposit agent (the ***"Deposit Agent"***), Nine Million, Seven Hundred and Seventy Thousand Dollars ($9,770,000) (such amount, together with the interest and income 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) subject to any requirements to make local payments under applicable Law, at the Closing, Purchaser shall pay, by wire transfer of immediately available funds in Dollars to an account or accounts designated by Seller (such designation to be made in writing at least two Business Days prior to the Closing Date), the Initial Cash Consideration, less (i) $10,000,000 to be delivered to the Escrow Agent pursuant to Section 3.4(b) to fund Seller's obligations pursuant to Article XI (the "***Indemnity Escrow***"); (ii) the Deposit Amount; (iii) any amounts to be withheld in accordance with Section 3.2(a) in respect of any Deferred Local Closing, which shall be delivered to the Escrow Agent in accordance with Section 3.2(a); (iv) the amount to be withheld in accordance with Section 3.2(b), (the "***India Escrow***") which shall be delivered to the Escrow Agent in accordance with Section 3.2(b); (v) Seven Million Eight Hundred Twenty Five Thousand Dollars ($7,825,000) (the "***Purchase Price Adjustment Escrow***") which shall be delivered to the Escrow Agent in accordance with Section 2.4; and (vi) Two Million, Two Hundred Thousand Dollars ($2,200,000) to be withheld in accordance with Section 10.3 (the "***Pensions Funding Adjustment Escrow***") which shall be

delivered to the Escrow Agent in accordance with Section 3.4(b). If any requirements of Law require that any portion of the Initial Cash Consideration payable to Seller or any of its Selling Affiliates must be paid in a currency other than United States Dollars, Purchaser shall cause its relevant Designated Affiliate to pay at the Closing, by wire transfer of immediately available funds in such other currency, such portion based on the exchange rate as published in the Wall Street Journal on the Business Day immediately preceding the Closing Date.

Section 2.3. Post-Closing Adjustment.

(a) "***Net Working Capital of the Business***" as of any date shall mean the amount calculated by subtracting the Liabilities set forth in Schedule 2.3(a) from the assets set forth in Schedule 2.3(a).

(b) As promptly as practicable, but in any event within 60 days following the Closing, Seller, at its sole cost and expense, will prepare and deliver to Purchaser a statement of net assets of the Business at the Closing Date (as such may be adjusted following resolution of disputes in accordance with Section 2.3(c), the "***Closing Statement of Net Assets***"), a calculation of the Closing Net Working Capital derived from the Closing Statement of Net Assets and the calculation of the Net Working Capital Adjustment. The Closing Statement of Net Assets shall be prepared on the basis set forth in Schedule 2.3(b). During the preparation of the Closing Statement of Net Assets and the calculation of Net Working Capital Adjustment, and the period of any dispute within the contemplation of this Section 2.3, Purchaser shall, and shall cause the Acquired Company to (i) provide Seller and its authorized representatives with full access to all relevant books, records, facilities and employees of Purchaser and its affiliates to the extent reasonably necessary to prepare the Closing Statement of Net Assets and the calculation of the Net Working Capital Adjustment, and (ii) cooperate fully with Seller and its authorized representatives, including by providing on a timely basis all information to the extent necessary or useful in preparing the Closing Statement of Net Assets and calculating the Net Working Capital Adjustment.

(c) Following receipt of the Closing Statement of Net Assets and the Net Working Capital Adjustment, Purchaser will be afforded a period of 45 days to review the Closing Statement of Net Assets and the Net Working Capital Adjustment (the "***Review Period***"). Purchaser shall be deemed to have accepted the Net Working Capital Adjustment unless, prior to the expiration of the Review Period, Purchaser shall deliver to Seller written notice and a reasonably detailed written explanation of those items in the Net Working Capital Adjustment that Purchaser disputes, in which case the Net Working Capital Adjustment, to the extent not affected by the disputed items, will be deemed to be accepted, and the items identified by Purchaser shall be deemed to be in dispute. Within a further period of 30 days from the end of the Review Period, the parties 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 such certified public accountants as the parties mutually agree in writing (the "***Independent Auditors***"). The unresolved disputed items (if any) will be deemed to be as determined by the Independent Auditors in accordance with Schedule 2.3(b) within 30 days of such reference. Each party will

furnish to the Independent Auditors such workpapers and other documents and information relating to the disputed items as the Independent Auditors may request and are available to that party or its affiliates. The Independent Auditors shall act as experts and not as arbitrators. 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 be communicated to Purchaser and Seller in writing and shall not be subject to appeal or challenge for any reason (other than gross negligence, fraud or willful misconduct). The definitive Closing Net Working Capital and Net Working Capital Adjustment shall be the Closing Net Working Capital and Net Working Capital Adjustment, as applicable, agreed to (or deemed to be agreed to) by Purchaser and Seller in accordance with the terms of this Section 2.3(c) or the definitive Closing Net Working Capital or Net Working Capital Adjustment, as applicable, resulting from the determination made by the Independent Auditors in accordance with this Section 2.3(c) (in addition to those items theretofore agreed to by Seller and Purchaser).

(d) The Target Net Working Capital Upper Range (the "***Target Net Working Capital Upper Range***") is One Hundred Fifty Nine Million Dollars ($159,000,000). The Target Net Working Capital Lower Range (the "***Target Net Working Capital Lower Range***") is One Hundred Fifty Four Million Dollars ($154,000,000).

(e) "***Closing Net Working Capital***" is the Net Working Capital of the Business as calculated from the Closing Statement of Net Assets, as finally determined in accordance with Section 2.3(c). No accounts receivable from the National Automotive Parts Association ("***NAPA***") or any of NAPA's Affiliates shall be taken into account for the purposes of calculation of the Closing Net Working Capital.

(f) "***Net Working Capital Adjustment***" shall be determined as follows: (i) if the Closing Net Working Capital is more than the Target Net Working Capital Upper Range, then the Net Working Capital Adjustment will be a positive amount equal to the amount of such excess; and (ii) if the Closing Net Working Capital is less than the Target Net Working Capital Lower Range, then the Net Working Capital Adjustment will be a negative amount equal to the amount of such difference.

(g) Notwithstanding any provision set forth in this Section 2.3, 10.3 or elsewhere in this Agreement to the contrary, except as set forth in Sections 11.6(c), (d) and (e) there is no agreement among the parties to submit disputes under this Agreement to arbitration.

Section 2.4. Payment of Purchase Price Adjustment.

(a) If the Net Working Capital Adjustment is a positive amount, (i) Purchaser will pay Seller the amount of the Net Working Capital Adjustment, together with interest thereon at the LIBOR rate 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 Capital 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; and (ii) the

Escrow Agent shall deliver to Seller the Purchase Price Adjustment Escrow together with interest accrued thereon pursuant to the terms of the Purchase Price Adjustment Escrow Agreement.

(b) If the Net Working Capital Adjustment is a negative amount but is less than or equal to the Purchase Price Adjustment Escrow, then that portion of the Purchase Price Adjustment Escrow equal to the Net Working Asset Adjustment shall be applied to cover the Net Working Capital Adjustment and the Escrow Agent shall deliver such portion to the Purchaser and the remaining portion of the Purchase Price Adjustment Escrow to Seller, in each case within ten days after the final determination of the Net Working Capital Adjustment. If the Net Working Capital Adjustment is a negative amount that is greater than the Purchase Price Adjustment Escrow, then (i) the Escrow Agent shall deliver the Purchase Price Adjustment Escrow together with interest accrued thereon pursuant to the terms of the Purchase Price Adjustment Escrow Agreement to Purchaser to cover the Net Working Capital Adjustment and (ii) Seller will pay to the Purchaser the amount equal to the Net Working Capital Adjustment minus the Purchase Price Adjustment Escrow, together with interest on the amount set forth in clause (ii) above at the LIBOR rate from the Closing Date through the date of payment, each such payment to be made within ten days after the final determination of the Net Working Capital Adjustment; *provided, however*, that, if any such payment from Seller to Purchaser pursuant to clause (ii) above 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 2.5. Allocation of Consideration.

Upon signing Seller and Purchaser shall have agreed to allocate the Initial Cash Consideration as set forth on Schedule 2.5(a). The cash amounts allocated on Schedule 2.5(a) shall not be adjusted after the date hereof, except to take into account any adjustment to the Initial Cash Consideration in accordance with this Agreement and except with respect to the cash amount allocated to the Seller PCIL Stock which shall be subject to possible downwards-only adjustment prior to Closing pursuant to good faith agreement between the parties. Any amount by which the amount allocated to the Seller PCIL Stock in Schedule 2.5(a) is reduced shall be added to the amount allocated to the Business in the United States. Prior to Closing and consistently with Schedule 2.5(a), Seller and Purchaser 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 this agreement as Schedule 2.5(b). Purchaser shall initially propose the content of Schedule 2.5(b) and if Purchaser does so, such proposal shall be subject to Seller's review and reasonable objection, to be resolved by good-faith negotiations between Purchaser and Seller. Within 60 calendar days following the determination of the Final Consideration, Purchaser and Seller 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 Seller and its Selling Affiliates). The allocation of this amount shall take into account the item or items (and the country) to which it is attributable and shall, to the extent such allocation is agreed by Purchaser and Seller, be reflected on a revised Schedule 2.5(b). In the event that Purchaser and

Seller 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 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 and shall be reflected on a revised Schedule 2.5(b). Except as otherwise required by Law or 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, and to cause their Affiliates to act, in accordance with the allocations contained in Schedule 2.5(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, audit 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. Each party will, subject to confidentiality obligations, provide to the other party a copy of any appraisal obtained by such party in connection with the allocation under this Section 2.5. Where a confidentiality obligation would otherwise prohibit a party from so providing a copy of any such appraisal, such party shall use its commercially reasonable efforts to obtain a waiver of such confidentiality obligations.

ARTICLE III

THE CLOSING

Section 3.1. Closing Date.

Except as hereinafter provided, the closing of the transactions contemplated hereunder (the "***Closing***") shall, subject to Section 3.2, take place at the offices of Baker & McKenzie LLP, 130 East Randolph Drive, Chicago, Il, 60601, at 10:00 a.m. (local time) on the date that is five (5) Business Days following the satisfaction or waiver of each of the conditions set forth in Articles VIII and IX, or on such other date as may be mutually agreed upon in writing by Purchaser and Seller (such date and time being referred to herein as the "***Closing Date***"). The Closing shall be deemed to occur as of 12:01 a.m. (Eastern Standard Time) on the Closing Date.

Section 3.2. Deferred Local Closings.

(a) The parties acknowledge and agree that all of the steps to be taken at Closing are interdependent and that accordingly the Closing is required to be simultaneous with respect to each of the jurisdictions entailed in the Business. The parties may nonetheless mutually agree in writing to defer the Closing solely with respect to the Purchased Shares or Purchased Assets in a particular jurisdiction (each, a "***Deferred Local Closing***"). In such event, the parties will prior to Closing mutually determine (a) the mechanics for escrow and payment of that part of the Initial Cash Consideration allocable to the Purchased Shares or Purchased Assets related to such Deferred Local Closing, (b) the treatment of the beneficial interest in and to the relevant Purchased Shares or Purchased Assets from the Closing (including, without limitation, all cash and cash equivalents generated with respect thereto) until the relevant Deferred

Local Closing, and (c) the nature and extent of any services required to be provided by the parties to the Business in the relevant jurisdiction and compensation therefor until the relevant Deferred Local Closing. Solely with respect to any Deferred Local Closing, (a) the conditions set forth in each of Articles VIII and IX must be satisfied or waived at or prior to such Deferred Local Closing instead of the Closing, and (b) Seller shall continue to comply with its obligations set forth in Sections 6.1, 6.2, 6.7, and 6.8 in respect of the relevant Required Consent Jurisdiction until such Deferred Local Closing.

(b) Seller on the one hand, and Purchaser or its Designated Affiliate, on the other hand, shall at Closing enter into a stock acquisition agreement for the acquisition by Purchaser or its Designated Affiliate of the 11,640,000 shares (the "***Seller PCIL Stock***") in the issued share capital of Perfect Circle India, Ltd ("***PCIL***") owned by Seller, substantially in the form of Exhibit C (the "***PCIL Stock Acquisition Agreement***"). At the Closing, Purchaser shall deliver that portion of the Initial Cash Consideration allocable to PCIL to the Escrow Agent to be held as the India Escrow. The parties acknowledge and agree that entering into the PCIL Stock Acquisition Agreement will reflect the Purchaser's decision to acquire the Seller PCIL Stock which will give rise to an obligation on Purchaser or its Designated Affiliate, pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, to make a public offering for a minimum of 20% of the remaining issued share capital of PCIL (the "***PCIL Public Offering***"). The parties further acknowledge and agree that, pursuant to the requirements of Indian Law, Purchaser or its Designated Affiliate will be unable to acquire title to the Seller PCIL Stock until the consummation of the PCIL Public Offering. Accordingly, the parties agree that Seller shall remain the legal and beneficial owner of the Seller PCIL Stock until the consummation of the PCIL Public Offering. Upon the date of consummation of the PCIL Public Offering, Seller shall deliver the Seller PCIL Stock to Purchaser or its Designated Affiliate, and the Escrow Agent shall deliver to Seller the India Escrow, less an amount equal to the amount of any dividends paid by PCIL to the Seller after Closing but prior to the India Closing, as consideration for the Seller PCIL Stock, in each case in accordance with the terms of the PCIL Stock Acquisition Agreement (the "***India Closing***").

Section 3.3. Deliveries by Seller to Purchaser.

At the Closing, Seller, for itself and as agent of its Selling Affiliates, shall deliver, or shall cause to be delivered, to Purchaser the following:

(a) stock certificates or appropriate certificates of ownership, as applicable, representing all of the Purchased Shares (other than those that are in book-entry form), in each case accompanied by stock powers duly executed in blank or other duly executed instruments of transfer, and such other deeds, documents and instruments as are necessary or appropriate to effect the valid transfer of the Purchased Shares to Purchaser or its Designated Affiliates;

(b) a bill or bills of sale, substantially in the form of Exhibit D, duly executed by Seller (the "***Bill of Sale***");

(c) for each jurisdiction set forth on Schedule 3.3(c), business transfer agreements substantially in the form of Exhibit E with such changes thereto as the parties agree are necessary or appropriate to effect the transfer of the Purchased Assets held by the respective Asset Selling Affiliates and the assumption by the respective Designated Affiliates of the Assumed Liabilities of the respective Asset Selling Affiliates (collectively, "***Business Transfer Agreements***"), duly executed by the respective Asset Selling Affiliates;

(d) special warranty deeds, or comparable instruments of transfer and assignment, substantially in the form of Exhibit F, with respect to the Owned Real Properties (including any quit claim deeds that may be necessary to transfer property interests reflected in the Title Commitments but not included in the deeds for the Owned Real Properties);

(e) duly executed instruments of assignment or, where necessary, licenses or subleases, to effect the assignment of the Real Property Leases to which any Non-Debtor Seller is a party, substantially in the form of Exhibit G, subject to Sections 6.7(a) and 10.6(b) (the "***Assignment and Assumption of Lease Agreements***");

(f) duly executed instruments of assignment or transfer of the Purchased Intellectual Property, substantially in the form of Exhibit H or local assignment agreements as may be necessary or desirable under applicable Law (the "***IP Assignments***");

(g) the certificate referred to in Section 8.7 signed by a duly authorized officer of Seller;

(h) the resignations of the officers, as corporate officers, directors and auditors of the Acquired Company set forth on Schedule 3.3(h);

(i) the Transition Services Agreement, duly executed by Seller and its relevant Subsidiaries;

(j) a certificate of non-foreign status pursuant to Treasury Regulations Section 1.1445-2(b)(2) from Seller and each domestic Selling Affiliate that transfers Purchased Shares or Purchased Assets located in the United States pursuant to this Agreement;

(k) a duly executed assignment and assumption agreement or agreements or other comparable instrument of assignment and assumption, substantially in the form of Exhibit J, evidencing assumption of the Assumed Liabilities and all other instruments or documents as shall be necessary to evidence the assignment by Seller and the Debtor Sellers of the Purchased Assets and the assumption by Purchaser or its Designated Affiliates of the Assumed Liabilities, subject to Sections 6.7(a) and 10.6(b) (the "***Assignment and Assumption Agreement***");

(l) escrow agreements for the Purchase Price Adjustment Escrow, the Pensions Funding Adjustment Escrow, the India Escrow and the Indemnity Escrow in the

forms of Exhibit K1-K3 (the "***Escrow Agreements***"), duly executed by Seller and The Bank of New York Trust Company, N.A.(the "***Escrow Agent***");

(m) a distribution agreement relating to Victor Reinz branded products, in the form of Exhibit L (the "***Victor Reinz Distribution Agreement***"), duly executed by Seller and its relevant Subsidiaries;

(n) a copy of the Approval Order;

(o) the PCIL Stock Acquisition Agreement, duly executed by Seller; and

(p) a lease agreement substantially in the form of Exhibit M (the "***Gravatai Lease Agreement***") duly executed by Seller or its relevant Selling Affiliate.

Section 3.4. Deliveries by Purchaser to Seller.

At the Closing, Purchaser, for itself and as agent of its Designated Affiliates, shall deliver to Seller the following:

(a) the Initial Cash Consideration to an account or accounts designated by Seller (such designation to be made in writing at least two Business Days prior to the Closing Date) by wire transfer of immediately available funds in the amount and manner provided in Section 2.2, less (i) the Deposit Amount, (ii) Ten Million Dollars ($10,000,000) to be delivered to the Escrow Agent for the Indemnity Escrow pursuant to Section 3.4(b)), (iii) any amounts to be withheld in accordance with Section 3.2 in respect of any Deferred Local Closing, (iv) the amount to be withheld in accordance with Section 3.3 which shall be delivered to the Escrow Agent for the India Escrow in accordance with Section 3.3; (v) Seven Million, Eight Hundred Twenty Five Thousand Dollars ($7,825,000), which shall be delivered to the Escrow Agent for the Purchase Price Adjustment Escrow in accordance with Section 2.4; and (vi) Two Million, Two Hundred Thousand Dollars ($2,200,000) to be withheld in accordance with Section 10.3, which shall be delivered to the Escrow Agent for the Pensions Funding Adjustment Escrow in accordance with Section 3.3. If any requirements of Law require or the parties mutually agree that any portion of the Initial Cash Consideration payable to Seller or any of its Selling Affiliates must be paid in a currency other than United States Dollars, Purchaser shall cause its relevant Designated Affiliate to pay at the Closing, by wire transfer of immediately available funds in such other currency, such portion based on the exchange rate as published in the Wall Street Journal on the Business Day immediately preceding the Closing Date.

(b) the Escrow Agreements, duly executed by Purchaser, together with the delivery of (i) $10,000,000 for the Indemnity Escrow, (ii) any amounts to be withheld in accordance with Section 3.2 in respect of any Deferred Local Closing, (iii) the amount to be withheld in accordance with Section 3.3 for the India Escrow, (iv) Seven Million, Eight Hundred Twenty Five Thousand Dollars ($7,825,000) for the Purchase Price Adjustment Escrow, and (v) Two Million, Two Hundred Thousand Dollars ($2,200,000) for the Pensions Funding Adjustment Escrow, to the Escrow Agent by wire transfer to accounts specified by the Escrow Agent.

(c) the Assignment and Assumption Agreements, duly executed by Purchaser or its Designated Affiliates;

(d) the Assignment and Assumption of Lease Agreements, duly executed by Purchaser or its Designated Affiliates;

(e) the certificate referred to in Section 9.7 signed by a duly authorized officer of Purchaser;

(f) the Transition Agreements, duly executed by Purchaser or its Designated Affiliates;

(g) the Business Transfer Agreements, duly executed by the respective Designated Affiliates of Purchaser;

(h) the Victor Reinz Distribution Agreement, duly executed by Purchaser or its Designated Affiliates;

(i) the PCIL Stock Acquisition Agreement, duly executed by Purchaser or its Designated Affiliate; and

(j) the Gravatai Lease Agreement duly executed by Purchaser or its relevant Designated Affiliate.

Section 3.5. Proceedings at Closing.

All acts and proceedings to be taken and all documents to be executed and delivered by the parties at the Closing or any Deferred Local 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 that, except as set forth in the Schedules hereto:

Section 4.1. Organization and Qualification.

Each of Seller, the Selling Affiliates, the Acquired Company, Allied Ring Corporation ("***ARC***") and, to the Knowledge of Seller, Promotora de Industrias Mecanicas, S.A. de C.V. ("***Promec***") 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, the Selling Affiliates, the Acquired Company,

ARC and, to the Knowledge of Seller, Promec 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, except where the failure to be so licensed or qualified or in good standing would not reasonably be expected to have a Material Adverse Effect.

Section 4.2. Capital Structure of Acquired Company; Transferred JV Interests.

(a) The authorized capital stock or other equity interests of the Acquired Company and the number of shares of such capital stock or other equity interests that are issued and outstanding, and the beneficial and record ownership thereof, will be set forth on Schedule 4.2(a). Except as will be set forth on Schedule 4.2(a), the Purchased Shares represent all of the issued and outstanding shares in the Acquired Company. Except as will be set forth on Schedule 4.2(a), Seller and each of the Share Selling Affiliates is the beneficial owner of, and has good and valid title to, all the Purchased Shares, free and clear of all Liens other than Permitted Liens and will at Closing be the beneficial owner of, and have good and valid title to, all the Purchased Shares, free and clear of all Liens other than the Permitted Liens. Except as will be set forth on Schedule 4.2(a), no legend or other reference to any purported Lien appears upon any certificate representing equity securities of, or in any share or other private or public registry of or with respect to, the Acquired Company. All of the outstanding equity securities of the Acquired Company will at Closing be duly authorized, validly issued, fully paid and nonassessable and will not at Closing be subject to any preemptive or subscription rights. Except as set forth on Schedule 4.2(a), there are no Contracts other than this Agreement relating to the issuance, sale or transfer of any equity securities or other securities of the Acquired Company. None of the Purchased Shares or other securities of the Acquired Company will at Closing have been issued in violation of any Law. The Acquired Company will not at Closing be the record or beneficial owner, or have any Contract to acquire, any equity securities of any Person or any direct or indirect equity or ownership interest in any other business.

(b) The authorized capital stock or other equity interests of each of the Transferred JVs and the number of shares of such capital stock or other equity interests that are issued and outstanding, together with details of the record and beneficial holders thereof, are correctly set forth on Schedule 4.2(b). Except as set forth on Schedule 4.2(b), Seller and each of the Share Selling Affiliates is the beneficial owner of, and have good and valid title to, all the Transferred JV Interests, free and clear of all Liens other than Permitted Liens and will at Closing be the beneficial owner of, and have good and valid title to, all the Transferred JV Interests, free and clear of all Liens other than Permitted Liens. Except as disclosed on Schedule 4.2(b), (i) no legend or other reference to any purported Lien appears upon any certificate representing equity securities of, or in any share or other private or public registry of or with respect to, any Transferred JV Interest, (ii) all of the Transferred JV Interests are duly authorized, validly issued, fully paid and nonassessable and were not issued in violation of, nor are subject to, any preemptive or subscription rights and (iii) to the Knowledge of Seller, there are no Contracts relating to the issuance, sale or transfer of any equity securities or other securities of any Transferred JV. None of the Transferred JV Interests was issued in violation of any Law. Except as

set forth on Schedule 4.2(b), no Transferred JV owns, or has any Contract to acquire, any equity securities of any Person or any direct or indirect equity or ownership interest in any other business.

Section 4.3. Corporate Authorization.

Subject, with respect to each Debtor Seller, only to entry of the Approval Order and to it becoming a Final Order, Seller and each of its 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 Seller or its Subsidiaries 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 its Subsidiaries being hereinafter referred to, collectively, as the "***Seller Closing Documents***"), and to perform (or cause to be performed) Seller's and its Subsidiaries' obligations hereunder and thereunder. The execution, delivery and performance by Seller of this Agreement and each of the Seller Closing Documents has been duly authorized by all requisite corporate action on the part of Seller and the execution, delivery and performance by Seller's Subsidiaries of each of the Seller Closing Documents to which it is to be a party will have been duly authorized by all requisite corporate action on the part of such Subsidiaries, as applicable, prior to Closing.

Section 4.4. Consents and Approvals.

Except as set forth in Schedule 4.4, 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, its Subsidiaries or the Acquired Company 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, 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 Merger Regulation***"), and (z) such other antitrust authorities that may require notification and approval of the transaction, and (ii) other than those relating to competition or antitrust laws, such consents, waivers, approvals, Orders, Permits or authorizations of, or declarations of, or filings with, or notifications to, any Person or Governmental Body the failure of which to be received or made would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

Section 4.5. Non-Contravention.

Upon entry of the Approval Order and subject to it becoming a Final Order, none of the execution and delivery by Seller or its Subsidiaries (including the Acquired Company) of this Agreement and the Seller Closing Documents, as applicable, 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 4.4, (i) result in the breach of any provision of the certificate or articles of incorporation, bylaws or similar organizational documents of Seller, any of its Subsidiaries (including the 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 material Assumed Contract; or (iii) constitute a violation of any Law applicable to Seller, any of its Subsidiaries or the Acquired Company, except, in the case of clauses (ii) and (iii), any violation, breach, termination, default, consent, cancellation or acceleration disclosed in Schedule 4.5 hereto or that would not, individually or in the aggregate, have or be reasonably expected to have a Material Adverse Effect.

Section 4.6. 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 4.7. Financial Statements; Books and Records

(a) Schedule 4.7 contains true and correct copies of the unaudited statements of net assets (the "***Statement of Net Assets***") of the Business, as of December 31, 2005 and as of June 30, 2006, and the unaudited statements of operating results of the Business for the year ended December 31, 2005 and for the six month period ended June 30, 2006, (collectively, the "***Financial Statements***"). Except as set forth on Schedule 4.7(a), each of the Financial Statements has been prepared in accordance with GAAP. The Financial Statements were prepared on the basis of, and are in accordance with, 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, assets and liabilities of the Business (whether accrued, contingent or otherwise) as of the dates thereof and the results of its operations for each of the periods then ended in conformity with GAAP, except as set forth on Schedule 4.7(a).

(b) The Business has, and the Acquired Company will at Closing have, no material Liabilities (whether accrued, contingent or otherwise), other than (i) Liabilities incurred in the ordinary course of the Business after the date of the Statement of Net Assets that, individually or in the aggregate, do not, and would not be reasonably expected to, have a Material Adverse Effect or (ii) Liabilities fully recorded or reserved for on the Statement of Net Assets.

(c) The books of account, minute books, equity record books, and other records of the Business are complete and correct in all material respects and have been maintained in accordance with sound business practices and the requirements of applicable Law.

Section 4.8. Accounts Receivable.

All Accounts Receivable included in the Purchased Assets or held by the Acquired Company or, to the Knowledge or Seller, ARC represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business. Except as set forth on Schedule 4.8, the Statement of Net Assets will reflect adequate reserves for Accounts Receivable in accordance with GAAP. Except as set forth on Schedule 4.8, there is no contest, claim, defense or right of setoff, other than returns in the ordinary course of business, under any Assumed Contract with any obligor of an Account Receivable relating to the amount or validity of such Account Receivable.

Section 4.9. Acquired Inventory.

All items included in the Acquired Inventory are of a quality and quantity usable and, with respect to finished goods, salable in the ordinary course of business, except for obsolete items and items of below-standard quality, all of which have been or will be written off or written down to net realizable value on the Statement of Net Assets or the accounting records of the Business as of the Closing Date, as the case may be. Except as set forth on Schedule 4.9, neither Seller nor any Asset Selling Affiliate or Acquired Company or, to the Knowledge of Seller, ARC is in possession in respect of the Business of any inventory not owned by Seller, such Asset Selling Affiliate, the Acquired Company or ARC including goods already sold. All of the Acquired Inventory not written off has been valued, in the case of Acquired Inventory used or held for use in the OEM Business, at the lower of cost or market value on a first in, first out basis, and, in the case of Acquired Inventory used or held for use in the Aftermarket Business, at the lower of cost or net realizable value on a first in, first out basis. All of the Acquired Inventory now on hand that was purchased after the date of the Statement of Net Assets was purchased in the ordinary course of business at a cost not exceeding market prices prevailing at the time of purchase and at a quantity not exceeding current production planning requirements, subject to changing customer requirements and business conditions. The quantities of each item of Acquired Inventory (whether raw materials, work-in-process, or finished goods) are not excessive, but are reasonable in the present circumstances. Work-in-process Acquired Inventory is now valued and on the Closing Date will be valued in accordance with Schedule 4.9. Except as set forth on Schedule 4.9, all Acquired Inventory is maintained at one of the locations of the Real Property.

Section 4.10. Taxes.

Except as set forth on Schedule 4.10:

(a) All Income Tax Returns and other material Tax Returns required to be filed by or with respect to the Acquired Company, the Business or, to the Knowledge of Seller, ARC have been timely filed (taking into account extensions) as required by applicable Laws, and all such Tax Returns are complete and accurate in all material respects;

(b) All material Taxes due on or prior to the Closing Date, whether or not shown as due and owing on a Tax Return or payable pursuant to any assessments with

respect to such Tax Return, have been or will be timely paid, except for (i) any payments by the Debtors which have been stayed by the filing of the Cases under Section 362 of the Bankruptcy Code and (ii) any Taxes being contested in good faith;

(c) There is no federal, state, local or foreign action, suit, investigation, audit, claim or assessment pending with respect to Taxes or Tax Returns of the Acquired Company, the Business or, to the Knowledge of Seller, ARC, except for claims being pursued against the Debtors in the Cases;

(d) All amounts required to be withheld or collected for payment of Taxes by the Acquired Company and in relation to the Business or, to the Knowledge of Seller, by ARC, including from employee salaries, wages and other compensation, have been collected or withheld and, if due, paid to the appropriate taxing authorities;

(e) No agreement for the extension of time that is currently effective has been made with respect to the Acquired Company, the Business or, to the Knowledge of Seller, ARC with respect to (i) the filing of any Tax Return which has not since been filed, (ii) the payment of any Taxes, or (iii) any limitation period regarding the assessment of any Taxes;

(f) No waiver of any statutes of limitations that is currently effective and applicable to any claim for Taxes has been granted or requested to be granted with respect to the Acquired Company, the Business or, to the Knowledge of Seller, ARC;

(g) All Tax deficiencies that have been claimed, proposed or asserted against the Acquired Company, the Business or, to the Knowledge of Seller, ARC have been fully paid or finally settled, except for those being contested in good faith and set forth in Schedule 4.10(g);

(h) There are no outstanding rulings of, or requests for rulings with, any Tax authority with respect to the Acquired Company, the Business or, to the Knowledge of Seller, ARC that are, or if issued would be, binding upon Purchaser or the relevant Designated Affiliate for any Tax period or portion thereof ending after the Closing Date;

(i) The Acquired Company will not at Closing have executed, become subject to or entered into, and to the Knowledge of Seller ARC has not executed, become subject to or entered into, any material closing agreement pursuant to Section 7121 of the Code or any similar or predecessor provision thereof under the Code or other applicable Tax Laws that would be binding on Purchaser or the relevant Designated Affiliate for any Tax period or portion thereof ending after the Closing Date;

(j) The Acquired Company will not at Closing have entered into, and to the Knowledge of Seller ARC has not entered into, any transactions that require disclosure, but have not been disclosed, under Section 6011 of the Code;

(k) There are no liens for Taxes on the Purchased Assets except for Taxes not yet due and payable;

(l) None of the Purchased Assets constitutes tax-exempt bond financed property or tax-exempt use property within the meaning of Section 168 of the Code;

(m) There is no contract, agreement, plan or arrangement with respect to the Acquired Company or the Business that could give rise to the payment by the Acquired Company or Purchaser or its Affiliates of an amount that would not be deductible by reason of Section 280G of the Code or similar provisions of state, local or foreign Tax Law; and

(n) The Acquired Company will not at Closing be bound by, and to the Knowledge of Seller ARC is not currently bound by, any Tax sharing or Tax allocation agreement or arrangement (other than as a result of several liability imposed under Treasury Regulation Section 1.1502-6 or any similar provision of state, local or foreign Tax law) that will be effective after the Closing or that will have further effect after the Closing for any taxable year.

Section 4.11. Real Property.

(a) Except for the Owned Real Property, the Gravatai Leased Real Property and the Real Property Leases, neither Seller nor any of its Subsidiaries (other than the Acquired Company) owns or has any interest in real property currently used, or held for use, in connection with the Business. Schedule 4.11(a) contains (i) a legal description (consistent with deeds into the subject Seller, Asset Selling Affiliate or Acquired Company, as applicable) and street address of all real property in which the Acquired Company has a fee simple estate (each an "***Acquired Company Owned Property***"), of the Gravatai Leased Real Property and of all Owned Real Property, and (ii) an accurate description (by subject leased real property, name of lessor, date of lease, and term expiration date) of all leases of real property in which the Acquired Company has a leasehold estate (each an "***Acquired Company Leased Real Property***") and of all Leased Real Property.

(b) Except as set forth on Schedule 4.11(b), to the Knowledge of Seller, ARC has no interest in real property.

(c) Seller has delivered to Purchaser true and complete copies of (i) all deeds and other instruments by which Seller or its respective Asset Selling Affiliate or the Acquired Company acquired its estates in the respective Real Property, and (ii) all title insurance policies and surveys in the possession of Seller or its Subsidiaries or the Acquired Company of or pertaining to the Real Property.

(d) Except as set forth on Schedule 4.11(d), Seller, or its applicable Asset Selling Affiliate, has good and marketable title to each of the Owned Real Property and to the Gravatai Leased Real Property, in each case free and clear of all Liens except Permitted Liens. Seller, or its applicable Asset Selling Affiliate, will at Closing have good and marketable title to each of the Owned Real Property and the Gravatai Leased Real Property, and the Acquired Company will at Closing have good and marketable title

to the Acquired Company Owned Real Property, in each case free and clear of all Liens except Permitted Liens.

(e) 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, Seller, or its applicable Asset Selling Affiliate, has valid leasehold estates in each of the Leased Real Properties, each Real Property Lease 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 current default which cannot be cured under Section 365 of the Bankruptcy Code. The Acquired Company will at Closing have valid leasehold estates in the Acquired Company Leased Real Properties, each Acquired Company Real Property Lease will at Closing be in full force and effect and 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).

(f) Except for the Permitted Liens and as otherwise set forth on Schedule 4.11(f), none of the Owned Real Properties, Acquired Company Owned Real Properties or the Gravatai Leased Real Property, nor to the Knowledge of Seller, the Leased Real Properties or Acquired Company 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 Real Property or any part thereof.

(g) To the Knowledge of Seller, there does not exist any actual or threatened condemnation or eminent domain proceedings that affect any Real Property that is material to the Business, and neither Seller, any of its Asset Selling Affiliates has received any written notice of the intention of any Governmental Body or other Person to take or use any Real Property that is material to the Business.

Section 4.12. Tangible Personal Property.

(a) After giving effect to the entry of the Approval Order and subject to it becoming a Final Order, each lease of personal property (i) included in the Purchased Assets requiring lease payments equal to or exceeding one hundred thousand Dollars ($100,000) 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 Selling Affiliates 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 Selling Affiliates thereunder which cannot be cured under Section 365 of the Bankruptcy Code.

(b) Since the date of the latest site visits made by Purchaser to the Real Property, there has been no adverse change in the operating condition and repair of the Acquired Equipment, in the aggregate (subject to normal wear and tear for operations of this kind, age and nature), located at the Real Property, except for changes in the ordinary course of business, and for any such changes as would not constitute in the aggregate a Material Adverse Effect.

Section 4.13. Intellectual Property.

(a) Schedule 4.13(a) contains a complete and accurate list of the Acquired Intellectual Property. Seller and its Asset Selling Affiliates are the sole and exclusive owners of or have the right to use the Acquired Intellectual Property.

(b) Except as set forth on Schedule 4.13(b), (i) after giving effect to the entry of the Approval Order and subject to it becoming a Final Order, no consent or approval is needed to transfer the Acquired Intellectual Property; and (ii) none of the Acquired Intellectual Property is subject to any Liens other than Permitted Liens and Liens under the Seller Financing and none of the Acquired Intellectual Property will at Closing be subject to any Liens.

(c) Except as set forth on Schedule 4.13(c), there are no Legal Proceedings instituted, commenced or pending or, to Seller's Knowledge, threatened that (i) challenge the rights of Seller or the relevant Selling Affiliate 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 Business as conducted by Seller and its Selling Affiliates is or was infringing or otherwise in violation of any Intellectual Property of any other Person.

(d) Except as set forth on Schedule 4.13(d), none of the Acquired Intellectual Property is subject to any license, sublicense or option to purchase or use, and there are no royalties, commissions, or similar arrangements that would impair or limit Purchaser's or its Designated Affiliates' use of the Acquired Intellectual Property.

(e) Schedule 4.13(e)(i) lists all Software or other Intellectual Property that any third Person has licensed to Seller or any of its Subsidiaries or otherwise authorized Seller or any of its Subsidiaries to use in connection with the Business (the "Inbound Licenses") and each agreement pursuant to which such license or authorization is granted. Schedule 4.13(e)(ii) lists all agreements under which Seller or any of its Subsidiaries has licensed or otherwise granted to any Person rights in any of the Software or other Acquired Intellectual Property (including the right to use, market or otherwise exploit or commercialize any of the Software or related products or services) (the "Outbound Licenses").

(f) Each employee, consultant and independent contractor that has been involved in the development of the Software has either (i) been party to a "work-made-for-hire" arrangement or agreement with Seller or its respective Subsidiary, that has accorded Seller or its respective Subsidiary full, effective, exclusive and original

ownership of all tangible and intangible property thereby arising or (ii) executed appropriate instruments of assignment in favor of Seller or its respective Subsidiary as assignee, irrevocably conveying to Seller or its respective Subsidiary full, effective and exclusive ownership of all tangible and intangible property thereby arising.

(g) Except as set forth on Schedule 4.13(g), to the Knowledge of Seller, (i) none of the Acquired Intellectual Property infringes, violates, interferes or otherwise conflicts with any third party's intellectual or industrial property or proprietary rights, and (ii) no Person is infringing or otherwise in violation of the Acquired Intellectual Property.

(h) No breach or default by Seller, or its Selling Affiliates or, to the Knowledge of Seller, any other party thereto exists under any license, sublicense, agreement or permission pursuant to which Seller or any of its Selling Affiliates use Acquired Intellectual Property.

Section 4.14. Contracts.

(a) Schedule 4.14(a) sets forth a true, complete and correct list, as of the date hereof, of each of the following Assumed Contracts:

(i) any Assumed Contract with a Major Customer or a Major Supplier;

(ii) any Assumed Contract not made in the ordinary course of business;

(iii) any Assumed Contract or binding commitment for, or setting forth any of the terms or conditions relating to, the employment or termination of employment of any Business Employee or any officer or employee of the Acquired Company, or any independent contractor, director, or consultant providing services to the Business, whose basic annual compensation (excluding bonus on commission) or fees are in excess of one hundred thousand Dollars ($100,000);

(iv) any franchise, distributorship or sales agency agreement of the Acquired Company or any Selling Affiliate involving current or anticipated payments in excess of either two hundred, fifty thousand Dollars ($250,000) annually or five hundred thousand Dollars ($500,000) over the term of the agreement;

(v) any Assumed Contract for the purchase, or the sale, supply or provision, of materials, supplies, services, merchandise or equipment which (a) provides for exclusive supply or purchase rights or obligations, or (b) is not capable of being fully performed or not terminable without penalty within a period of 60 calendar days and involves annual payments in excess of two hundred, fifty thousand Dollars ($250,000);

(vi) any agreement for the purchase or sale of any of Acquired Company or Selling Affiliate's assets, other than in the ordinary course of business, or any shares of the Acquired Company or interests in the Acquired Company business or the Transferred JVs;

(vii) any Assumed Contract containing covenants that in any way purport to restrict the business activity of Seller, any Selling Affiliate or the Acquired Company or limit the freedom of Seller, any Selling Affiliate or the Acquired Company to engage in any line of business or to compete with any Person;

(viii) any commitment to make any capital expenditure or to purchase a capital asset in excess of two hundred, fifty thousand Dollars ($250,000);

(ix) any Assumed Contract for the creation or formation of a joint venture, partnership or limited liability company;

(x) any Assumed Contract relating to any indebtedness for borrowed money, guaranty, surety, line of credit or other loan or financing arrangement;

(xi) any collective bargaining agreement or any Assumed Contract with any labor union or other employee representative of a group of employees; or

(xii) any Assumed Contract involving a sharing of profits, losses, costs, or Liabilities of the Business with any other Person; and

(xiii) any Assumed Contract not otherwise described in clauses (i) through (xii) above to which Seller, a Selling Affiliate or the Acquired Company is a party or is otherwise bound, which is material to the Acquired Company or the Business;

(collectively, the "***Material Business Contracts***").

(b) Seller has made available to Purchaser a true and complete copy of each Material Business Contract.

(c) Except as would not reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 4.14(c), 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).

(d) Except as set forth on Schedule 4.14(d), (i) there are no defaults under any Material Business Contract by Seller, any Selling Affiliate or the Acquired Company, other than those, in the case of the Debtor Contracts, that will be cured upon payment of the Cure Costs and entry of the Approval Order; and (ii) to the Knowledge of Seller,

there is no breach of any Material Business Contract by the other party or parties to it, nor has Seller or any Selling Affiliate or Acquired Company received notice or other communication regarding any actual, alleged, possible or potential breach of any Material Business Contract.

Section 4.15. Customers and Suppliers.

Schedule 4.15(a) lists the names and addresses of the 20 largest customers and the 20 largest suppliers of the OEM Business and of the 20 largest customers and the 20 largest suppliers of the Aftermarket Business (measured in each case by Dollar volume of purchases or sales during the years ended December 31, 2004 and 2005 respectively) (the 20 largest customers of each of the OEM Business and the Aftermarket Business being, collectively, the "***Major Customers***" and the 20 largest suppliers of each of the OEM Business and the Aftermarket Business being, collectively, the "***Major Suppliers***"). Except as set forth on Schedule 4.15(b), there exists no actual, and Seller has no Knowledge of any threatened, termination, cancellation or material limitation of, or any material change in, any business relationship with any Major Customer or Major Supplier. Except as set forth on Schedule 4.15(b), to Knowledge of Seller, no Major Customer has any right to any credit or refund for products sold or services rendered by the Business pursuant to any Contract, understanding or practice of the Business other than pursuant to the normal course return policy of the Business or other normal course of dealing with particular customers described in Schedule 4.15(a).

Section 4.16. Employee Benefits.

(a) Schedule 4.16(a) contains a complete and accurate list of each Seller Employee Benefit Plan. Seller has made available to Purchaser, to the extent applicable to any such Seller Employee Benefit Plan, other than any Seller Employee Benefit Plan which is a Multiemployer 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, (iv) with respect to the Assumed Benefit Plans, to the extent applicable, the most recent actuarial reports, and (v) to the extent applicable, the most recent determination letter with respect to each Seller Employee Benefit Plan.

(b) Each Assumed Benefit Plan, other than any Seller Employee Benefit Plan which is a Multiemployer Plan, has been maintained, operated and administered in compliance with its terms and the applicable provisions of ERISA, the Code and other 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) Each Assumed Benefit Plan, other than an Assumed Benefit Plan which is a Multiemployer 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 4.16(d), there is no audit or investigation pending (other than routine qualification or registration determination filings) with respect to any Assumed Benefit Plan, other than an Assumed Benefit Plan which is a Multiemployer 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 an Assumed Benefit Plan made by any participating employee.

(f) With respect to each Assumed Benefit Plan: (i) Seller has, or will prior to Closing have, disclosed all of the benefit formulas, schedules of benefits or other plan terms creating obligations to pay benefits or match contributions under such plan; and (ii) all contributions, premiums, expenses and other payments required to be made by Seller or the Acquired Company by the Closing Date have been or will be made prior to the Closing Date. For each Assumed Benefit Plan, other than an Assumed Benefit Plan which is a Multiemployer 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 Code Section 412(m).

(g) Except as set forth on Schedule 4.16(g), no Seller Employee Benefit Plan is a "multiemployer plan" as defined in Section 3(37) of ERISA, and neither the Seller nor the Acquired Company is obligated to make contributions to a multiemployer plan on behalf of any Business Employee or Acquired Company Employee, or has any Liabilities under any multiemployer plan. Neither Seller nor the Acquired Company 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 plan. To Seller's knowledge, no multiemployer plan listed on Schedule 4.16(g) is in reorganization status under ERISA Section 4241.

(h) Neither Seller nor the Acquired Company is a party to any employment agreement, contract or other compensation or severance agreement with any Business Employee, with the exception of the Retention Agreements or as described in Schedule 4.16(h).

Section 4.17. Labor and Employment.

(a) Set forth on Schedule 4.17(a) is a true and complete list, as of the date hereof, of each labor or collective bargaining agreement to which Seller or one of its Subsidiaries is a party that covers any of the Acquired Company Employees or Business Employees.

(b) Set forth on Schedule 15.3 is a true and complete list, as of the date hereof, of all Acquired Company Employees. Set forth on Schedule 15.45 is a true and complete

list, as of the date hereof, of all Business Employees. Set forth on Schedule 4.17(b) is a true and complete list, as of the date hereof, of each management level Acquired Company Employee, Business Employee, or other individual performing consulting, personal or managerial services for the Business who is entitled to receive base salary, compensation or fees in excess of $75,000 per year, or the equivalent thereof. Seller has made available to Purchaser a true and correct copy of each employment, consulting or personal services contract covering any individual listed in Schedule 4.17(b).

(c) Except as set forth on Schedule 4.17(c), since January 1, 2003, no labor organization has made a written demand against Seller or any of its Subsidiaries 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 Seller or any of its Subsidiaries involving any Business Employees or, to the Knowledge of Seller, threatened in writing to be brought or filed against Seller or any of its Subsidiaries Related to the Business with the United States National Labor Relations Board or other labor relations tribunal. Except as set forth on Schedule 4.17(c), to the Knowledge of Seller, there is no ongoing organizing activity involving Business Employees pending or, to the Knowledge of Seller, threatened in writing by any labor organization or group of Business Employees.

(d) To the Knowledge of Seller, except as would not reasonably be expected to have a Material Adverse Effect, or as set forth on Schedule 4.17(d), there are no (i) strikes, work stoppages, slowdowns or lockouts, (ii) material grievances, arbitrations or other material labor disputes or proceedings pending or threatened in writing against or involving any Business Employees, or (iii) material unfair labor practice charges, grievances or complaints pending or threatened in writing by or on behalf of any Business Employees.

(e) To the Knowledge of Seller, except as would not reasonably be expected to have a Material Adverse Effect, the Acquired Company will at Closing be in compliance with all Laws and Orders Related to the Business relating to the employment of its employees, including all such Laws and Orders relating to wages, hours, collective bargaining, employment 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.

(f) To the Knowledge of Seller, except as would not reasonably be expected to have a Material Adverse Effect, since January 1, 2003 and prior to Closing, the Acquired Company will not have incurred any obligation or liability under the WARN Act or any comparable state or local law or ordinance which remains unsatisfied.

(g) Set forth on Schedule 4.17(g) is a true and complete list, as of the date hereof, of each works council, union, labor organization, employee group or Governmental Body who Seller must notify, consult with, or negotiate the effect, impact or terms or timing of the transactions contemplated by this Agreement, and Seller, its Selling Affiliates and the Acquired Company have taken, and will take, all steps required

to complete such notifications, consultations and negotiations on a timely basis prior to Closing. Upon and after Closing, Purchaser or its Designated Affiliates, will take all steps required to provide all notifications, consultations and negotiations on a timely basis to such entities.

Section 4.18. Litigation.

(a) As of the date hereof and except for the filing of the Cases, there is no Legal Proceeding pending or, to the Knowledge of Seller, threatened in writing against Seller or any of its Subsidiaries that challenges, or questions the validity of, this Agreement, any Seller Closing Document 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 for the filing of the Cases, Schedule 4.18(a) sets forth a true and correct list of all material pending or, to the Knowledge of Seller, threatened Legal Proceedings relating to or affecting the Business, the Purchased Assets, the Acquired Company, or, to the Knowledge of Seller, ARC in which Seller or any of its Subsidiaries is a party or to which the Acquired Company, or, to the Knowledge of Seller, ARC is a party.

(b) Schedule 4.18(b) lists each Order to which Seller or any Selling Affiliate (in each case relating to the Business), the Acquired Company, any of the Purchased Assets or any of the assets owned or used by the Acquired Company or, to the Knowledge of Seller, ARC, is subject, other than such Orders that, individually or in the aggregate would not have, and would not reasonably be expected to have, a Material Adverse Effect.

Section 4.19. Compliance with Laws; Permits.

(a) Except with respect to Real Property matters and Environmental matters, which are addressed solely in Sections 4.11 and 4.20, respectively, with respect to the Business conducted by it, Seller, each Asset Selling Affiliate, the Acquired Company and, to the Knowledge of Seller, ARC is in material compliance with all applicable Laws and all decrees, orders, judgments and Permits of or from Governmental Bodies.

(b) To the Knowledge of Seller, neither Seller, nor any Selling Affiliate, nor the Acquired Company nor ARC, nor any of their respective officers, directors, employees, consultants, representatives, agents or Affiliates has violated or is in violation of the Foreign Corrupt Practices Act of 1977 (the "***FCPA***"), or any other applicable Law of similar effect, including Laws implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

(c) Schedule 4.19(c) contains a complete and accurate list of each material Permit that is held by Seller or any Selling Affiliate relating to the Business or by the Acquired Company or, to the Knowledge of Seller and solely with respect to Real Property at which ARC is situate, ARC, all of which are valid and in full force and effect. Except with respect to Environmental matters, which are addressed solely in Section 4.20, Seller, each Selling Affiliate, the Acquired Company and, to the Knowledge of

Seller and solely with respect to Real Property at which ARC is situate, ARC, is in material compliance with all of the terms and requirements of each such Permit. Neither Seller nor any of its Subsidiaries nor, to the Knowledge of Seller and solely with respect to Real Property at which ARC is situate, ARC, has received, at any time since December 31, 2005, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential contravention of any Permit. All applications required to have been filed for the renewal of such Permits have been duly filed on a timely basis with the appropriate Governmental Bodies. All such Permits are renewable by their terms or in the ordinary course of business without the need to comply with any special qualification procedures or to pay any amounts other than routine fees or similar charges.

(d) Except with respect to Environmental matters, which are addressed solely in Section 4.20, to Seller's Knowledge, the Permits listed in Schedule 4.19(c) collectively constitute all of the Permits materially necessary to permit Seller, each Asset Selling Affiliate, the Acquired Company and ARC to conduct and operate the Business lawfully in the manner in which it currently conducts and operates the Business and to permit Seller, each Asset Selling Affiliate and ARC to own and use the Purchased Assets in the manner in which it currently owns and uses the Purchased Assets and the Acquired Company to own and use its assets in the manner in which it currently owns and uses such assets.

Section 4.20. Environmental Matters.

(a) Seller has made available to Purchaser or its representatives all material information in its possession, custody or reasonable control that concerns the Business, the Acquired Company, or the Real Property with regard to:

(i) any actual or alleged violation of, or liability under, any Environmental Law, including any Permit that is required under any Environmental Law;

(ii) all Permits held by Seller, any Seller Affiliate or the Acquired Company that are required under any Environmental Law;

(iii) any Release of Hazardous Material on any Real Property;

(iv) any Remedial Action currently being conducted, or completed within the last five years, at any Real Property;

(v) any written or, to the Knowledge of Seller, oral notice of a pending or threatened Legal Proceeding, investigation, claim, demand or notice having been filed or commenced against Seller, any Seller Affiliate or the Acquired Company alleging (A) a toxic tort claim, or (B) the failure of the Business to comply with, or liability of the Business under, any Environmental Law;

(vi) any alleged exposure of any Person to lead or lead dust as a result of the operation of the Business, or test results, employee records or other

information identifying elevated blood lead levels in any employee of the Business;

(vii) asbestos containing materials present at any Real Property in any form or condition;

(viii) nonprivileged material environmental audits and reports (including investigation and remedial action reports) relating to the Business or the Owned Real Property; and

(ix) environmental budgets and reserve accounts, including any supporting calculations, relating to potential Liabilities of the Business under Environmental Law.

(b) Except as set forth on Schedule 4.20, with respect to the Business, (i) no claim, demand, or notice has been filed or received, nor any Legal Proceeding commenced, alleging Liability of Seller, any Seller Affiliate, the Acquired Company or ARC in connection with exposure of any Person to asbestos, silica, mixed dust, lead or lead dust, and (ii) Seller, the Seller Affiliates, the Acquired Company and, to the Knowledge of Seller, ARC have never utilized asbestos as a raw material, component or otherwise in connection with the production, sale or distribution of products in connection with the Business.

(c) Except as set forth on Schedule 4.20, none of the Seller, Seller Affiliate, the Acquired Company or, to the Knowledge of Seller, ARC has been identified or listed as a potentially responsible party or responsible party under CERCLA in connection with the Business. Except as set forth on Schedule 4.20, the Real Property is not listed or formally proposed to be listed on the National Priorities List or any similar list.

Section 4.21. Ownership of Necessary Assets and Rights.

(a) Except for (a) the Intellectual Property covered by Section 7.8, (b) those assets and services to be provided pursuant to the terms of the Transition Agreements, and (c) those assets and services listed on Schedule 4.21(a), the Purchased Assets and the assets owned, leased or used by the Acquired Company that are not Excluded Assets on the Closing Date will be in all material respects sufficient for the conduct of the Business immediately following the Closing in substantially the same manner as currently conducted.

(b) Seller and each of the Asset Selling Affiliates has good and marketable title to all of the Purchased Assets (other than the Real Property), free and clear of any Liens other than Permitted Liens and will at Closing have good and marketable title to all of the Purchased Assets (other than the Real Property), free and clear of any Liens other than Permitted Liens.

(c) The Acquired Company will at Closing have good and marketable title to, or in the case of leased assets, valid leasehold interests in, all of the assets (other than the

Real Property), used or held for use by it, free and clear of any Liens other than Transferred Liens.

(d) As of the Closing, none of Seller's Subsidiaries, other than the Asset Selling Affiliates and the Acquired Company, will own or lease any of the Purchased Assets, or conducts any part of the Business.

Section 4.22. Insurance.

(a) Seller and each Asset Selling Affiliate maintains in full force and effect insurance covering its insurable business risks and Liabilities in amounts deemed in Seller's reasonable discretion to be adequate amounts to provide reasonable protection for the Purchased Assets. Schedule 4.22 sets forth a brief description of all claims for which Seller or an Asset Selling Affiliate, or any Person on its behalf, has provided notice to any insurer or otherwise sought coverage under any insurance policy issued to Seller or any Selling Affiliate in connection with the Business for the current policy year. Seller and each Asset Selling Affiliate has materially complied with each such insurance policy and has not failed to give any notice or present any claim thereunder in a due and timely manner which failure would reasonably be expected to result in a loss or forfeiture of any material right thereunder.

(b) ARC is an additional named insured under Seller's group commercial general liability insurance policies for accidents and claims made in the United States and Canada for the 12-month period ended May 31, 2006, details of which have been provided by Seller to Purchaser.

Section 4.23. Relationship with Related Persons.

Except as expressly provided herein, following the Closing neither Seller nor any Affiliate of Seller nor any Related Person thereof will have any interest in any material property (whether real, personal or mixed and whether tangible or intangible) used in or pertaining to the Business. As of the Closing Date neither Seller nor any Affiliate of Seller nor any Related Person thereof will own (of record or as a beneficial owner), a material equity interest or any other material financial or profit interest in a Person that (a) will have business dealings or a material financial interest in any transaction with the Business or (b) will engage in competition with the Business with respect to any line of the products or services of the Business in any market presently served by the Business, except through an investment of less than 5% of the outstanding capital stock of any competing business that is publicly traded on any recognized exchange or in the over-the-counter market. Except as expressly provided herein, following the Closing, neither Seller nor any Affiliate or Seller nor any Related Person thereof will be a party to any Contract with, or has any claim or right against, the Business.

Section 4.24. 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 (b) no 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 4.25. Disclaimers of Seller.

EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY TRANSITION AGREEMENT OR OTHER AGREEMENT DELIVERED OR TO BE DELIVERED PURSUANT TO THIS 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 AND THE ACQUIRED COMPANY, THE HANDLING, TRANSPORTATION, POSSESSION, PROCESSING, FURTHER MANUFACTURE OR OTHER USE OR RESALE OF ANY OF THE PURCHASED ASSETS OR THE ASSETS OF THE ACQUIRED COMPANY AFTER THE CLOSING DATE, WHETHER SUCH PURCHASED ASSETS OR THE ASSETS OF THE ACQUIRED COMPANY ARE USED OR RESOLD ALONE OR IN COMBINATION WITH OTHER ASSETS OR MATERIALS, AND (E) PURCHASER ACKNOWLEDGES THAT THE PURCHASED ASSETS AND THE ACQUIRED COMPANY 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 COMPANY 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 AND THE ACQUIRED COMPANY TO COMPLETE SUCH INVESTIGATION OR EXAMINATION.

Section 4.26. 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.

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, and each of its Designated Affiliates will at Closing be, an entity duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its incorporation and has, and each of its Designated Affiliates will at Closing have, 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, and each of its Designated Affiliates will at Closing have, full corporate 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 and its Designated Affiliates 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 Designated Affiliates 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 of each Purchaser Closing Document has been duly authorized by all requisite corporate action on the part of Purchaser and the execution, delivery and performance by Purchaser's Designated Affiliates of each of the Purchaser Closing Documents to which it is to be a party will have been duly authorized by all requisite corporate action on the part of such Designated Affiliates, as applicable, prior to Closing.

Section 5.3. Consents and Approvals.

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 Purchaser or any Designated Affiliate 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, except for compliance with the applicable requirements of any competition or antitrust laws, including (x) the HSR Act and/or (y) EC Merger Regulation and (z) such other antitrust authorities that may require notification and approval of the transaction.

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 and its Designated Affiliates of this Agreement and Purchaser Closing Documents, the consummation of the transactions contemplated hereby or thereby or the compliance by Purchaser and its Designated Affiliates 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 Purchaser or any of its Designated Affiliates or (b) violate, result in the breach of, or constitute a default under any Order by which Purchaser or any of its Designated Affiliates 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 or its Designated Affiliates 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 or any of its Designated Affiliates that challenges, or questions the validity of, this Agreement, the Purchaser Closing Documents or any action taken or to be taken by Purchaser or any of its Designated Affiliates 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, in the form of cash and cash equivalents belonging to the Purchaser and its Affiliates, to consummate the transactions contemplated by this Agreement (including payment by Purchaser of the Initial Cash Consideration and all associated costs and expenses). 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 Crowe Capital Markets LLC ("***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 Shares, 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 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) 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.

ARTICLE VI

COVENANTS OF SELLER

From and after the date hereof and until the Closing (except with respect to Sections 6.10 and 6.15(b), which shall survive the Closing in accordance with their terms), Seller hereby covenants and agrees that:

Section 6.1. Access.

Seller shall, and shall cause its Subsidiaries to, (a) afford to Purchaser and its representatives reasonable access to senior management of the Business to answer Purchaser's questions concerning the business operations and affairs of the Business, corporate records, books of accounts, Assumed Contracts, financial statements and all other documents (excluding confidential portions of personnel and medical records) Related to the Business reasonably

requested by Purchaser, (b) subject to appropriate "firewall" arrangements, make available to Purchaser and its representatives all such corporate records, books of accounts, Assumed Contracts, financial statements and other documents related to the Business as Purchaser may reasonably request, (c) permit Purchaser and its representatives reasonable access to the Real Property (including for the purposes of subsurface testing and Purchaser shall indemnify Seller for any Losses associated with such access and testing (provided, however, that, in the event the Closing does not occur, Purchaser shall not indemnify Seller for any Losses relating to any discovery of pre-existing contamination and, in the event Closing does occur, Purchaser shall only indemnify Seller to the extent that any such Losses are Assumed Environmental Liabilities), and (d) subject to Section 7.1 and appropriate "firewall" arrangements, afford to Purchaser and its representatives reasonable access to customers and suppliers of the Business (but in each case 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.

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, and shall 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) use its commercially reasonable efforts to (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) except for changes resulting from transactions in the ordinary course, manage the level of its inventories, supplies, accounts receivable and accounts payables 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 in an amount not in excess of ten million Dollars ($10,000,000) in the aggregate 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 Liens) on any such property or assets except in the ordinary course of business or with respect to property or assets not in excess of one hundred thousand Dollars ($100,000**)** in the aggregate;

(d) make, or enter into commitments for, capital expenditures in excess of two hundred, fifty thousand Dollars ($250,000) individually or two million Dollars ($2,000,000) in the aggregate;

(e) not enter into any Contracts in connection with the Business, except for Contracts made in the ordinary course of business or Contracts approved by the Bankruptcy Court;

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

(g) not engage in any transactions with, or enter into any 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, or for any such transactions or Contracts approved by the Bankruptcy Court;

(h) not enter into, adopt, amend or terminate any Contract relating to the compensation or severance entitlement of any employee employed in the Business, except (i) continuations of the Assumed Retention Agreements for a one-year period from December 31, 2006 on the same terms and conditions, (ii) in the ordinary course of business (which shall be deemed to exclude any amendment to or continuation of the Assumed Retention Agreements except as provided in clause (i) above), (iii) to the extent required by Law or any existing Contracts, (iv) to terminate the employment of any Business Employee for cause; or (v) to the extent approved by the Bankruptcy Court;

(i) other than in the ordinary course of business, not accelerate the rate of collection of accounts receivable or otherwise effect any material change in the general practices of invoicing customers, collecting debts, setting fees, providing discounts or writing off work-in-process;

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

(k) not institute, settle or agree to settle any Legal Proceedings, except for debt collection in the ordinary course of business not exceeding one hundred thousand Dollars ($100,000) or any objections in the Cases to proofs of claim which assert Excluded Liabilities;

(l) not make, or announce any proposal to make, any material change or addition (whether immediate, conditional or prospective) to the terms and conditions of employment of any of the Business Employees or employees of the Acquired Company that would result in a material increase in the value of the compensation package for the affected Business Employees;

(m) not make or agree to make any payment or agree to provide any benefit to any Business Employee or employee of the Acquired Company, or any of their

dependants, in connection with the consummation of the transactions contemplated by this Agreement, other than the Retention Agreements;

(n) other than in the ordinary course of business, not permit any registrations of Intellectual Property to lapse;

(o) not create, issue or sell any shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire the shares of, the capital stock or equity interests of the Acquired Company or to the extent within the control of Seller or any of its Affiliates, any Transferred JV; and

(p) not agree to take any action or actions prohibited by any of the foregoing clauses (a) through (o).

Section 6.3. Bankruptcy Actions.

(a) Prior to or within five (5) Business Days after the execution of this Agreement, Seller shall file with the Bankruptcy Court a motion (the ***"Sale Motion"***) seeking, among other things, entry of (i) an order approving (A) the bidding protections described and/or set forth in Article XIII 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 O hereto (the ***"Bidding Procedures Order"***), and (ii) an order approving this Agreement and the transactions contemplated hereby (including the sale of the Purchased Assets and the Purchased Shares to Purchaser and its Designated Affiliates free and clear of all Liens except the Transferred Liens, and the assumption and assignment of the Debtor Contracts) 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 P hereto (the ***"Approval Order"***).

(b) Seller shall use its reasonable best efforts to have the Bankruptcy Court (i) schedule a hearing on the Sale Motion to consider entry of the Bidding Procedures Order, (ii) enter the Bidding Procedures Order as soon as practicable following the date of such hearing, but in any case no later than forty-five (45) 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 ninety (90) days after the date hereof. Seller shall use its reasonable best efforts to cause the Bidding Procedures Order and the Approval Order to become Final Orders as soon as possible after their 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 propose to file with the Bankruptcy Court or any other court or tribunal which relate to (i) this Agreement or the transactions contemplated thereby; (ii) the Sale Motion; (iii) entry of the Bidding

Procedures Order or the Approval Order; or (iv) the establishment of the Cure Costs, 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, and shall cause the Debtor Sellers to, 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 the Approval Order. Notice of the Sale Hearing, the Sale Motion, and request for entry of the Approval Order and the objection deadline shall be served by Seller and the Debtor Sellers in accordance with Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure and any applicable local rules or requirements of the Bankruptcy Court on all Persons required to receive notice in the Cases under such rules, including, without limitation, all Persons which have asserted liens, encumbrances or other interests in the Purchased Assets, all non-debtor parties to all Acquired Intellectual Property license agreements, Assumed Contracts, Real Property Leases (including, without limitations, licensees, sublicenses and overlandlords), and other contracts included in the Purchased Assets, counsel to the official committee of unsecured creditors appointed in the Cases, the Office of the United States Trustee, the Debtors' pre-petition lenders, the Debtors' lenders under any Seller Financing, and indenture trustees for debt issued by Seller and the other Debtors, and each of the Seller's and the other Debtors' creditors (the "***Required Creditor Notices***"). In addition, notice of the Sale Motion, the Sale Hearing thereon and the objection deadline shall be given by Seller, on its own behalf and on behalf of the Debtors, by publication of a notice (the "***Publication Notice***") in USA Today and Automotive News (U.S., Europe and Asia editions). The Publication Notice shall be published at Seller's expense, and shall be in form and substance reasonably satisfactory to Purchaser.

(e) In the event an appeal is taken, or a stay pending appeal is requested from any of the Orders of the Bankruptcy Court in connection with the sale of the Purchased Assets, Seller shall, and shall cause the Debtor Sellers to, (a) take all steps as may be reasonable or appropriate to defend against such appeal or stay request, (b) immediately notify Purchaser of such appeal or stay request and (c) upon Purchaser's request, provide to Purchaser within three Business Days after Seller's or any Debtor's receipt thereof a copy of the related notice of appeal or stay pending appeal. Seller shall also provide Purchaser with written notice of any motion or application filed in connection with any appeal from any of such Orders.

Section 6.4. Bidding Procedures.

(a) Seller acknowledges that this Agreement is the culmination of an extensive process undertaken by Seller to identify and negotiate a transaction with a bidder who was prepared to pay the highest or otherwise best purchase price for the Purchased Assets and Purchased Shares while assuming or otherwise satisfying certain liabilities in order to maximize value for Seller's constituents. Seller agrees that the

bidding procedures (the "***Bidding Procedures***") to be employed with respect to this Agreement concerning the sale of the Purchased Assets and the Purchased Shares to Purchaser and its Designated Affiliates shall be employed as provided in Exhibit O, and the terms and conditions thereof are incorporated by reference and made an integral part of this Agreement as if fully set forth in this Section 6.4. The sale is subject to competitive bidding as set forth in the Bidding Procedures and approval by the Bankruptcy Court at the Sale Hearing under Sections 363 and 365 of the Bankruptcy Code. The Bidding Procedures and related bid protections are designed to compensate Purchaser for its efforts and agreements to date and to facilitate a full and fair process designed to maximize the value of the Purchased Assets and the Purchased Shares for the benefit of Seller's stakeholders.

(b) Within two (2) Business Days after receipt from a Qualified Bidder, Seller shall distribute a copy of each Qualified Bid to Purchaser by facsimile, hand delivery or overnight courier. As more fully set forth in the Bidding Procedures, if Seller does not receive any Qualified Bids, Seller will report the same to the Bankruptcy Court and will proceed with the Sale Hearing, its request for entry of the Approval Order and the sale and assignment of the Purchased Assets and the Purchased Shares to Purchaser and its Designated Affiliates pursuant to this Agreement. This Agreement executed by Purchaser shall constitute a Qualified Bid for all purposes.

Section 6.5. Exclusivity; No Solicitation of Transactions.

(a) Seller represents that, other than the transactions contemplated by this Agreement, neither Seller nor any of the Selling Affiliates are parties to or bound by any agreement with respect to a possible merger, sale, restructuring, refinancing or other disposition of all or any material part of the Business or the Purchased Assets or the Purchased Shares.

(b) Prior to the entry of the Bidding Procedures Order on the Bankruptcy Court's docket, Seller shall not, and shall cause its Subsidiaries not to, directly or indirectly, (a) negotiate or execute an agreement with respect to an Alternative Transaction, or (b) seek or support Bankruptcy Court approval of a motion or Order inconsistent in any way with the transactions contemplated by this Agreement.

(c) Subsequent to the entry of the Bidding Procedures Order on the Bankruptcy Court's docket, Seller shall comply with the Bidding Procedures Order.

Section 6.6. Compliance with Bidding Procedures; Maintenance of Confidentiality.

Seller shall provide or make available to Purchaser any non-public material information with respect to Seller and its Subsidiaries that is provided to any potential purchaser in accordance with the Bidding Procedures. Seller shall not release any Person from, or waive any provisions of, any confidentiality agreement entered into in accordance with the Bidding Procedures. Seller shall use its reasonable best efforts to maintain the confidentiality of non-public information in the Schedules to this Agreement. In the event any Person seeks to obtain such Schedules without complying with the Bidding Procedures or any applicable confidentiality

agreement with the Debtors, Seller shall use its reasonable best efforts to seek and obtain a protective order with respect thereto.

Section 6.7. Consents and Conditions.

(a) Seller shall use its reasonable best efforts to (i) obtain all necessary consents, approvals or waivers from, and give any necessary notifications to, third parties; and (ii) make all registrations and filings with all Governmental Bodies (including but not limited to those in connection with the HSR Act and the EC Merger Regulation). In furtherance of the foregoing, except with respect to approval by the Bankruptcy Court (in connection with which the provisions of Section 6.3 shall apply), within five (5) Business Days after the date of this Agreement, Seller shall, using its reasonable best efforts, begin taking all steps reasonably necessary to make or cause to be made by or on behalf of Seller or one if its Subsidiaries (as the case may be) all registrations and filings with all applicable Governmental Bodies (including those in connection with the HSR Act and the EC Merger Regulation) in connection with the transactions contemplated by this Agreement, and shall thereafter use its reasonable best efforts to obtain all necessary actions or non-actions, waivers, consents and approvals from all such Governmental Bodies as promptly as practicable. The Seller shall use its reasonable best efforts to avoid the issuance of a Request for Additional Information and Documentary Material ("***Second Request***") under 15 U.S.C. § 18a(e)(2) in the United States and to assist the Purchaser to avoid the issuance of a decision under Article 6(1)(c) of the EC Merger 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.

(b) Seller shall keep Purchaser reasonably apprised of the status of matters relating to any of the matters referred to in Section 6.7(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 or on behalf of Seller or any of its Subsidiaries, and all correspondence between Seller or any of its Subsidiaries (and its or their advisors) with any Governmental Body and any other information supplied by Seller or any of 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 Purchaser in connection with, any proposed written communication to

any Governmental Body in connection with the matters referred to in this Section 6.7. 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, deemed advisable by the parties, agrees to give Purchaser the opportunity to attend and participate.

(c) Seller shall, using its reasonable best efforts, cooperate with the Purchaser and take all steps reasonably necessary to assist the Purchaser in timely transferring all Permits, including those required under Environmental Law.

Section 6.8. Updating of Information.

(a) Between the date hereof and the Closing Date, Seller will promptly notify Purchaser if Seller obtains knowledge of (a) any facts or circumstances that cause or constitute a material breach of any of Seller's representations and warranties as of the date of this Agreement, or (b) the occurrence after the date of this Agreement of any facts or circumstances that would cause or constitute a material breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of such facts or circumstances. If the relevant breach is capable of being cured and Seller states in such notice that it intends to cure the relevant breach, then Purchaser shall not be entitled to exercise its right, if applicable, to terminate this Agreement pursuant to Section 13.1(f)(i) on the basis that the conditions set forth in Section 8.1 are not capable of being satisfied, for twenty (20) Business Days from the date of Purchaser's receipt of such notice (the "Cure Period"). If such breach is not cured within the Cure Period, then Purchaser shall be entitled to exercise its right, if applicable, to terminate this Agreement pursuant to Section 13.1(f)(i) on the basis that the conditions set forth in Section 8.1 are not capable of being satisfied; *provided*, however, that if Purchaser is entitled to but does not exercise such right within a period of twenty (20) Business Days following the expiration of the Cure Period, then Purchaser shall be deemed to have elected to waive its right to terminate this Agreement pursuant to Section 13.1(f)(i) on the basis that the conditions set forth in Section 8.1 are not capable of being satisfied, in respect of the fact or circumstance in question and the Seller's Schedules hereto shall be amended as necessary to reflect the relevant fact or circumstance and Purchaser shall have no rights against Seller pursuant to Section 11.2(a)(i) in respect of such breach or potential breach nor any right not to proceed with the Closing based on such breach or potential breach.

(b) Notwithstanding anything to the contrary in this Agreement, Purchaser shall be entitled to be indemnified after Closing pursuant to Section 11.2(a)(i) from and against any and all Losses arising out of resulting from any facts or circumstances of which Purchaser is notified after the date of this Agreement and which cause or constitute a material breach of any of Seller's representations and warranties as of the date of this Agreement but which do not permit Purchaser to terminate this Agreement pursuant to Section 13.1(f)(i).

Section 6.9. Intercompany Agreements and Accounts.

Effective as of the Closing Date and subject to the Bankruptcy Court Orders, except as otherwise contemplated hereby or by any Transition Agreement or as contemplated by Schedule 1.3(n), Schedule 1.4, or Schedule 1.6(f), all intercompany receivables, payables, loans and investments then existing, if any, between or among Seller and/or any of its Subsidiaries (other than the Acquired Company), on the one hand, and the Acquired Company, on the other hand, shall be terminated, forgiven or settled, including by way of capital contribution or by way of dividend in kind or otherwise as appropriate. Seller will use commercially reasonable efforts to ensure that there are no negative Tax implications or consequences for the Acquired Company at or after Closing as a result of such termination, forgiveness or settlement.

Section 6.10. Litigation Support.

In the event and for so long as Purchaser or any of its Affiliates 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, and cause its Subsidiaries to cooperate, with Purchaser, any of Purchaser's Affiliates and its or 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 Purchaser (unless Purchaser is entitled to indemnification therefor under Article XI).

Section 6.11. Ancillary Agreements.

As soon as reasonably practicable after the date of this Agreement and in any event prior to Closing, Seller and Purchaser shall agree the form of those documents to be delivered at Closing pursuant to Article III and which do not form Exhibits to this Agreement as of the date hereof, including without limitation the Transition Services Agreement (which shall be on commercially reasonable terms) and any Escrow Agreements (collectively, the "***Ancillary Agreements***").

Section 6.12. Interim Financial Statements.

Seller will deliver to Purchaser, as soon as reasonably practicable and in any event by no later than the last Business Day of the following calendar month, financial statements (including statements of net assets and income statements) for the Business for such calendar month prepared in accordance with GAAP, except as set forth in Schedule 4.7(a), and on a basis consistent with the Financial Statements.

Section 6.13. Further Actions.

(a) Until the Closing, Seller agrees not to take, and to cause its Affiliates not to take, any action in the Cases in connection with proposing or confirming any plan of reorganization that would limit, impair or alter Purchaser's rights under this Agreement.

(b) Seller shall, upon written request from Purchaser, use its commercially reasonable efforts, before Closing, to assist Purchaser and its Designated Affiliates in entering into arrangements with third parties that are reasonably equivalent to those arrangements between Seller or Seller's Affiliates and such third parties under the terms of global or national contracts of Seller or Seller's Affiliates that are not Related to the Business but which partially pertain to the Business; provided, however, that Seller not be obliged to pay any third party costs, fees or expenses (other than, for the avoidance of doubt, its own attorneys' fees) pursuant to this Section 6.13(b).

(c) Seller shall use its commercially reasonable best efforts, before Closing, to acquire good and marketable title to the Owned Real Property described on Schedule 4.11(d).

Section 6.14. Title Insurance.

(a) No later than 10 Business Days prior to Closing, Seller will furnish to Purchaser for each parcel of Owned Real Property located in the United States listed on Schedule 4.11(a) as a parcel for which title insurance is to be obtained (the "***Insured Real Property***") (i) a title commitment (each, a "***Title Commitment***") issued by First American Title Insurance Company (the "***Title Insurer***") to insure title to each such parcel, including all insurable appurtenances, naming Purchaser or its Designated Affiliate as the proposed insured (collectively, the "***Title Commitments***"), (ii) complete copies of all recorded exception documents listed on the Title Commitments (the "***Recorded Documents***"), and (iii) a survey of the Insured Real Property made after the date of this Agreement by a land surveyor licensed by the state in which each parcel of Insured Real Property is located and bearing a certificate, signed and sealed by the surveyor, certifying to Seller, Purchaser and the Title Insurer that (A) such survey was made in accordance with "2005 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys," and includes Items 1-4, 6, 7(a), 7(b)(1), 7(c), 8-11(a), and 13 of Table A thereof, and (B) such survey reflects the locations of all building lines, easements and areas affected by any Recorded Documents affecting the applicable parcel of Insured Real Property, as disclosed in the Title Commitment (identified by issuer, commitment number, and an effective date after the date hereof) as well as any encroachments onto the Insured Real Property or by the Improvements onto any easement area or adjoining property (each, a "***Survey***").

(b) If (i) any Title Commitment or other evidence of title or search of the appropriate real estate records discloses that any party other than Seller or one of the Asset Selling Affiliates is vested with title to the insured estate covered by the Title Commitment, (ii) any title exception is disclosed in Schedule B to any Title Commitment which Purchaser reasonably believes could materially and adversely affect Purchaser's and its Designated Affiliates' use and enjoyment of the Insured Real Property described therein (other than an exception that Seller specifies when delivering the Title Commitment to Purchaser as one that Seller will cause to be deleted from the Title Commitment concurrently with the Closing) or (iii) any Survey discloses any matter which Purchaser reasonably believes could materially and adversely affect Purchaser's and its Designated Affiliates' use and enjoyment of the Insured Real Property described

therein, then Purchaser will notify Seller in writing of such matters within ten (10) days after receiving all of the Title Commitments, Surveys, and copies of Recorded Documents for the parcel of Insured Real Property covered thereby (including any revisions or amendments to the Title Commitments and Surveys that may be delivered prior to Closing). Seller will use its commercially reasonable best efforts to cure each such title objection prior to Closing. In the event Seller fails to cure any such objectionable matter, Purchaser as its sole and exclusive remedy may terminate this Agreement upon written notice to Seller if such objectionable matters constitute a Material Adverse Effect.

(c) Payment of all costs in connection with the Title Commitments and Surveys shall be borne equally by Purchaser and Seller**.**

Section 6.15. Insurance.

(a) Until the Closing Date, Seller will continue to maintain in effect insurance in amounts deemed by Seller in its reasonable discretion to be adequate coverage of the Purchased Assets. With respect to any damage or destruction to or of any of the Purchased Assets prior to the Closing Date for which Seller or any Affiliate of Seller would be entitled to assert a claim for recovery under any insurance policy maintained with any third party insurance carrier by or for the benefit of Seller of any Affiliate of Seller in respect of the Purchased Assets, at the request of Purchaser, Seller will use commercially reasonable efforts to assert one or more claims under such insurance covering such damage or destruction. In the case of any damage to or destruction of any Purchased Assets occurring prior to the Closing that is covered by an insurance policy maintained by Seller or any Affiliate of Seller with any third party insurance carrier, Seller shall deliver all insurance proceeds realized therefrom to Purchaser or its Designated Affiliate at Closing or as soon thereafter as collected by Seller or Sellers' relevant Affiliate.

(b) Seller shall, before and after Closing, maintain with respect to ARC through the end of the current policy year for each such policy all commercial general liability insurance policies in effect with respect to ARC as of the date hereof to the extent such policies cover injury to persons or damage to property resulting from the ARC Product Issue (the "***Products Policies***"). Seller will take no action, and will cause its representatives and Affiliates not to take any action, that would adversely affect ARC's rights as an additional named insured under the Products Policies for the period beginning on June 1, 2005 and ending on May 31, 2006 and the period beginning on June 1, 2006 and ending on May 31, 2007 with respect to the ARC Product Issue. Seller agrees to give notice of the ARC Product Issue to all relevant insurance carriers in respect of the Products Policies, including without limitation Twin City Fire Insurance Company and St. Paul Fire and Marine Insurance Company, promptly after the date hereof. Notwithstanding the fact that Seller is of the view that, based upon all facts currently available to them as of the date hereof, there is no credible basis for any claim against ARC arising out of the ARC Product Issue, ARC's right to make claims for injury or loss under the Products Policies includes the right to make claims for Losses relating to the ARC Product Issue. Any amount paid by Seller or any of its Affiliates to ARC pursuant

to Seller's obligations under Section 11.2(a)(iv) or to the relevant insurance carrier pursuant to a reimbursement obligation under a fronted insurance policy, in each case as a result of the application of any deductible or self-insured amount for Losses relating to the ARC Product Issue under the Product Policies will count against the ARC Product Indemnity Cap under Section 11.4.

Section 6.16. Affinia Agreements.

(a) The parties acknowledge and agree that it is intended that the Affinia Agreements, to the extent applicable to the Business, be assigned to the Purchaser at Closing on an "as is" basis (the "***Affinia Agreements Transfer***").

(b) The parties further acknowledge and agree that, in order to achieve the Affinia Agreements Transfer, it will be necessary to obtain the consent of Affinia (the "***Affinia Consent***") to (a) the splitting of the Brazil Distribution Agreement, the Brazil Trademark License Agreement, the Argentine Commission Agreement, the Argentina Trademark License Agreement, and the Dana Global Sales Agreement, in each case so as to result in agreements in respect of the Business and the business retained by Dana, respectively (the split agreements relating to the Business being the "***Affinia Split Agreements***"), and (b) the assignment of the Affinia Split Agreements from the Seller and its relevant Affiliates to the Purchaser and its relevant Affiliates.

(c) The parties agree to use reasonable best efforts to obtain the Affinia Consent as soon as reasonably practicable after the date of this Agreement and in any event by no later than Closing.

ARTICLE VII

COVENANTS OF PURCHASER

From and after the date hereof and until the Closing (except with respect to Sections 7.2 (in accordance with the terms of which Seller also covenants and agrees to be bound), 7.7, 7.8, and 7.9, 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 written consent of Seller (acting in accordance with its obligations set forth in Section 6.1), Purchaser shall not contact any suppliers to, or customers of, the Business or any Business Employees or Acquired Company Employees in connection with or pertaining to any subject matter of this Agreement or the Transition Agreements.

Section 7.2. Cure of Defaults.

Set forth on Schedule 7.2 is a list of the costs that pursuant to Bankruptcy Code Section 365(b) will be required to cure any default on the part of Seller or any of the Debtor Sellers under the Debtor Contracts, which Cure Costs must be delivered to the nondebtor under the Debtor Contracts, or with respect to which adequate assurance of prompt delivery by Seller and

the other Debtors must be provided as a prerequisite to the assumption of such Debtor Contracts under Bankruptcy Code Section 365(a) (the "***Cure Costs***"). Appropriate additions and deletions shall be made to Schedule 7.2, and the Cure Costs shall be correspondingly amended, to reflect additions and deletions to Schedule 1.2(e) made from time to time in accordance with Section 1.7. In addition, Seller and the Debtor Sellers may amend Schedule 7.2 to adjust the Cure Cost for a particular Debtor Contract at any time prior to the assumption and assignment of such Debtor Contract. Subject to entry of the Approval Order and it becoming a Final Order, Purchaser shall within fourteen (14) days after the Closing pay the Cure Costs; provided that if the Cure Costs as determined by the Bankruptcy Court are greater than Three Million Dollars ($3,000,000) in the aggregate, Seller shall be responsible for such excess amount as an adjustment to the Final Consideration. In order to effect any such adjustment, the amount otherwise payable at Closing pursuant to Section 2.1(a) shall be reduced by an amount equal to the amount by which the Cure Costs that have been allowed by the Bankruptcy Court prior to the Closing exceed Three Million Dollars ($3,000,000). To the extent that the total of the Cure Costs finally allowed by the Bankruptcy Court exceed $3,000,000 on or after the Closing, the Purchaser shall pay the Cure Costs finally allowed by the Bankruptcy Court on any Debtor Contract which is assumed and assigned after the Closing in accordance with the requirements of the Approval Order or such other Order of Bankruptcy Court that approves the assumption and assignment of a Debtor Contract to Purchaser. Seller shall reimburse Purchaser for any such Cure Costs paid by Purchaser in excess of $3,000,000 which are not taken into account in the adjustment of the amount payable at Closing pursuant to Section 2.1(a) within 30 days of receiving documentation evidencing proof of payment of the Cure Costs on such Debtor Contracts.

Section 7.3. Bankruptcy Actions.

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

Section 7.4. Consents and Conditions.

(a) Purchaser shall use its reasonable best efforts to (i) obtain all necessary consents, approvals or waivers from, and give any necessary notifications to, third parties; and (ii) make all registrations and filings with all Governmental Bodies (including but not limited to those in connection with the HSR Act and the EC Merger Regulation). In furtherance of the foregoing, within five (5) Business Days after the date of this Agreement Purchaser shall, using its reasonable best efforts, begin taking all steps reasonably necessary to make or cause to be made by or on behalf of Purchaser all registrations and filings with all applicable Governmental Bodies (including those in connection with the HSR Act and/or EC Merger Regulation in connection with the transactions contemplated by this Agreement, and shall thereafter use its reasonable best efforts to obtain all necessary actions or non-actions, waivers, consents and approvals from all such Governmental Bodies as promptly as practicable. The Purchaser shall use its reasonable best efforts to avoid the issuance of a Request for Additional Information and Documentary Material ("***Second Request***") under 15 U.S.C. § 18a(e)(2) in the United States or the issuance of a decision under Article 6(1)(c) of the EC Merger

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.

(b) Purchaser shall keep Seller reasonably apprised of the status of matters relating to the completion of the transactions contemplated hereby, including promptly furnishing Seller with copies of notices or other communications received by Purchaser or by any of its Subsidiaries from any third party and/or any Governmental Body with respect to the transactions contemplated hereby. Purchaser shall promptly furnish to Seller such necessary information and reasonable assistance as Seller may request in connection with the foregoing 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 herewith 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 Seller in connection with, any proposed written communication to any Governmental Body. To the extent practicable, Purchaser agrees to consult with 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 the transactions contemplated hereby and, to the extent not prohibited by such Governmental Body, to give Seller the opportunity to attend and participate.

Section 7.5. Ancillary Agreements.

As soon as reasonably practicable after the date of this Agreement and in any event prior to Closing, Seller and Purchaser shall agree the content and form of the Ancillary Agreements.

Section 7.6. Further Actions.

(a) From the execution hereof until the Closing, Purchaser undertakes to promptly notify Seller of any known material breach of any representation, warranty or covenant of Seller of which Purchaser becomes expressly aware.

(b) Purchaser shall give any notices required by Law and shall take whatever other actions with respect to the Purchaser Welfare Plans and the Purchaser Retirement Plans as may be necessary to effectuate the arrangements set forth in Sections 10.1 through 10.5.

(c) Purchaser shall use its reasonable best efforts to comply with any and all successorship requirements or obligations contained in any collective bargaining agreement assumed by Purchaser pursuant to this Agreement.

(d) Between the date hereof and the Closing Date, Purchaser will promptly notify Seller if Purchaser obtains knowledge of (a) any facts or circumstances that cause or constitute a material breach of any of Seller's representations and warranties as of the date of this Agreement, or (b) the occurrence after the date of this Agreement of any facts or circumstances that would cause or constitute a material breach of any such representation or warranty of Seller had that representation or warranty been made as of the time of the occurrence of such facts or circumstances, in each case not being a fact or circumstance of which Seller has already notified Purchaser pursuant to Section 6.8(a).

Section 7.7. Guarantees; Letters of Credit.

Purchaser shall use its commercially reasonable efforts to cause itself or one or more of its Affiliates to be substituted in all respects for Seller or any of its Subsidiaries (other than the Acquired Company), effective as of the Closing Date, in respect of all obligations of Seller and any such Subsidiary (other than the Acquired Company) under each of the guarantees, letters of credit, letters of comfort, bid bonds and performance bonds obtained by Seller or any of its Subsidiaries (other than the Acquired Company) for the benefit of the Business and which is assumed by Purchaser or its Designated Affiliates as an Assumed Liability (and Seller and its Subsidiaries shall be released from any such obligations), including those guarantees, letters of credit, letters of comfort, bid bonds and performance bonds are set forth in Schedule 7.7 (the "***Guarantees***"). As a result of the substitution contemplated by the first sentence of this Section 7.7, Seller and its Subsidiaries (other than the Acquired Company) shall from and after the Closing cease to have any obligation whatsoever arising from or in connection with the Guarantees.

Section 7.8. Use of Seller's Name.

Purchaser agrees that, except as otherwise provided in any Transition Agreement:

(a) within sixty (60) days after the Closing Date, Purchaser shall remove and cease using "Dana," the Dana Diamond logo and any other substantially similar mark (individually and collectively, the "***Seller Name***") and any other Trademark currently or previously used within the last three (3) years by Seller or any of its Affiliates that is not part of the Acquired Intellectual Property from all buildings, signs and vehicles included in the Purchased Assets or assets of the Acquired Company;

(b) within ninety (90) days after the Closing Date, Purchaser shall remove and cease using the Excluded Intellectual Property and the Seller Name and any other Trademark currently or previously used within the last three (3) years by Seller or any of its Affiliates that is not part of the Acquired Intellectual Property in all invoices, letterhead, domain names and web sites, advertising and promotional materials, office forms, business cards and other written and electronic materials;

(c) within twenty-four (24) months (with respect to the Dana Confetti Design packaging for the Aftermarket Business) and three (3) months (with respect to all other Excluded Intellectual Property), in each case, after the Closing Date (i) Purchaser shall remove and cease using the Excluded Intellectual Property (including without limitation the Confetti Design Packaging) and the Seller Name from the inventory of packaging 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 currently or previously used by Seller or any of its Affiliates that is not part of the Acquired Intellectual Property from those assets of the Business that are not Existing Inventory 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 (subject only to local requirements of Law) in no event later than sixty (60) days following the Closing Date, Purchaser shall change the names of the Acquired Company and shall change all filings, licenses, and other items with respect to the Acquired Company, to the extent applicable, to delete any references to "Dana" and Trademarks in the Excluded Intellectual Property.

Section 7.9. Litigation Support.

In the event and for so long as Seller actively is pursuing, 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, the Acquired Company 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 7.10. Updating of Information.

Between the date hereof and the Closing Date, Purchaser will promptly notify Seller if Purchaser obtains knowledge of (a) any facts or circumstances that cause or constitute a material breach of any of Purchaser's representations and warranties as of the date of this Agreement, or (b) the occurrence after the date of this Agreement of any facts or circumstances that would cause or constitute a material breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of such facts or circumstances.

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 that is qualified as to materiality shall be true and correct in all respects at and as of the Closing Date, and each of the representations and warranties of Seller contained herein that is not so qualified shall be true and correct in all material respects with the same force as if made on 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, or true and correct in all material respects, as the case may be, as of such specific date); provided, however, that the failure of any condition in this Section shall be deemed waived by Purchaser unless such failure has had, or is 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 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. Governmental Approvals.

(i) Each of the Governmental Body approvals identified in Schedule 8.3 shall have been obtained, and (ii) except where the failure so to obtain would not have, or would not reasonably be expected to have, a Material Adverse Effect, all other approvals of Governmental Bodies shall have been obtained; provided that, with respect to the acquisition of that part of the Business conducted in Brazil, Purchaser shall bear the risks of closing prior to obtaining formal regulatory approval from the competition authority in Brazil, without adversely affecting the purchase price, and Purchaser shall not be entitled to assert that any steps taken by the competition authority in Brazil prior to Closing mean that this condition 8.3 has not been satisfied.

Section 8.4. No Injunctions.

No preliminary or permanent injunction or other Order restraining or prohibiting the consummation of the transactions contemplated hereby shall be in effect.

Section 8.5. Entry of Orders By Bankruptcy Court.

The Bankruptcy Court shall have entered the Approval Order (together with any related findings of fact or conclusions of law), and the Approval Order shall have become a Final Order and shall not have been vacated, stayed, reversed, modified, amended or supplemented; provided, however, that Purchaser may waive the condition of finality of the Approval Order in

Purchaser's sole discretion. The Approval Order shall be substantially in the form attached hereto as Exhibit P or such other form as is reasonably acceptable to Purchaser and Seller, and shall approve the transactions contemplated hereby and the terms and conditions of this Agreement. The Approval Order shall, among other things: (i) contain a determination with respect to the amounts that pursuant to Bankruptcy Code section 365(b), as of the Closing Date, will be required to cure any default on the part of the Sellers under the Debtor Contracts or that will be otherwise due to the parties under the Debtor Contracts; (ii) authorize Seller and the other Debtor Sellers to assume the Debtor Contracts under Bankruptcy Code section 365(a) and to assign them to Purchaser or its Designated Affliliates under Bankruptcy Code section 365(f); (iii) find that notice of the hearing concerning approval of the transactions contemplated hereunder was given in accordance with the Bankruptcy Code and constitutes such notice as is appropriate under the particular circumstances under the Bankruptcy Code and in accordance with any other applicable Law, including but not limited to Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure and any applicable rules of the Bankruptcy Court with respect to the transactions contemplated by the Agreement; (iv) find that Seller and the Debtor Sellers have the legal right and capacity to convey all right, title and interest of Seller and the Debtor Sellers in and to the Purchased Assets and Purchased Shares (other than those Purchased Assets and Purchased Shares owned by Non-Debtor Sellers); (v) find that the Purchaser or its Designated Affiliates are good faith purchasers entitled to the protections afforded by Bankruptcy Code Section 363(m); (vi) provide for the sale of the Purchased Assets and Purchased Shares free and clear of all liens, claims, interests and encumbrances, other than any Transferred Liens that are specifically assumed by Purchaser under this Agreement, with such Liens to attach to the consideration to be received by Seller in the same priority and subject to the same defenses and avoidability, if any, as before the Closing (other than those Purchased Assets and Purchased Shares owned by Non-Debtor Sellers); (vii) contain a determination that the Final Consideration constitutes reasonably equivalent value and fair consideration for the Purchased Assets and Purchased Shares; (viii) provide that Purchaser and its Designated Affiliates are only buying the Purchased Assets and Purchased Shares and that specifically, upon Closing, neither Purchaser nor any of its Designated Affiliates shall be deemed to (x) be the legal successor of Seller and the Debtor Sellers, (y) have, de facto or otherwise, merged with or into Seller or the Debtor Sellers, or (z) be a mere continuation or substantial continuation of Seller or the Debtor Sellers or the enterprise of Seller or the Debtor Sellers; and (ix) contain such other findings as may reasonably be required by Purchaser.

Section 8.6. Consents and Waivers.

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

Section 8.7. Officer's Certificate.

Purchaser shall have received a certificate from Seller to the effect set forth in Sections 8.1 and 8.2, dated the Closing Date, signed on behalf of Seller by an authorized officer of Seller.

Section 8.8. Material Adverse Effect.

Since the date of this Agreement nothing shall have had a Material Adverse Effect, and no event shall have occurred or circumstance shall exist that could reasonably be expected to result in a Material Adverse Effect.

Section 8.9. 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.

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 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); provided, however, that the failure of any condition in this Section shall be deemed waived by Seller unless such failure has had, or is reasonably expected to have, a material adverse effect on the ability of the Purchaser to consummate the transactions contemplated by this Agreement.

Section 9.2. Performance of Covenants.

Purchaser shall have performed and complied, in all material respects, with 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. Governmental Approvals.

(i) Each of the Governmental Body approvals identified in Schedule 9.3 shall have been obtained, and (ii) except where the failure so to obtain would not have, or would not reasonably be expected to have, a Material Adverse Effect, all other approvals of Governmental Bodies shall have been obtained provided that, with respect to the acquisition of that part of the Business conducted in Brazil, Purchaser shall bear the risks of closing prior to obtaining formal regulatory approval from the competition authority in Brazil, without adversely affecting the purchase price, and Seller shall not be entitled to assert that any steps taken by the competition authority in Brazil prior to Closing mean that this condition 9.3 has not been satisfied.

Section 9.4. 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 9.5. Entry of Orders By Bankruptcy Court.

The Bankruptcy Court shall have entered the Approval Order (together with any related findings of fact or conclusions of law), and the Approval Order shall have become a Final Order and shall not have been vacated, stayed, reversed, modified, amended or supplemented; provided, however, that Purchaser may waive the condition of finality of the Approval Order in Purchaser's sole discretion. The Approval Order shall approve the transactions contemplated hereby and the terms and conditions of this Agreement. The Approval Order shall, among other things: (i) contain a determination with respect to the amounts that pursuant to Bankruptcy Code section 365(b), as of the Closing Date, will be required to cure any default on the part of the Debtor Sellers under the Debtor Contracts or that will be otherwise due to the parties under the Debtor Contracts; (ii) contain a determination with respect to the amounts that pursuant to Bankruptcy Code section 365(b), as of the Closing Date, will be required to cure any default on the part of the Sellers under the Debtor Contracts or that will be otherwise due to the parties under the Debtor Contracts; (iii) authorize Seller and the other Debtor Sellers to assume the Debtor Contracts under Bankruptcy Code section 365(a) and to assign them to Purchaser and its Designated Affliliates under Bankruptcy Code section 365(f); (iv) find that notice of the hearing concerning approval of the transactions contemplated hereunder was given in accordance with the Bankruptcy Code and constitutes such notice as is appropriate under the particular circumstances under the Bankruptcy Code and in accordance with any other applicable law, including but not limited to Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure and any applicable rules of the Bankruptcy Court with respect to the transactions contemplated by the Agreement; (v) find that Seller and the Debtor Sellers have the legal right and capacity to convey all right, title and interest of Seller and the Debtor Sellers in and to the Purchased Assets and Purchased Shares (other than those Purchased Assets and Purchased Shares owned by Non-Debtor Sellers); and (vi) contain a determination that the Final Consideration constitutes reasonably equivalent value and fair consideration for the Purchased Assets and Purchased Shares.

Section 9.6. Consents and Waivers.

All consents and waivers set forth on Schedule 9.6 shall have been obtained.

Section 9.7. 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 9.8. Other Deliveries.

The Seller shall have received the documents and instruments required by Section 3.4 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) Effective as of the Closing Date, Purchaser (or one of its Affiliates) shall continue to employ each Acquired Company Employee and shall continue to employ (where employment continues automatically by operation of Law) or shall offer employment (where employment does not continue by operation of Law) to each Business Employee, in each case, who:

(i) is actively employed in the Business on such date or is absent from employment due to vacation, holiday or temporary illness (the "***Current Employees***"); or

(ii) (A) is 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 and (B) has the right to return to employment with the Business following expiration of such absence 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***"),

other than no more than three (3) Business Employees and Acquired Company Employees to be designated by Purchaser no later than fourteen (14) days prior to the Closing who shall remain employed by and the responsibility of the Seller and its Affiliates and shall not continue in employment with or transfer to the Purchaser (the "***Excluded Business Employees***").

All such offers of employment shall be made in accordance with the provisions of this Section 10.1. Except as otherwise provided by applicable Law or any applicable collective bargaining agreement, a Closing Date Employee who is not employed by the Acquired Company or whose employment does not continue automatically by operation of law, and who is offered employment by Purchaser or one of its Affiliates, shall be deemed to have accepted such offer if he or she has completed Purchaser's pre-employment enrollment package and 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, on the first Business Day immediate following the Closing Date, or such subsequent date as Purchaser in its sole discretion shall approve (or, in the case of a Current Employee who is absent from work on the Closing Date due to vacation, holiday or temporary illness, the first Business Day following the Closing Date that such Current Employee is scheduled to return or is fit to return to active employment), and (B) in the 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. Any Current Employee who fails to complete Purchaser's pre-employment enrollment package within twenty-one (21) days after the Closing Date and who does not continue in employment automatically by operation of Law, shall be deemed to have rejected such offer of employment unless he or she continues to be actively at work with the Purchaser at the end of the 21-day period. Each Closing Date Employee who is an Acquired Company Employee, and each Closing Date Employee who continues in employment automatically by operation of Law or who accepts an offer of employment from Purchaser (or one of its Affiliates), shall be referred to herein as a "***Transferred Employee***". Purchaser shall use reasonable best efforts to encourage Leave Employees to return to work. Seller will be responsible for those Current Employees and those Leave Employees who do not accept offers of employment. Seller reserves the right to, in its sole discretion, modify the terms and conditions of employment of any Leave Employee who has not yet accepted an offer of employment from Purchaser, or to terminate the employment of such Leave Employee with Seller. Except as otherwise provided in this Agreement, Seller shall be liable for all costs, benefits, compensation and severance with respect to any Excluded Business Employee, any Business Employee or Acquired Company Employee who is not a Closing Date Employee, and any Closing Date Employee who is not a Transferred Employee, including any Closing Date Employee who does not accept an offer of employment from Purchaser or one of its Affiliates, or any Closing Date Employee who refuses to consent to his or her automatic transfer to Purchaser (or one of its Affiliates) in accordance with applicable Law; provided, however, that Seller and its Affiliates shall have no responsibility for, and Purchaser and its Affiliates shall be responsible for and shall indemnify and hold Seller and its 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) that arise as a result of Purchaser's failure to make an offer of employment to such Closing Date Employees in accordance with the terms of this Section 10.1.

(b) Each offer of employment extended to a Closing Date Employee by the Purchaser pursuant to this Section 10.1 shall be at a base salary or wage not less than 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 12 month period immediately following the Closing Date, for so long as the Transferred Employee continues in employment during such period, Purchaser shall continue to provide each Transferred Employee with an annual salary or hourly wage rate, as applicable, at least equal to the salary or rate contained in such offer of employment to such Transferred Employee. Notwithstanding anything set forth herein to the contrary, nothing in this Agreement shall create any obligation on the part of Purchaser (or one of its Affiliates) to continue the employment of any Transferred Employee for any period of time following the Closing Date, except as expressly set forth in an employment contract or as required by applicable Law.

(c) For each group of Transferred Employees in the United States who are covered by any collective bargaining agreement with Seller as of the Closing Date ("***Union Transferred Employees***"), Purchaser shall adopt such collective bargaining agreement and assume the collective bargaining obligations of Seller (subject to such

modifications acceptable to the affected labor union as Purchaser reasonably deems appropriate to reflect its own benefits programs and insurance policies). For each group of Union Transferred Employees and each group of Acquired Company Employees who are covered by a collective bargaining agreement between a union and the Acquired Company as of the date hereof, Purchaser agrees that such collective bargaining agreement shall remain in effect under its present terms (subject to such modifications acceptable to the affected labor union as Purchaser reasonably deems appropriate to reflect its own benefits programs and insurance policies) until such time as the Acquired Company may have a right to modify or terminate the collective bargaining agreement in accordance with its terms and applicable Law. Purchaser shall provide Union Transferred Employees 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 collective bargaining agreement with the union representing such Union Transferred Employees.

(d) Effective on the Closing Date, Purchaser accepts any and all post-Closing obligations under the WARN Act, and any comparable state or local law or ordinance, with respect to all Transferred Employees.

(e) For the one-year period immediately following the Closing Date, for so long as a Transferred Employee in the United States whose employment is not governed by the terms of a collective bargaining agreement (a "***Non-Union Transferred Employee***") continues in employment during all or any part of such period, Purchaser shall provide each such Non-Union Transferred Employee and his or her 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 that are in the case of each benefit substantially similar to either (a) the benefits provided to Purchaser's U.S. employees in comparable respective positions, or (b) the benefits provided to the Non-Union Transferred Employee by Seller prior to Closing.

(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 Seller, the Acquired Company, Seller 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 shall be eligible to participate in the applicable Purchaser Defined Contribution Retirement Plans

immediately upon the Closing Date and shall, except as provided below, be given credit under the applicable Purchaser Defined Contribution 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.

(f) Purchaser agrees that (i) 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 Purchaser's responsibility and shall be recognized by Purchaser under its vacation and/or pay policies to the extent not paid by Seller on or before the Closing Date and (ii) to the extent that Seller 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, Purchaser agrees to promptly reimburse Seller for the amount of such payment, but only to the extent that the Liabilities described in (i) and (ii) above are properly reflected on the Closing Statement of Net Assets.

(g) Purchaser shall be solely responsible on and after the Closing Date for the terms and conditions of employment of all Transferred Employees and for any change thereof. With respect to any Transferred Employee that Purchaser terminates after the Closing Date, Purchaser shall be solely responsible for satisfying any requirements under any applicable Laws and, with respect to each Transferred Employee, Purchaser shall be solely responsible for (i) any Liabilities, obligations or claims arising under any Assumed Benefit Plan; (ii) obligations arising on or after the Closing Date under any applicable contract of employment, including, but not limited to, any Assumed Retention Agreement but only to the extent provided in Section 1.5(f), (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 pursuant to grievances, arbitrations or unfair labor practice charges arising from events that occur prior to the Closing Date; and (iv) any alleged violation of Law (including, but not limited to, any Law pertaining to employment discrimination, workers' compensation, occupational safety and health, unfair labor practices, WARN Act violations and similar Laws), if such alleged violation occurred on or after the Closing Date. Similarly, with respect to any Transferred Employee, Seller shall be solely responsible for (i) any Liabilities, obligations or claims arising prior to the Closing Date, under any Seller Employee Benefit Plan (other than an Assumed Benefit Plan); (ii) any obligations under an applicable contract of employment for any Acquired Company Employee or Business Employee who is not a Transferred Employee; (iii) any monetary relief (including without limitation monetary damages and back pay awarded through the date of any reinstatement of employment) for grievances, arbitrations or unfair labor practice charges arising from events that occurred prior to the Closing Date; and (iv) any alleged violation of Law (including, but not limited to, any Law pertaining to employment discrimination, workers' compensation, occupational

safety and health, unfair labor practices, WARN Act violations and similar Laws), if such alleged violation occurred prior to the Closing Date.

(h) Seller and Purchaser agree to furnish to each other such information as may be reasonably required with respect to any Transferred Employee promptly following receipt of any reasonable written request from the other.

Section 10.2. Seller Employee Benefit Plans.

(a) Effective as of 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 shall be eligible to receive a distribution of his or her vested accrued benefits under the Dana Retirement Plan in accordance with the terms of the Dana Retirement Plan. 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 promissory note; provided, however, that rollovers of promissory notes shall not take place if either party determines in good faith such rollovers would jeopardize the tax-qualified status of either the Purchaser plan or the Dana Defined Contribution Plan or if such rollovers would be so materially inconsistent with the terms of Purchaser's participant loan program that such promissory notes could not be accepted and held by the Purchaser plan. Purchaser shall not be required to amend its plan in any manner to accept such loan rollovers on any terms different from loans allowable under Purchaser's plan as of the date of any such rollover. The parties hereto and their respective employee benefits counsel shall work together in good faith to accomplish the direct rollovers of participant loans as contemplated by this Section 10.2(a).

(b) Except as otherwise required by applicable Law, 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 12:01 a.m. (EST) on the Closing Date. Except as otherwise required by applicable Law (including the Bankruptcy Code) and except as set forth below with respect to Assumed Benefit Plans, 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) under the Purchaser Welfare Plans on or after the Closing Date, and, in the case of an Assumed Benefit Plan that is a welfare benefit plan (within the meaning of Section 3(1) of ERISA), that are properly payable under such Assumed Benefit Plan on or after the Closing Date. For purposes of this Section 10.2, a claim is "incurred" on the date that the event that gives rise to the claim occurs (for purposes of life insurance, sickness, accident and disability programs) or on the date that 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 (for purposes of health care programs).

(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 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, as appropriate, group health plan continuation coverage pursuant to the requirements of COBRA to all the current and former employees of Seller to whom they are required to offer the same under applicable Law.

Section 10.3. Assumed Benefit Plans.

(a) Purchaser shall assume sponsorship of each of the Seller Employee Benefit Plans listed on Schedule 10.3 (the "***Assumed Benefit Plans***"); provided, however, that with respect to any Assumed Benefit Plan that provides post-retirement welfare benefits to U.S. employees, the assumed liability shall be limited to all Liabilities relating to post-retirement welfare benefit plan coverage for (i) Union Transferred Employees and their dependents, and (ii) any former member of the collective bargaining units at the Seller's Muskegon, Michigan, Caldwell, Ohio or Churubusco, Indiana facilities who retired prior to the Closing Date but who retired with eligibility for such post-retirement welfare benefit plan coverage under (A) the Muskegon collective bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) on or after the July 16, 2004 effective date of the current Muskegon bargaining agreement; (B) the Caldwell collective bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) on or after the November 6, 2001 effective date of the current Caldwell bargaining agreement; or (C) the Churubusco collective bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) on or after the May 6, 2002 effective date of the current Churubusco bargaining agreement, and (iii) dependents of such bargaining unit retirees, to the extent provided in the terms of the relevant assumed collective bargaining agreement. With respect to each Assumed Benefit Plan that is a funded retirement plan maintained in the United States and subject to ERISA (each, an "***Assumed Pension Benefit Plan***"), Purchaser agrees that:

(i) Purchaser shall execute and deliver to Seller on the Closing Date an Assumption Agreement in substantially the form attached to this Agreement as Exhibit Q;

(ii) Purchaser shall establish or designate as soon as practicable following the Closing Date, a trust that is exempt from Tax under Code section 501(a) and satisfies the terms of any applicable collective bargaining agreement to receive the assets of the Assumed Pension Benefit Plan;

(iii) Purchaser shall continue to recognize, for all purposes service with Seller (or its predecessors) prior to the Closing Date to the extent that such service is recognized under the Assumed Pension Benefit Plan as in effect on such date; and

(iv) As soon as practicable following the Closing Date, Purchaser shall provide Seller with a mutually acceptable succession agreement with respect to the Assumed Pension Benefit Plan signed by Purchaser and the trustee it has appointed.

(b) Upon receipt of such a succession agreement for an Assumed Pension Benefit Plan, Seller shall direct the trustee of the Assumed Pension Benefit Plan to transfer to the successor trustee appointed by Purchaser the assets of the Assumed Pension Benefit Plan (or in the case of an Assumed Pension Benefit Plan that is a U.S. defined benefit pension plan, direct the trustee of the Dana Corporation Pension Plans Trust to transfer, those assets of the Dana Pension Plans Trust allocable to such Assumed Pension Benefit Plan) as soon as practicable (but in no event earlier than forty-five (45) days) after Seller has received the succession agreement from Purchaser, along with all necessary approvals, authorizations, information or similar requirements to effect the transfer. Purchaser and Seller agree that, from the Closing Date to the date of transfer, the assets of the Dana Corporation Pension Plans Trust allocable to the Assumed Pension Benefit Plans shall continue to be invested in accordance with the investment policy and procedures pertaining to the Dana Corporation Pension Plans Trust; *provided, however*, that such assets may be converted to cash in the discretion of the trustee as may be necessary or desirable to effect such transfer. The assets transferred shall reflect gains, losses and expenses of the Dana Corporation Pension Plans Trust of the Assumed Pension Benefit Plans incurred from the Closing Date to the date of transfer.

(c) Purchaser and Seller agree that, for purposes of this Agreement, the assets of the Dana Corporation Pension Plans Trust allocable to the Assumed Pension Benefit Plans to be transferred in accordance with Section 10.3(b) above shall be determined by the enrolled actuary for the Assumed Pension Benefit Plans immediately prior to the Closing Date.

(d) The Assumed Benefit Plan and the Purchaser shall be responsible for all Liabilities and obligations of the Assumed Benefit Plan, including, without limitation with respect to the Assumed Pension Benefit Plans, benefits accrued prior to the Closing Date for which Seller is liable prior to the Closing Date and, except as specifically set forth in Sections 10.3 and 10.5, benefits payable to any participants in such plans who retired or separated from service prior to the Closing Date.

(e) Solely for purposes of estimating the Liabilities to be assumed by Purchaser under any Assumed Benefit Plan which is an Assumed Pension Benefit Plan, such Liabilities shall mean, for purposes of this Section 10.3, the projected benefit obligation of each such Assumed Pension Benefit Plan as of the Closing Date, determined under the projected unit credit method and in the manner provided in Financial Accounting Standards No. 87 as of the Closing Date, using a discount rate

equal to the Merrill Lynch 15 year Plus High Quality Corporate Bond Rate, as determined as of the Closing Date, and using all other assumptions relevant to the projected unit credit method (including, but not limited to, those concerning employee turnover rate, salary increases, retirement age, and so forth) that were used by the enrolled actuary for such Assumed Pension Benefit Plan in preparing its most recent actuarial report, and using the actual employee census data as of the Closing Date. Such calculation shall be performed by the enrolled actuary for such Assumed Pension Benefit Plan. Seller shall provide to Purchaser Seller's calculation of such assumed Liabilities and the Net Funding Level, as promptly as practicable, but in any event within 60 days following the receipt by such actuary of all data required to perform such calculations for each such Assumed Pension Benefit Plan. Following receipt of the calculation of such assumed Liabilities and the Net Funding Level, Purchaser will be afforded a period of 45 days to review (or to have an actuarial firm designated by Purchaser review) the calculation of such assumed Liabilities and the Net Funding Level, as well as the assumptions and methodologies used to calculate such Liabilities. Purchaser shall be deemed to have accepted the calculation of such assumed Liabilities and the Net Funding Level unless, prior to the expiration of such 45 day period, Purchaser shall deliver to Seller written notice and a reasonably detailed written explanation of those items in the calculations that Purchaser disputes, in which case the calculations, to the extent not affected by the disputed items, will be deemed to be accepted, and the items identified by Purchaser shall be deemed to be in dispute. Within a further period of 30 days from the end of the 45-day period referred to above, the parties will attempt to resolve in good faith any disputed items. In the event of a good faith dispute between Seller and Purchaser as to the amount of assumed Liabilities or the Net Funding Level, Seller and Purchaser shall jointly appoint, for final and binding resolution, an independent actuary, who shall act as an expert and not as an arbitrator, to determine such assumed Liabilities pursuant to Financial Accounting Standards No. 87 and the calculation of the Net Funding Level related thereto. One-half of the cost of the determination by the third party actuary shall be paid by Purchaser and one-half by Seller. The decision of the third party actuary shall be communicated to Purchaser and Seller in writing and shall not be subject to appeal or challenge for any reason (other than gross negligence, fraud or willful misconduct). The Net Funding Level shall be the Net Funding Level agreed to (or deemed to be agreed to) by Purchaser and Seller in accordance with the terms of this Section 10.3(e) or the definitive Net Funding Level resulting from the determination made by third party actuary in accordance with this Section 10.3(e) (in addition to those items theretofore agreed to by Seller and Purchaser).

(f) For the purposes of this Section 10.3, the "***Net Funding Level***" shall mean (a) the aggregate value of the assets of the Assumed Pension Benefit Plans that are transferred pursuant to Section 10.3(b), less (b) the aggregate value of the Liabilities to be assumed under the Assumed Pension Benefit Plans, as determined in accordance with Section 10.3(e).

(g) If the Net Funding Level is a positive amount, (i) Purchaser will pay Seller the amount of the Net Funding Level, together with interest thereon at the LIBOR rate from the Closing Date through the date of payment, such payment to be made within ten days after the final determination of the Net Funding Level; *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; and (ii) the Escrow Agent shall deliver to Seller the Pensions Funding Adjustment Escrow together with interest accrued thereon pursuant to the terms of the Pensions Funding Adjustment Escrow Agreement.

(h) If the Net Funding Level is a negative amount but is less than or equal to the Pensions Funding Adjustment Escrow, then that portion of the Pensions Funding Adjustment Escrow equal to the Net Funding Level shall be applied to cover the Net Funding Level and the Escrow Agent shall deliver such portion to the Purchaser and the remaining portion of the Pensions Funding Adjustment Escrow to Seller, in each case within ten days after the final determination of the Net Funding Level. If the Net Funding Level is a negative amount that is greater than the Pensions Funding Adjustment Escrow, then (i) the Escrow Agent shall deliver the Pensions Funding Adjustment Escrow together with interest accrued thereon pursuant to the terms of the Pensions Funding Adjustment Escrow Agreement to Purchaser to cover the Net Funding Level and (ii) Seller will refund the amount equal to the Net Funding Level minus the Pensions Funding Adjustment Escrow, together with interest on such refunded amount at the LIBOR rate from the Closing Date through the date of payment, each such payment to be made within ten days after the final determination of the Net Funding Level; *provided, however*, that, if any such payment from Seller to Purchaser pursuant to clause (ii) above 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.

(i) Except as expressly provided in this Agreement, nothing contained herein shall prohibit Purchaser from modifying or reducing benefits of any Transferred Employee including without limitation under, or terminating, any Assumed Benefit Plan consistent with Purchaser's rights pursuant to applicable Law.

Section 10.4. Multiemployer Plans.

(a) Upon the Closing, Purchaser shall assume Seller's obligations to make contributions to the Steelworkers Pension Trust covering Union Transferred Employees working in the Caldwell, Ohio facility and the IAM National Pension Fund covering workers in the International Association of Machinists and Aerospace Workers Pension Trust covering Union Transferred Employees working in the McConnelsville, Ohio facility (the "***Multiemployer Plans***"). Purchaser shall contribute to each such Multiemployer Plan with respect to the operations of Seller for substantially the same number of contribution base units for which Seller has an obligation to contribute with respect to each such Multiemployer Plan immediately prior to the Closing.

(b) In the event that, following the Closing, Purchaser should completely or partially withdraw or be deemed to have completely or partially withdrawn from one or more Multiemployer Plan without exemption from withdrawal liability, Purchaser agrees that it shall be liable for the payment of any withdrawal liability assessed by such

Multiemployer Plan including, but not limited to, liability that relates to periods of participation in such Multiemployer Plan prior to Closing.

(c) Seller shall request from each Multiemployer Plan a statement (the "***Withdrawal Liability Statement***") setting forth the amount of withdrawal liability (if any) Seller would incur as of the Closing Date, under Part 1 of Subtitle E of ERISA, if Seller withdrew, or were deemed to have withdrawn completely, from such Multiemployer Plan as of said date without an exemption from such withdrawal liability. Seller hereby agrees to deliver a copy of the Withdrawal Liability Statements to Purchaser promptly upon the receipt thereof. If the Withdrawal Liability Statement sets forth any potential withdrawal liability, Seller and Purchaser agree to cooperate on and take such further actions as they may mutually agree are needed under Section 4204 of ERISA to avoid the assessment of withdrawal liability against Seller in connection with the transactions contemplated by this Agreement. For purposes of avoiding any withdrawal liability under Section 4204 of ERISA that would otherwise occur as a result of the transactions contemplated by this Agreement, Seller agrees that if Purchaser withdraws in a complete withdrawal, or a partial withdrawal with respect to operations during the first five plan years after the Closing, the Seller shall be secondarily liable for any withdrawal liability it would have had to the respective Multiemployer Plan with respect to such operations (but for Section 4204 of ERISA) if the liability of the Purchaser with respect to such Multiemployer Plan is not paid. Purchaser and Seller shall use their reasonable best efforts to obtain from the Multiemployer Plan an exemption pursuant to PBGC Regulation Sections 4204.11(a), 4204.12, 4204.13, or 4204.21 from the requirement that Purchaser post any bond or escrow which would otherwise be required pursuant to Section 4204(a)(1)(B) of ERISA. If the parties cannot obtain such an exemption from the bonding requirement after good faith efforts, Purchaser agrees to post a bond or escrow in an amount, for a period, and in a form which complies with Section 4204(a)(1)(B) of ERISA, and Purchaser shall furnish Seller proof thereof. The cost of each bond or escrow required under Section 4204(a)(1)(B) of ERISA shall be paid by Purchaser, and Purchaser shall be the sole obligor thereunder.

(d) If the Withdrawal Liability Statement from the Multiemployer Plan sets forth any potential withdrawal liability for Seller, and at any time during the period of five plan years, commencing with the first plan year of such Multiemployer Plan beginning after the Closing, a bond is required from Seller in favor of such Multiemployer Plan pursuant to Section 4204(a)(3) of ERISA by reason of a liquidation or distribution of Seller's assets, Seller shall, at Seller's sole cost and expense, post such bond in an amount and in a form which complies with Section 4024(a)(3) or obtain a variance from such bonding requirement from the Multiemployer Plan or the Pension Benefit Guaranty Corporation.

Section 10.5. Non-U.S. Employee Matters.

Except as provided below, Acquired Company Employees and Closing Date Employees located outside the United States shall be treated, to the extent permissible under local Law, in accordance with the provisions of Sections 10.1, 10.2, 10.3, and 10.4.

(a) Seller shall be responsible for all Liabilities associated with the pension schemes maintained in the United Kingdom for the benefit of Business Employees who work in the United Kingdom, and shall indemnify, save and hold harmless Purchaser and its Affiliates from and against any and all Losses arising in connection with such pension schemes (including, for the avoidance of doubt, any Losses which relate to the period after Closing where such Losses would not have arisen but for the membership of any Business Employee in any such pension scheme but excluding, for the avoidance of doubt, any Liability arising as a result of any obligation on Purchaser and its Affiliates in respect of the Business Employees pursuant to Section 258 of the United Kingdom Pensions Act 2004) as a result of the transactions contemplated by this Agreement.

(b) Seller undertakes, from and after the date hereof and following Closing, (i) not to exercise, (ii) to cause its Affiliates in the United Kingdom not to exercise, and (iii) to use all reasonable efforts to procure that no trustee of a Dana Pension Scheme will exercise, without Purchaser's prior written consent, any power or discretion (however expressed and from whatever source) to allow a Business Employee to commence a pension before the age at which a pension normally commences payment under such Dana Pension Scheme. For purposes of this Section 10.5(b), "Dana Pension Scheme" means the Dana UK Pension Scheme, the Dana Manufacturing Pension Scheme, the Hobourn Group Pension Scheme, and any other pension scheme which Seller or its Affiliates in the United Kingdom maintain or maintained for the benefit of the Business Employees.

(c) Purchaser and its Affiliates shall be responsible for all Liabilities associated with all Assumed Benefit Plans maintained for non-U.S. Transferred Employees Related to the Business, including but not limited to, the pension obligations for Transferred Employees in Germany, the IDR obligations for Transferred Employees in France, and the TFR obligations for Transferred Employees in Italy.

(d) Seller, its Selling Affiliates and the Acquired Company and Purchaser shall cooperate to take all steps, on a timely basis, as are required under applicable Law to notify, consult with, or negotiate the effect, impact, terms, or timing of the transactions contemplated by this Agreement with each works council, union, labor organization, employee group, employee, or governmental entity where so required under applicable Law.

(e) Sellers and its Affiliates shall be responsible for and shall pay all Liabilities associated with any early retirement pension for former Business Employees who worked in Argentina and who retired prior to the Closing Date.

Section 10.6. 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, its Designated Affiliates and their respective successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Purchaser and its Designated Affiliates under this Agreement, the Business Transfer Agreements and the agreements which form Exhibits hereto 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 or its Designated Affiliates under this Agreement, the Business Transfer Agreements and the agreements which form Exhibits hereto, and to otherwise make effective the transactions contemplated hereby and thereby (including (i) transferring back to Seller or the applicable Subsidiary of Seller any Excluded Asset, and (ii) transferring to Purchaser or the applicable Designated Affiliate any asset or Liability contemplated by this Agreement to be a Purchased Asset or an Assumed Liability, respectively, which was not transferred to Purchaser or the applicable Designated Affiliate 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 or the Approval Order, 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. The Seller shall use its commercially reasonable efforts, and the Purchaser shall cooperate with the Seller, to obtain each such consent or approval. Purchaser shall bear any costs and expenses associated with obtaining any such consents or approvals in connection with the acquisition of that part of the Business conducted in Slovakia (other than fees of counsel and other advisory fees incurred by Seller and its Affiliates, which shall be borne by Seller and its Affiliates).

(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 shall not, to the extent associated with such Nonassignable Asset, constitute an Assumed Liability for any purpose under this Agreement.

(d) To the extent permitted by Law, pending the obtaining of such consent or approval with respect to a Nonassignable Asset, Seller or its applicable Subsidiary shall (i) continue to be bound by any Contracts, terms or arrangements relating to such Nonassignable Asset, (ii) at the direction and expense of Purchaser or its Designated Affiliate, pay, perform and discharge fully all of its obligations in respect thereof, (iii) exercise and exploit its rights and options under all relevant agreements, Contracts and arrangements in respect of such Nonassignable Asset as reasonably directed by Purchaser or its Designated Affiliate, and (iv) for no additional consideration, pay, assign and remit to Purchaser or its Designated Affiliate promptly all monies, rights, assets and other consideration received in respect of such Nonassignable Asset or otherwise make available to Purchaser or its Designated Affiliate the benefit of such Nonassignable Asset.

(e) 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 or its Designated Affiliate, and Purchaser or its Designated Affiliate shall assume any Assumed Liability associated with such Nonassignable Asset, for no additional consideration.

Section 10.7. Record Retention, Access to Documents.

(a) For a period of eight (8) years after the Closing Date, 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 in which case, Purchaser shall provide personnel, at Seller's expense, to screen and retrieve data requested by Seller) of Purchaser and its Subsidiaries (including the Acquired Company) pertaining to the operations of the Business prior to the Closing Date 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, and (vi) the Bankruptcy Cases (including, without limitation, with respect to reconciliation of claims in connection with the Cases). 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. If Purchaser desires to destroy, alter or dispose of any of such books and records prior to the expiration of such eight-year period, Purchaser shall, prior to such disposition, give Seller a reasonable opportunity, at Seller's expense, to segregate and remove such books and records to the extent that they pertain to the operations of the Business prior to the Closing.

(b) For a period of eight (8) years after the Closing Date, Seller shall, and shall cause its 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 in which case, Seller shall provide personnel, at Purchaser's expense, to screen and retrieve data requested by Purchaser) of Seller and its Subsidiaries to the extent pertaining to the Business which Seller or any of its Affiliates may retain after the Closing Date. Purchaser shall have the right to receive and retain copies of all such books and records. If Seller desires to destroy, alter or dispose of any of such books and records prior to the expiration of such eight-year period, Seller shall, prior to such disposition, give Purchaser a reasonable opportunity, at Purchaser's expense, to segregate and remove such books and records to the extent that they pertain to the Business.

(c) For two (2) years after the Closing Date, Purchaser shall, and shall cause its Subsidiaries to, provide (at Seller's sole risk, cost and reasonable expense) such assistance to Seller as Seller may reasonably request with respect to (i) the preparation of Seller's financial statements and U.S. Securities and Exchange Commission reporting obligations, (ii) the preparation of Seller's Department of Labor reports, and (iii) Seller's reporting obligations pursuant to the Losses, in each case, relating to the operation of the Business prior to the Closing.

Section 10.8. No Right to Continued Employment.

Except as expressly provided herein, nothing contained herein, express or implied, is intended to confer upon any employee of Seller or its Affiliates any right to employment or continued employment with Purchaser and its Affiliates, or any right to benefits or continued benefits under any Employee Benefit Plan, including without limitation severance benefits, by reason of this Agreement.

ARTICLE XI

SURVIVAL, INDEMNIFICATION AND RELATED MATTERS

Section 11.1. Survival.

(a) All representations, warranties, covenants and obligations in this Agreement shall survive the Closing and the consummation of the transactions contemplated by this Agreement, subject to the limitations set forth in this Article.

(b) Each Person entitled to indemnification hereunder shall use its commercially reasonable efforts to mitigate Losses for which it seeks 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 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 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 actually 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 actually 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 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) 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, 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;

(ii) any breach of, or default in the performance by Seller of, any covenant or agreement on the part of Seller herein, subject to the limitations and conditions contained therein;

(iii) any Excluded Liabilities; and

(iv) the matters set forth on Schedule 11.2(a)(iv) (the "***ARC Product Issue***"), it being expressly understood that Seller expressly disputes any claim that ARC bears any responsibility for Losses arising out of the ARC Product Issue; provided, however, that Seller's obligation to provide indemnification under this Section 11.2(a)(iv) with respect to any claim for Losses shall be subject to the provisions of Sections 11.2(b) and (c) and Sections 11.6(b)(c), (d), and (e).

(b) ARC shall, solely for the purposes of indemnification pursuant to Section 11.2(a)(iv) above, be deemed to be a member of the Purchaser Indemnified Group. The receipt by the Purchaser Indemnified Group of the benefits of indemnification by Seller under Section 11.2(a)(iv) shall be subject in all cases to this Article XI.

(c) With respect solely to the matters set forth in Section 11.2(a)(iv), the Purchaser Indemnified Group's rights to indemnification shall, subject to the remaining provisions of this Section 11.2(c), be limited to 50% of the monetary value of the relevant Losses (the "***50% Limit***"). With respect solely to the matters set forth in Section 11.2(a)(iv), the term "Losses" shall include any diminution in value of the Transferred JV Interests in ARC that may be suffered by Purchaser or such of its Designated Affiliates that is or are, at the relevant time, the owner or owners of the Transferred JV Interests in ARC ("***Diminution Losses***"). Seller will have no liability for any Diminution Losses to the extent such Diminution Losses exceed Eleven Million Dollars ($11,000,000). An indemnification claim brought by a member of the Purchaser Indemnified Group (other than, for these purposes, ARC) pursuant to Section 11.2(a)(iv) shall, solely to the extent it

seeks to recover Diminution Losses, not be subject to the 50% Limit. For the avoidance of doubt, any recovery by Purchaser or any of its Designated Affiliates of any Diminution Losses shall count against the ARC Product Indemnity Cap. The Purchaser Indemnified Group as a whole shall not, as a result of claims brought for Diminution Losses as well as other Losses, be entitled to recover monetary damages more than once between them in respect of the same underlying monetary Loss. For the avoidance of doubt, if a claim for Diminution Losses is made against Seller, Seller shall have the right to seek the determination of the Expert Arbitrator in respect of such Third Party ARC Claim in accordance with Section 11.6(c) – (h), notwithstanding that Seller may not have been previously afforded the opportunity to defend or challenge the underlying Third Party ARC Claim.

(d) 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;

(ii) any breach of, or default in the performance by Purchaser of, any covenant or agreement on the part of Purchaser herein, subject to the limitations and conditions contained therein; and

(iii) any Assumed Liabilities.

Section 11.3. Time Limitations.

(a) If the Closing occurs, Seller will have no Liability (for indemnification or otherwise) for breach of (i) a covenant or obligation to be performed or complied with before the Closing Date or (ii) a representation or warranty (other than those in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, and 4.10), unless on or before the date falling eighteen (18) months after the Closing Date, Purchaser notifies Seller of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by Purchaser. A claim with respect to the representations and warranties in Section 4.10 shall survive until the date which is 90 days after the date upon which the Liability to which any claim for breach of such representations and warranties may relate is barred by all applicable statutes of limitations (including all periods of extension, whether automatic or permissive). A claim with respect to Sections 4.1, 4.2, 4.3, 4.4, 4.5, and 4.6, or a claim for indemnification or reimbursement based upon any covenant or obligation to be performed or complied with after the Closing Date may be made at any time.

(b) If the Closing occurs, Purchaser will have no Liability (for indemnification or otherwise) for breach of (i) a covenant or obligation to be performed or complied with before the Closing Date or (ii) a representation or warranty (other than those in Sections 5.1, 5.2, 5.3, 5.4, and 5.5), unless on or before the date falling eighteen (18) months after the Closing Date, Seller notifies Purchaser of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by Seller. A claim with respect to Sections 5.1, 5.2, 5.3, 5.4, or 5.5 or a claim for indemnification or

reimbursement based upon any covenant or obligation to be performed or complied with after the Closing Date may be made at any time.

Section 11.4. Limitations on Amount – Seller.

Seller will have no liability (for indemnification or otherwise) with respect to the matters governed by Section 11.2(a)(i) or, to the extent relating to any failure to perform or comply before the Closing Date, Section 11.2(a)(ii) (i) unless the monetary value of any Losses with respect to a particular matter, when aggregated with other Losses based on substantially the same facts or circumstances, exceeds Twenty Thousand Dollars ($20,000), and (ii) until the total monetary value of all Losses with respect to such matters exceeds Five Hundred Thousand Dollars ($500,000), in which case Seller shall be liable for just the excess provided, however, that Seller will have no liability (for indemnification or otherwise) for the amount by which the total monetary value of all Losses (i) for breaches of representations and warranties (other than those in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.10) or matters governed by Section 11.2(a)(ii) exceeds, Ten Million Dollars ($10,000,000) or (ii) for breaches of representations and warranties in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, and 4.10 exceeds Fifty Million Dollars ($50,000,000). Seller will have no liability (for indemnification or otherwise) for the amount by which the total monetary value of all Losses for matters governed by Section 11.2(a)(iv) exceeds Twenty Million Dollars ($20,000,000) (the "***ARC Product Indemnity Cap***"). Notwithstanding the foregoing, this Section will not apply to (a) Seller's breach of any of its representations and warranties of which breach Seller had Knowledge before the date on which Seller made such representation and warranty (after giving effect to any supplements to Seller's Schedules), or (b) Seller's intentional breach of any covenant or obligation; Seller will be liable for all Losses with respect to such breaches.

Section 11.5. Limitations on Amount – Purchaser.

(a) Purchaser will have no liability (for indemnification or otherwise) with respect to the matters governed by Sections 11.2(d)(i) or, to the extent relating to any failure to perform or comply before the Closing Date, Section 11.2(b)(ii) (i) unless the monetary value of any Losses with respect to a particular matter, when aggregated with other Losses based on substantially the same facts or circumstances, exceeds Twenty Thousand Dollars ($20,000), and (ii) until the total monetary value of all Losses with respect to such matters exceeds $500,000, in which case Purchaser shall be liable for just the excess; provided, however, that Purchaser will have no liability (for indemnification or otherwise) for the amount by which the total monetary value of all Losses (i) for breaches of representations and warranties (other than those in Sections 5.1, 5.2, 5.3, 5.4 and 5.5) or matters governed by Section 11.2(d)(ii) exceeds an amount equal Ten Million Dollars ($10,000,000) or (ii) for breaches of representations and warranties in Sections 5.1, 5.2, 5.3, 5.4 and 5.5 exceeds Fifty Million Dollars ($50,000,000). Notwithstanding the foregoing, this Section will not apply to (a) Purchaser's breach of any of its other representations and warranties of which breach Purchaser had knowledge before the date on which it made such representation and warranty, or (b) Purchaser's intentional breach of any covenant or obligation; Purchaser will be liable for all Losses with respect to such breaches.

Section 11.6. Procedures for Indemnification.

(a) 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 (subject to Section 1.8 and except with respect to the ARC Product Issue, in respect of which Sections 11.6(c), (d), and (e) shall apply) 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 XI, including, but not limited to, by providing (except with respect to the ARC Product Issue, in respect of which Sections 11.6(c), (d), and (e) shall apply) 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 Legal 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 Legal Proceeding in such manner as it may deem appropriate, including settling such claim or Legal Proceeding (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 11.3.

(b) The parties acknowledge that Seller expressly disputes any claim that ARC bears any responsibility for any losses that may be suffered or incurred by third parties arising out of or in connection with the ARC Product Issue.

(c) Whenever any claim or Legal Proceeding by a third party is brought against ARC in connection with the ARC Product Issue (a "***Third Party ARC Claim***"), Purchaser shall promptly notify Seller of such Third Party ARC Claim not later than ten Business Days prior to the time any response to the asserted Third Party ARC Claim is required, if possible, and in any event within five Business Days following receipt of notice thereof and, when known, the facts constituting the basis for such Third Party ARC Claim. Upon receipt by Seller of such notice, Seller may at its election either (i) promptly acknowledge that such Third Party ARC Claim is a Valid Claim or (ii) cooperate with Purchaser in good faith for a period of ten (10) Business Days in an attempt to mutually agree that such Third Party ARC Claim is a Valid Claim. If following that ten (10) Business Day period, Seller and Purchaser have not been able to mutually agree that such Third Party ARC Claim is a Valid Claim, then Seller shall be and remain liable for indemnification pursuant to Section 11.2(a)(iv), and shall indemnify the Purchaser Indemnified Group for any Losses in accordance therewith, unless and until a determination is made by an expert single arbitrator appointed pursuant to this Section 11.6(c) (the "***Expert Arbitrator***"), in arbitration proceedings conducted pursuant

to Section 11.6(e) below, that the relevant Third Party ARC Claim is not a Valid Claim. If the Seller wishes the Expert Arbitrator to determine whether a Third Party ARC Claim is a Valid Claim, Seller shall give written notice thereof to Purchaser and the parties will seek in good faith to mutually agree on the identity of the Expert Arbitrator. Failing such agreement within thirty (30) Business Days from the date of receipt by Purchaser of such notice from Seller, the Expert Arbitrator will be selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Expert Arbitrator shall, whether agreed by the parties or selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association, be a single arbitrator who has not less than 7 years' experience practicing as an attorney-at-law in the United States in the dispute resolution field and who has not less than 10 years' particularized knowledge regarding product liability and recall claims in the automotive industry in the United States.

(d) For purposes of this Agreement, a "***Valid Claim***" shall be a Third Party ARC Claim that is either mutually agreed by the parties in writing, or determined by the Expert Arbitrator, in arbitration proceedings conducted pursuant to Section 11.6(e) below, to be a claim in respect of which it cannot be said that the relevant third party has no real prospect of succeeding in its claim if the matter were to come before a court or arbitral body of competent jurisdiction.

(e) In the event that Seller wishes the determination of the Expert Arbitrator as to whether a Third Party ARC Claim is a Valid Claim pursuant to Section 11.6(c), the arbitration conducted by the Expert Arbitrator shall be administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the determination rendered by the Expert Arbitrator may be entered in any court having jurisdiction thereof. The parties will jointly advise the Expert Arbitrator that they desire an expedited arbitration process that will, to the extent practicable, result in any arbitration award being entered within three (3) months of confirmation of the Expert Arbitrator's appointment. If the Expert Arbitrator determines that the relevant Third Party ARC Claim is a Valid Claim, Seller's indemnification obligation pursuant to Section 11.2(a)(iv) in respect of such Third Party ARC Claim shall not be qualified by Sections 11.6(c), (d) and (e). If the Expert Arbitrator determines that the relevant Third Party ARC Claim is not a Valid Claim, Purchaser shall, within ten (10) Business Days after such determination, pay to Seller an amount equal to the amount of any Losses in respect of which Seller has prior to the date thereof indemnified the Purchaser Indemnified Group pursuant to Sections 11.2(a)(iv) and 11.6(c) in respect of such Third Party ARC Claim.

(f) Any Losses suffered by the Purchaser Indemnified Group as a result of a Third Party Claim being the subject of a decision or award in favor of the relevant third party by a court or arbitral body of competent jurisdiction shall not be subject to the provisions of Sections 11.6(c), (d) and (e) hereof, and Seller's indemnification obligation pursuant to Section 11.2(a)(iv) shall not be qualified by Sections 11.6(c), (d) and (e).

(g) The parties acknowledge that from Closing ARC will not be a controlled Affiliate of Purchaser and that, accordingly, Purchaser may not be able to procure that Seller is able to assume the defense of Third Party ARC Claims, or that Seller has

unfettered access to employees and officers of ARC and other information of ARC in connection with Third Party ARC Claims. Purchaser agrees to use its commercially reasonable best efforts (including without limitation by exercise of its rights as a shareholder of ARC) to cause ARC (a) to reasonably cooperate with Seller and Seller's insurance providers to process any Third Party ARC Claim, and (b) to permit Seller to assume the defense of Third Party ARC Claims.

(h) If Purchaser, notwithstanding that from Closing ARC will not be a controlled Affiliate of Purchaser, is able to cause ARC to agree in writing at the relevant time to permit Seller to assume the defense of a Third Party ARC Claim, using counsel that is reasonably satisfactory to Purchaser and ARC, and otherwise in accordance with the provisions of Section 11.6(a), then Seller shall have no right to seek to have the Expert Arbitrator make any determination and Seller's indemnification obligation pursuant to Section 11.2(a)(iv) shall not be qualified by Sections 11.6(c), (d) and (e). For the avoidance of doubt, if Seller is permitted by ARC to assume the defense of a Third Party ARC Claim in accordance with the provisions of Section 11.6(a), but Seller elects not to assume such defense or fails to give written notice so to assume within 30 calendar days after receipt of such permission from ARC, then Seller shall have no right to seek to have the Expert Arbitrator make any determination as to whether the relevant Third Party ARC Claim is a Valid Claim and Seller's indemnification obligation pursuant to Section 11.2(a)(iv) shall not be qualified by Sections 11.6(c), (d) and (e).

Section 11.7. Exclusive Remedy.

Except in the case of 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 XIII with respect to the Breakup Fee, the Expense Reimbursement and the Deposit Amount and in Article XIV with respect to Taxes, Purchaser and Seller agree that the provisions set forth in this Article XI, the Deposit Agreement and the Escrow Agreement for the Indemnity Escrow 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 Seller may have for any breach by Purchaser of Section 363(n) of the Bankruptcy Code.

Section 11.8. 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, the Acquired Company and their respective Affiliates shall treat any and all payments under this Article XI as an adjustment to the Final Consideration for all Tax purposes. Seller and Purchaser agree, for all Tax purposes, to allocate any such adjustment among the Acquired Company and/or the Purchased Assets based upon the item or items to which such adjustment is principally attributable.

Section 11.9. Escrow; Right of Setoff.

Purchaser shall have the rights of setoff as provided in the Escrow Agreement for the Indemnity Escrow. Neither the exercise or nor the failure to exercise such rights of setoff or to give notice of a claim under the Escrow Agreement for the Indemnity Escrow will constitute an election of remedies or limit Purchaser in any manner in the enforcement of any other remedies that may be available to it.

ARTICLE XII

NON-COMPETITION; NON-SOLICITATION; STANDSTILL

Section 12.1. Non-competition; non-solicitation.

(a) During the period commencing on the Closing Date and ending on the third anniversary of the Closing Date; Seller will not, and will not permit any of its Affiliates to,

(i) anywhere in the world, directly or indirectly, alone or in association with any Person, own, share in the earnings of, invest in the stock, bonds or other securities of, manage, operate, control, participate in the ownership, management, operation, or control of, finance (whether as a lender, investor or otherwise), or guaranty the obligations of, any Person that is engaged in the design, manufacture, assembly, marketing, sale or distribution of (a) metallic thin wall engine bearings, bushings, or thrust washers, (b) steel or cast iron piston rings, (c) cast iron cylinder liners, or (d) heavy duty steel cam shafts, in each case, for internal combustion engines, transmissions, drivetrains or electric motors, for use in the automotive, commercial vehicle, off-highway or industrial markets or related aftermarkets (a "***Competing Activity***"); or

(ii) directly or indirectly (i) cause, induce or attempt to cause or induce any customer, strategic partner, supplier, distributor, landlord or others doing business with the Business to cease or reduce the extent of its business relationship with the Business or to deal with any competitor of the Business or (ii) in any way interfere with the relationship between the Business on the one hand and any customer, strategic partner, supplier, distributor, landlord or others doing business with the Business on the other hand;

(b) Nothing contained in Section 12.1(a) above shall be construed to prohibit Seller or any of its Affiliates from directly or indirectly:

(i) investing in stock, bonds or other securities of any Person engaged in a Competing Activity (but without otherwise participating in such business), if (A) such stock, bonds or other securities are listed on any national securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934 and (B) such investment does not exceed, in the case of any class of the capital stock of any one issuer, 10% of the issued and outstanding shares of

such capital stock, or, in the case of bonds or other securities, 10% of the aggregate principal amount thereof issued and outstanding;

(ii) manufacturing and supplying products and goods which are not part of a Competing Activity to competitors of Purchaser;

(iii) after the first anniversary of the Closing Date, acquiring the stock or assets of, or entering into a transaction, joint venture, or other business relationship with respect to a Competing Activity with a Person that engages, directly or indirectly, in a Competing Activity if such Competing Activity accounts for less than the greater of twenty percent (20%) or Fifty Million Dollars ($50,000,000) of such Person's consolidated annual revenues, and Seller and its Affiliates shall use reasonable best efforts to, or use reasonable best efforts to cause any joint venture partner or Person to, divest any such business segment that engages in such Competing Activity to a Person on terms and conditions that are commercially reasonable within a period of twelve (12) months from the date of such acquisition, transaction, joint venture or other business relationship; or

(iv) performing its obligations under the Victor Reinz Distribution Agreement or any of the Transition Agreements.

For purposes of this Agreement, the term "participate" includes any direct or indirect interest, whether as partner, sole proprietor, trustee, beneficiary, agent, representative, independent contractor, consultant, advisor, provider of personal services, creditor or owner (other than by ownership of less than five percent (5%) of the stock of a corporation that has a class of equity securities registered under the Securities Exchange Act of 1934, as amended).

(c) During the period commencing on the Closing Date and ending on the second anniversary of the Closing Date, Seller will not, and will not permit any of its Affiliates to, solicit any Acquired Company Employee or 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. Non-solicitation of Seller Employees.

Purchaser covenants and agrees that for a period of two 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 making other general solicitations or from employing persons who respond to any such advertising or solicitation

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. Standstill.

Purchaser agrees that, for a period of two years from the Closing Date or termination of this Agreement pursuant to Section 13.1, neither Purchaser nor any of its affiliates (as such term is defined in Rule 12b-2 of the Exchange Act) will (and neither Purchaser nor they will assist or encourage others to), without the prior written consent of Seller, any successor to or person in control of Seller, or its Board of Directors or in connection with any sale or reorganization procedures undertaken under the Bankruptcy Code: (i) acquire or agree, publicly offer, publicly 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 Seller or any of its Subsidiaries, or any reorganized successor to Seller, any of the assets or businesses of Seller or any of its Subsidiaries or divisions thereof or any bank debt, claims or other obligations of Seller 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 Seller or to obtain representation on Seller's Board of Directors, or solicit, or participate in the solicitation of, any proxies or consents with respect to any securities of Seller, 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 publicly 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) publicly 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) publicly request Seller or any of its representatives, directly or indirectly, to amend or waive any provision of this Section 12.3.

Section 12.4. 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 Purchaser for a violation by Seller of the terms of this Article XII and that Purchaser shall be entitled to injunctive relief to prevent any such violation or continuing violation by Seller. 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 material breach of any provision of this Agreement has been committed by Seller and such breach has not been cured within 20 calendar days of written notice thereof or otherwise been waived or (ii) by Seller if a material breach of any provision of this Agreement has been committed by Purchaser and such breach has not been cured within 20 calendar days of written notice thereof or otherwise been waived;

(c) by Purchaser, if the Closing has not occurred on or before June 30, 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 Seller, if the Closing has not occurred on or before June 30, 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;

(e) by Seller, if Seller accepts or the Bankruptcy Court approves an alternative Qualified Bid for any of the Purchased Shares or Purchased Assets;

(f) by Purchaser, if (i) any of the conditions set forth in Sections 8.1, 8.2, or 8.7 are not capable of being satisfied; or (ii) any of the conditions set forth in Section 8.3, 8.4, 8.5, 8.6, 8.8, or 8.9 are not capable of being satisfied;

(g) by Seller, if (i) any of the conditions set forth in Sections 9.3, 9.4, 9.5, 9.6 or 9.8 are not capable of being satisfied or (ii) any of the conditions set forth in Sections 9.1, 9.2, or 9.7 are not capable of being satisfied;

(h) 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 Final Order of any Governmental Body having competent jurisdiction;

(i) by Purchaser, if (i) any of the Cases are converted from a case under Chapter 11 of the Bankruptcy Code to a case under Chapter 7 of the Bankruptcy Code without the prior written consent of Purchaser, (ii) a plan of reorganization is filed by the Seller which does not provide for the sale of the Purchased Assets to Seller under this Agreement, (iii) a Chapter 11 trustee in the Cases is appointed;

(j) by Purchaser, if the Bidding Procedures Order (A) shall not have been entered by the Bankruptcy Court on or prior to the 45th day following the date of this Agreement or (B) thereafter shall fail to be in full force and effect or shall have been stayed, reversed, modified or amended in any respect without the prior written consent of Purchaser;

(k) by Purchaser, if the Approval Order (A) shall not have been entered by the Bankruptcy Court on or prior to the 90th day following the date of this Agreement or (B) thereafter shall fail to be in full force and effect or shall have been stayed for more than 15 Business Days, reversed, modified or amended in any respect without the prior written consent of Purchaser; or

(l) by Purchaser in accordance with Section 6.14(b).

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), 13.1(i), 13.1(j), 13.1(k), or 13.1(l) 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 hereto shall thereafter have any further liability or obligation hereunder or under any Transition Agreement (except as expressly provided herein or therein).

(b) Breakup Fee. In the event that this Agreement is terminated by Seller pursuant to Section 13.1(e), Seller shall pay to Purchaser a fee (the ***"Breakup Fee"***) equal to Two Percent (2%) of the Initial Cash Consideration, such fee to be payable on the closing of the Alternative Transaction. No Breakup Fee shall be payable to the extent the closing of the Alternative Transaction does not occur. Such payment will be made by wire transfer in immediately available funds to an account designated by Purchaser. Purchaser shall have the right to be paid the Breakup Fee from the first proceeds of the Alternative Transaction for any of the Purchased Shares or Purchased Assets. The Parties acknowledge and agree that the Breakup Fee represents Purchaser's fee for its work in establishing a bid standard or minimum for other Qualified Bids and for serving, by its name and its expressed interest, as a catalyst for other Qualified Bids.

(c) Reimbursement of Expenses. In the event that this Agreement is terminated (i) by Seller pursuant to Section 13.1(e) or (ii) by Purchaser pursuant to Section 13.1(b)(i) or Section 13.1(f)(i), Seller shall pay or reimburse Purchaser for all of Purchaser's and its Affiliates' actual out-of-pocket costs, fees, expenses (including, without limitation, the reasonable fees and expenses of consultants, financial advisors, accountants and attorneys), incurred by Purchaser or its Affiliates 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 One Percent (1%) of the Initial Cash Consideration (the "***Expense Reimbursement***"), such reimbursement to be payable, in

the case of a termination pursuant to Section 13.1(e), on the earlier to occur of (i) the closing of the Alternative Transaction, and (ii) the consummation of the plan of reorganization by the Debtors, and, in the case of a termination pursuant to Section 13.1(b)(i) or Section 13.1(f)(i), within ten (10) Business Days after such termination. Purchaser shall present reasonable supporting documentation for the Expense Reimbursement.

(d) 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), 13.1(e), 13.1(f), 13.1(g)(i), 13.1(h), 13.1(i), 13.1(j), 13.1(k) or 13.1(l) the Deposit Agent will wire transfer the Deposit Amount to an account designated by Purchaser.

(ii) In the event this Agreement is terminated pursuant to Sections 13.1(b)(ii) or 13.1(g)(ii) the Deposit Agent will wire transfer the Deposit Amount to an account designated by Seller.

(iii) In the event the terms of this Section 13.2(c) conflict with the terms of the Deposit Agreement, this Agreement shall govern.

(e) If this Agreement is terminated as permitted by Section 13.1 in circumstances in which the Breakup Fee and/or the Expense Reimbursement are payable to Purchaser pursuant to Section 13.2, the return of the Deposit Amount pursuant to the terms of the Deposit Agreement and the payment of the Breakup Fee and/or the Expense Reimbursement shall be the sole and exclusive remedy 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; provided, however, that if either (a) Purchaser terminates this Agreement pursuant to Section 13.1(b)(i) or Section 13.1(f)(i) as a result of a willful breach by Seller of its obligations set forth in this Agreement, or (b) this Agreement is terminated by either party pursuant to Section 13.1(f)(ii) or Section 13.1(g)(i) as a result of the conditions set forth in paragraph 1 of Schedule 8.6 or paragraph 1 of Schedule 9.6 not being satisfied, then Seller shall be liable to Purchaser for damages occasioned by such breach in an amount that does not exceed an amount equal to One Million Nine Hundred Fifty Thousand Dollars ($1,950,000). If this Agreement is terminated by Seller in circumstances in which the Deposit Amount is payable to Seller pursuant to Section 13.2(d), the forfeiture of the entire Deposit Amount pursuant to Section 13.2(d)(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. The parties agree that the amounts payable pursuant to this Section 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. Notwithstanding anything to the contrary contained in this Agreement, 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 and Expense Reimbursement as

otherwise required by this Section 13.2. Subject to the approval of the Bankruptcy Court, the obligations of Seller to pay the Breakup Fee and the Expense Reimbursement shall survive termination of this Agreement and 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 payable without further order of the Bankruptcy Court pursuant to the terms of this Agreement and the Bidding Procedures Order, and the obligation to pay the Breakup Fee and the Expense Reimbursement in full in cash when due shall not be discharged, modified, or otherwise affected by any plan of reorganization or liquidation for Seller.

ARTICLE XIV

TAX MATTERS

Section 14.1. Tax Indemnification.

(a) To the extent not paid or accrued (including the payment of estimated Taxes) before Closing or reflected 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 XIV (but only to the extent appropriate to reflect the relative fault of Seller, on the one hand, and Purchaser, on the other hand); (C) Seller's responsibility for any Transfer Taxes in accordance with Section 14.9; and (D) all costs and expenses, including reasonable legal fees and expenses, attributable to any item in clauses (A) through (C).

(b) Purchaser shall indemnify Seller and its Affiliates and hold them harmless from all liability for (A) any and all Taxes imposed on or payable with respect to the Acquired Company or the Business, other than Excluded Taxes, (B) Purchaser's responsibility for any Transfer Taxes in accordance with Section 14.9, (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 or the Acquired Company 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. Preparation and Filing of Tax Returns.

(a) Seller 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 the Acquired Company and Seller or any of its Affiliates; (ii) any other Tax Return for any Income Tax of the Acquired Company 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 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 the Acquired Company to) amend or revoke such Tax Returns (or any notification or election relating thereto).

(b) Except as permitted by this Agreement or required by applicable Law, Seller shall not take, and shall procure that after the Closing Date none of its Affiliates will take, any action, or omit to take any action, that could result in any increase or acceleration in the due date in connection with the Taxes of the Acquired Company.

(c) Purchaser shall, except to the extent that such Tax Returns are the responsibility of Seller under Section 14.2(a), timely prepare and file or shall cause to be timely prepared and filed all Tax Returns with respect to the Acquired Company and the Purchased Assets (other than Tax Returns of Seller or any of its Subsidiaries excluding the Acquired Company). For any Tax Return of the Acquired Company that relates to a Pre-Closing Tax Period and that is the responsibility of Purchaser under this Section 14.2(c), Purchaser shall, and shall cause its Affiliates to, prepare such Tax Return in a manner consistent with past practices of the Acquired Company and with respect to the Purchased Assets and in the case of any Income Tax or Property Tax, Purchaser shall deliver to Seller for its review, comment and approval (which approval shall not be unreasonably withheld, conditioned or delayed) 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 thirty Business Days prior to the due date (giving effect to any validly obtained extensions) thereof. Purchaser shall reflect in good faith any comments

received from Seller within ten Business Days following Seller's receipt of such Tax Return. Purchaser shall not amend or revoke any Straddle Period Tax Return (or any notification or election relating thereto) without Seller's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). Purchaser shall promptly reimburse Seller for any overpayment of Taxes with respect to a Pre-Closing Tax Period, including by reason of the payment of any estimated Taxes by Seller or its Affiliates. For purposes of this Section 14.2(c), Seller shall not be deemed to unreasonably withhold, condition or delay approval or consent if such approval or consent may have the effect of increasing Seller's indemnification liability under this Agreement or otherwise result in a cost, not reimbursed by Purchaser, to Seller or its Affiliates.

(d) 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 XIV.

Section 14.3. Refunds, Credits and Carrybacks.

(a) Seller shall be entitled to any refunds of, and the benefit of any prepayment or credits of or against, any Excluded Taxes, and shall be entitled to the benefits of any Tax prepayments made or other deductions or credits earned during a Pre-Closing Tax Period but applied against Taxes that are not Excluded Taxes. Purchaser shall, at Seller's reasonable request and at Seller's expense, cause the relevant entity to file for and use commercially reasonable efforts to obtain any refund to which Seller is entitled. Except as provided in the preceding sentence, and subject to Section 14.3(c), Purchaser shall be entitled to any refunds of, and the benefit of any prepayments or credits of or against, any Taxes of the Acquired Company and the Business relating to Post-Closing Tax Periods.

(b) Purchaser shall, and shall cause the Acquired Company to, promptly forward to Seller or reimburse Seller for any refunds or the use of any prepayments, deductions or credits of Taxes due Seller (pursuant to the terms of this Article XIV) after receipt thereof, and Seller shall promptly forward to Purchaser or reimburse Purchaser for any refunds or credits of Taxes due Purchaser (pursuant to the terms of this Article XIV) after receipt thereof.

(c) Purchaser shall cause the Acquired Company to elect, where permitted by applicable Law, to carry forward any item of loss, deduction or credit which arises in or is attributable to any taxable period ending after the Closing Date and is not used in such period. Without the prior written consent of Seller, Purchaser shall not cause or permit the Acquired Company 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. For purposes of this Section 14.3(c), Seller shall not be deemed to unreasonably withhold, condition or delay consent if such consent may have the effect of

increasing Seller's indemnification liability under this Agreement or otherwise result in a cost to Seller, not reimbursed by Purchaser, or its Affiliates.

Section 14.4. Tax Contests.

(a) If any taxing authority asserts a Tax Claim in respect of the Acquired Company, 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 XIV, except to the extent that the other party is rendered unable to timely and adequately contest the subject Tax (without being required first to pay all or part of the subject Tax) or to adequately defend against or prosecute the Tax Claim. 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) Seller 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 Company for any taxable period that ends on or before the Closing Date or for any taxable period of Seller or any of its Affiliates during which any combined, consolidated or unitary Tax Return includes the Acquired Company and Seller or any of its Affiliates; provided, however, that with respect to any Tax Proceeding solely in respect of the Acquired Company that would reasonably be expected to have a significant adverse impact on Purchaser and its Affiliates (i.e., one for which Purchaser and its Affiliates are not entitled to indemnification under this Article XIV), (i) Seller shall consult with Purchaser before taking any significant action in connection with such Tax Proceeding, (ii) 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, and (iii) Seller shall not settle, compromise or abandon any such Tax Proceeding without obtaining the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) In the case of a Tax Proceeding for a Straddle Period of the Acquired Company, Purchaser shall have the right to control such Tax Proceeding; provided, however, that (i) Purchaser shall provide Seller with a timely and reasonably detailed account of each phase of such Tax Proceeding, (ii) Purchaser shall consult with Seller before taking any significant action in connection with such Tax Proceeding, (iii) Purchaser shall consult with Seller and offer Seller an opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Proceeding, (iv) 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) Seller shall be entitled to participate in such Tax Proceeding, at its own expense, if such Tax Proceeding could have an adverse impact on Seller or any of its Affiliates and (vi) 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 Seller if such settlement, compromise or abandonment would have an adverse impact on Seller or any of its Affiliates.

(d) Purchaser shall have the right to control any Tax Proceeding involving the Acquired Company other than a Tax Proceeding described in Sections 14.4(b) or 14.4(c); provided, however, that 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 Seller or any Affiliate of Seller.

Section 14.5. 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 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 14.6. Net Operating Losses and Timing Differences.

Purchaser agrees that if an adjustment pursuant to a Tax Proceeding and in connection with any Excluded Tax increases the amount of depreciation, amortization or other deductions allowable to Purchaser or any of its Affiliates in one or more taxable periods following the date of the adjustment, Purchaser shall pay to Seller the amount of any Tax benefit realized from such increased depreciation, amortization or other deductions within thirty (30) calendar days of filing the Tax Return in which such Tax benefit is realized or utilized. The Tax benefit realized by Purchaser with respect to such future deductions shall be deemed to be equal to the product of (i) the net present value of the additional deductions allowable to Purchaser or any of its Affiliates as a result of the adjustment (using a discount rate equal to the prime rate of interest announced publicly by JPMorgan Chase Bank on the date of the adjustment) and (ii) the highest marginal Tax rate in effect in the year during which the adjustment is made.

Section 14.7. 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), Seller, Purchaser, the Acquired Company and their respective Affiliates shall treat any and all payments under this Article XIV as an adjustment to the purchase price for all Tax purposes. Seller and Purchaser agree, for all Tax purposes, to allocate any such adjustment among the Acquired Company and/or the Purchased Assets based upon the item or items to which such adjustment is principally attributable.

Section 14.8. Additional Tax Covenants.

Purchaser 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 the Acquired Company without the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed. For purposes of this Section 14.8, Seller shall not be deemed to unreasonably withhold, condition or delay consent if such consent may have the effect of increasing Seller's indemnification liability under this Agreement or otherwise result in a cost to Seller, not reimbursed by Purchaser, or its Affiliates.

Section 14.9. 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 are recoverable (by way of refund, credit, or otherwise) by Purchaser or any of its Affiliates from the relevant tax authorities under applicable Law, such Transfer Taxes shall be paid entirely by Purchaser. Any Transfer Taxes that are not recoverable by Purchaser or any of its Affiliates shall be borne equally by Purchaser and Seller. Seller and Purchaser shall cooperate in the execution and filing of any Tax Returns, affidavits or other documents relating to any Transfer Taxes.

Section 14.10. Other Agreements.

After the Closing, this Article XIV shall supersede any and all Tax-sharing or similar agreements to which (i) the Acquired Company and (ii) Seller or any of its Affiliates (excluding the Acquired Company) are parties. Neither the Acquired Company 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.

ARTICLE XV

DEFINITIONS AND TERMS

As used in this Agreement, the following terms shall have the meanings set forth below:

Section 15.1. Acquired Company.

"***Acquired Company***" has the meaning set forth in Section 1.1.

Section 15.2. Acquired Company Contract.

"Acquired Company Contract" means all Contracts to which the Acquired Company is a party (including, but not limited to, any Contract that is an unexpired lease).

Section 15.3. Acquired Company Employee.

"Acquired Company Employee" means any individual who is employed by the Acquired Company immediately before the Closing, including any individual who is absent due to vacation, holiday, sickness or other approved leave of absence, and who is listed on Schedule 15.3.

Section 15.4. Acquired Company Intellectual Property.

"Acquired Company Intellectual Property" means the Intellectual Property that is owned, in whole or in part, by the Acquired Company, including without limitation the Intellectual Property identified on Schedule 15.4.

Section 15.5. Acquired Company Leased Real Property.

"***Acquired Company Leased Real Property***" has the meaning set forth in Section 4.11(a).

Section 15.6. Acquired Company Owned Property.

"***Acquired Company Owned Property***" has the meaning set forth in Section 4.11.

Section 15.7. Acquired Company Owned Real Property.

"***Acquired Company Owned Real Property***" has the meaning set forth in Section 4.11(a).

Section 15.8. Acquired Equipment.

"***Acquired Equipment***" means (a) the Purchased Equipment and (b) all machinery, equipment, furniture, automobiles, trucks, tractors, trailers, tools, tooling and other tangible personal property of the Acquired Company, including without limitation, the items set forth on Schedule 15.8.

Section 15.9. Acquired Intellectual Property.

"***Acquired Intellectual Property***" means (a) the Purchased Intellectual Property and (b) the Acquired Company Intellectual Property.

Section 15.10. Acquired Inventory.

"***Acquired Inventory***" means (a) the Purchased Inventory and (b) all inventories and supplies of raw materials, works-in-process, finished goods, spare parts, supplies, storeroom contents and other inventoried items of the Acquired Company.

Section 15.11. 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 15.12. Affinia.

"***Affinia***" means Affinia Group Inc.

Section 15.13. Affinia Agreements.

"***Affinia Agreements***" means each of: the Brazilian Distribution Agreement, dated March 14, 2005, between Affinia Automotiva Ltda, Seller, Dana-Albarus S.A. Industria E Comercio, Dana Industrias Ltda. and Echlin Do Brasil Industria E Comercio (the "***Brazil Distribution Agreement***"); the Brazilian Trademark License Agreement, dated November 30, 2004, between AAG Brasil Ind. E. Com. de Autopecas Ltda., Seller, Dana-Albarus S.A. Industria E Comercio, Dana Industrias Ltda., Echlin Do Brasil Industria E Comercio and Dana Argentina S.A. (the "***Brazil Trademark License Agreement***"); the Argentine Commission Agreement, dated December 1, 2004, between Brake Parts Argentina S.A., Dana Argentina, S.A., Dana San Juan S.A. and Dana San Luis S.A. (the "***Argentine Commission Agreement***"); the Argentine Trademark License Agreement, dated November 30, 2004, between Brake Parts Argentina S.A. and Seller (the "***Argentina Trademark License Agreement***"); the Sales Agreement (Dana Global Sales), dated November 30, 2004, between AAG Acquisition Corporation and the Clevite Engine Products division of Seller, as amended (the "***Dana Global Sales Agreement***"); the Sales Agreement (CARQUEST), dated November 30, 2004, between Wix Filtration Corp. and the Clevite Engine Products division of Seller; and the ADMS Services Agreement, dated November 30, 2004, between AAG Acquisition Corp. and the Clevite Engine Products division of Seller.

Section 15.14. Affinia Agreements Transfer.

"***Affinia Agreements Transfer***" has the meaning set forth in Section 6.16(a).

Section 15.15. Affinia Consent.

"***Affinia Consent***" has the meaning set forth in Section 6.16(b).

Section 15.16. Affinia Split Agreements.

"***Affinia Split Agreements***" has the meaning set forth in Section 6.16(b).

Section 15.17. Aftermarket Business.

"***Aftermarket Business***" means that part of the Business pertaining to the sale and distribution of replacement parts and services to parties other than engine manufacturers who purchase such parts for incorporation into internal combustion engines (including, without limitation, for light vehicles, trucks and related motorized equipment).

Section 15.18. Agreement.

"***Agreement***" has the meaning set forth in the preamble.

Section 15.19. Alternative Transaction.

"***Alternative Transaction***" has the meaning ascribed to it in the Bidding Procedures Order.

Section 15.20. Ancillary Agreements.

"***Ancillary Agreements***" has the meaning set forth in Section 6.11.

Section 15.21. Approval Order.

"***Approval Order***" has the meaning set forth in Section 6.3(a).

Section 15.22. ARC.

"***ARC***" has the meaning set forth in Section 4.1.

Section 15.23. ARC Product Issue.

"***ARC Product Issue***" has the meaning set forth in Section 11.2.

Section 15.24. ARC Product Policies.

"***ARC Product Policies***" has the meaning set forth in Section 6.15.

Section 15.25. Asset Selling Affiliates.

"Asset Selling Affiliates" means those entities listed in Schedule 15.25, being those Affiliates of Seller who own Purchased Assets;

Section 15.26. Assignment and Assumption of Lease Agreements.

"***Assignment and Assumption of Lease Agreements***" has the meaning set forth in Section 3.3.

Section 15.27. Assumed Benefit Plans.

"***Assumed Benefit Plans***" has the meaning set forth in Section 10.3(a).

Section 15.28. Assumed Contracts.

"***Assumed Contracts***" means, collectively, the Debtor Contracts, the Non-Debtor Contracts and the Acquired Company Contracts.

Section 15.29. Assumed Environmental Liabilities.

"***Assumed Environmental Liabilities***" has the meaning set forth in Section 1.5(n).

Section 15.30. Assumed Liabilities.

"***Assumed Liabilities***" has the meaning set forth in Section 1.5.

Section 15.31. Assumed Pension Benefit Plans.

"***Assumed Pension Benefit Plans***" has the meaning set forth in Section 10.3(a).

Section 15.32. Assumed Recall.

"***Assumed Recall***" has the meaning set forth in Section 1.5(j).

Section 15.33. Assumed Retention Agreements.

"Assumed Retention Agreements" means those retention agreements listed on Schedule 15.32, including any renewals or replacements thereof on the same terms and conditions.

Section 15.34. Auction.

"***Auction***" means the auction to be conducted by Seller pursuant to the Bidding Procedures Order.

Section 15.35. Bankruptcy Avoidance Actions.

"***Bankruptcy Avoidance Actions***" has the meaning set forth in Section 1.3(p).

Section 15.36. Bankruptcy Code.

"Bankruptcy Code" means 11 U.S.C. Section 101, *et. seq.*, as it may be amended during the Cases.

Section 15.37. 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 15.38. Bankruptcy Court Orders.

"Bankruptcy Court Orders" means the Bid Procedures Order and the Approval Order.

Section 15.39. Bidding Procedures.

"***Bidding Procedures***" has the meaning set forth in Section 6.4(a).

Section 15.40. Bidding Procedures Order.

"***Bidding Procedures Order***" has the meaning set forth in Section 6.3(a).

Section 15.41. Bill of Sale.

"***Bill of Sale***" has the meaning set forth in Section 3.3.

Section 15.42. Breakup Fee.

"***Breakup Fee***" has the meaning set forth in Section 13.2(b).

Section 15.43. Business.

"***Business***" means the design, manufacture, assembly, marketing, sale and distribution of (a) metallic thin wall engine bearings, bushings, and thrust washers, (b) steel and cast iron piston rings, (c) cast iron cylinder liners, and (d) heavy duty steel cam shafts, in each case, for internal combustion engines, transmissions, drivetrains, electric motors, pumps, compressors and other products, for use in the automotive, commercial vehicle, aviation, off-highway, and industrial markets and related aftermarkets as engaged in by Seller, its Selling Affiliates and the Acquired Company prior to the Closing.

Section 15.44. 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 15.45. Business Employee.

"Business Employee" means each individual who is employed by Seller or its Subsidiaries (other than the Acquired Company) immediately before the Closing, including any individual who is absent due to vacation, holiday, sickness or other approved leave of absence, who is employed primarily in the Business, and who is listed in Schedule 15.45.

Section 15.46. Business Transfer Agreements.

"***Business Transfer Agreements***" has the meaning as set forth in Section 3.3.

Section 15.47. Cases.

"***Cases***" has the meaning set forth in the Recitals.

Section 15.48. CERCLA.

"***CERCLA***" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 *et. seq*.

Section 15.49. Chapter 11 Expenses.

"***Chapter 11 Expenses***" means the costs incurred and expenses paid or payable by the Seller or any Affiliate of Seller 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 15.50. Chosen Court.

"***Chosen Court***" has the meaning set forth in Section 16.14.

Section 15.51. Closing.

"***Closing***" has the meaning set forth in Section 3.1.

Section 15.52. Closing Date.

"***Closing Date***" has the meaning set forth in Section 3.1.

Section 15.53. Closing Date Employees.

"***Closing Date Employees***" has the meaning set forth in Section 10.1(a)(ii).

Section 15.54. Closing Net Working Capital.

"Closing Net Working Capital" has the meaning set forth in Section 2.3(e).

Section 15.55. Closing Statement of Net Assets.

"Closing Statement of Net Assets" has the meaning set forth in Section 2.3(b).

Section 15.56. 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 15.57. Code.

"***Code***" means the Internal Revenue Code of 1986, as amended.

Section 15.58. Competing Activity.

"***Competing Activity***" has the meaning set forth in Section 12.1.

Section 15.59. 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 15.60. Copyrights.

"Copyrights" means United States and foreign copyrights, whether registered or not, the subject matter of which includes, Software, websites, brochures, promotional and advertising materials and product packaging.

Section 15.61. Cure Costs.

"***Cure Costs***" has the meaning set forth in Section 7.2.

Section 15.62. Current Employees.

"***Current Employees***" has the meaning set forth in Section 10.1(a)(i).

Section 15.63. Dana Defined Contribution Plan.

"***Dana Defined Contribution Plan***" has the meaning set forth in Section 10.2(a).

Section 15.64. Dana Retirement Plan.

"***Dana Retirement Plan***" has the meaning set forth in Section 10.2(a).

Section 15.65. Dana Severance Event.

"***Dana Severance Event***" has the meaning given to such term in the Assumed Retention Agreements.

Section 15.66. Debtor Contract Designation Date.

"***Debtor Contract Designation Date***" has the meaning set forth in Section 1.7.

Section 15.67. Debtor Contracts.

"***Debtor Contracts***" has the meaning set forth in Section 1.2(e).

Section 15.68. Debtors.

"***Debtors***" has the meaning set forth in the Recitals.

Section 15.69. Debtor Seller.

"***Debtor Seller***" means any Asset Selling Affiliate that is a Debtor.

Section 15.70. Deferred Local Closing.

"***Deferred Local Closing***" has the meaning as set forth in Section 3.1.

Section 15.71. Deposit Agent.

"***Deposit Agent***" has the meaning set forth in Section 2.2(a).

Section 15.72. Deposit Agreement.

"***Deposit Agreement***" has the meaning set forth in Section 2.2(a).

Section 15.73. Deposit Amount.

"***Deposit Amount*** has the meaning set forth in Section 2.2(a).

Section 15.74. Designated Affiliate.

"***Designated Affiliates***" means those Affiliates of Purchaser designated by Purchaser as purchasers of Purchased Shares or Purchased Assets designated by Purchaser to Seller in writing as soon as reasonably practicable after the date of this Agreement and in any event no later than the date falling thirty (30) days prior to the Closing Date, with an initial indication of such Designated Affiliates being set forth on Schedule 15.74.

Section 15.75. EC Merger Regulation.

"***EC Merger Regulation***" has the meaning set forth in Section 4.4.

Section 15.76. 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 Governmental Body.

Section 15.77. 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 15.78. 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, labelling, 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.*, or the Occupational Safety and Health Act, 29 U.S.C. 651 *et. seq.*

Section 15.79. ERISA.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

Section 15.80. Escrow Agent.

"***Escrow Agent***" has the meaning set forth in Section 3.3(l).

Section 15.81. Escrow Agreements.

"***Escrow Agreements***" has the meaning set forth in Section 3.3.

Section 15.82. [Intentionally Omitted]

Section 15.83. Excluded Assets.

"***Excluded Assets***" has the meaning set forth in Section 1.3.

Section 15.84. Excluded Business Employees.

"***Excluded Business Employees***" has the meaning set forth in Section 10.1.

Section 15.85. Excluded Environmental Liabilities.

"***Excluded Environmental Liabilities***" has the meaning set forth in Section 1.6.

Section 15.86. Excluded Intellectual Property.

"***Excluded Intellectual Property***" has the meaning set forth in Section 1.3(d).

Section 15.87. Excluded Liabilities.

"***Excluded Liabilities***" has the meaning set forth in Section 1.6.

Section 15.88. Excluded Taxes.

"***Excluded Taxes***" means (a) to the extent not paid or accrued (including the payment of estimated Taxes) before Closing or reflected on the Closing Statement of Net Assets, any Taxes imposed on or payable with respect to the Acquired Company or 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), excluding any such Taxes for a Straddle Period other than Income Taxes and Property Taxes, and (b) any Taxes of Seller or any of its Affiliates (other than the Acquired Company) for which the Acquired Company 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) the amount of Property Taxes or other Taxes of the Acquired Company or the Business that are calculated based on a fixed amount per year allocable to the Pre-Closing Tax Period shall be equal to the amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days during such period that are in the Pre-Closing Tax Period and the denominator of which is the number of calendar days in the entire Straddle Period, and (ii) the amount of Taxes (other than Property Taxes or other Taxes that are calculated based on a fixed amount per year) of the Acquired Company or the 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 15.89. Existing Inventory.

"***Existing Inventory***" has the meaning set forth in Section 7.8(c).

Section 15.90. Expense Reimbursement.

"***Expense Reimbursement***" has the meaning set forth in Section 13.2(c).

Section 15.91. FCPA.

"***FCPA***" has the meaning set forth in Section 4.19.

Section 15.92. Final Cash Consideration.

"Final Cash Consideration" has the meaning set forth in Section 2.1(a).

Section 15.93. Final Consideration.

"Final Consideration" means the sum of the Final Cash Consideration and the Assumed Liabilities (other than liabilities or obligations of the Acquired Company).

Section 15.94. 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 15.95. Financial Statements.

"***Financial Statements***" has the meaning set forth in Section 4.7(a).

Section 15.96. 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 15.97. Governmental Body.

"***Governmental Body***" means any (a) nation, region, state, county, city, town, village, district or other jurisdiction, (b) federal, state, local, municipal, foreign or other government, (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department or other entity and any court or other tribunal, (d) multinational organization, (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, or (f) official of any of the foregoing, in each case 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 15.98. Gravatai Lease Agreement.

"***Gravatai Lease Agreement***" has the meaning set forth in Section 3.3.

Section 15.99. Gravatai Leased Real Property.

"***Gravatai Leased Real Property***" means the real property located in Gravatai, Brazil listed on Schedule 4.11(a), and being the real property that is the subject of the Gravatai Lease Agreement.

Section 15.100. Guarantees.

"***Guarantees***" has the meaning set forth in Section 7.7.

Section 15.101. 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 15.102. HSR Act.

"***HSR Act***" has the meaning set forth in Section 4.4.

Section 15.103. Income Tax.

"***Income Tax***" means any federal, state, local, or foreign Tax imposed on or measured by net income and any gross receipts, franchise Tax or other similar Tax imposed in lieu thereof.

Section 15.104. Indemnified Party.

"***Indemnified Party***" has the meaning set forth in Section 11.6.

Section 15.105. Indemnifying Party.

"***Indemnifying Party***" has the meaning set forth in Section 11.6.

Section 15.106. Indemnity Escrow.

"***Indemnity Escrow***" has the meaning set forth in Section 2.2(b).

Section 15.107. Independent Auditors.

"Independent Auditors" has the meaning set forth in Section 2.3(c).

Section 15.108. India Closing.

"***India Closing***" has the meaning set forth in Section 3.2.

Section 15.109. India Escrow.

"***India Escrow***" has the meaning set forth in Section 2.2(b).

Section 15.110. Initial Cash Consideration.

"Initial Cash Consideration" has the meaning set forth in Section 2.1(a).

Section 15.111. Initial Consideration.

"Initial Consideration" means the sum of the Initial Cash Consideration and the Assumed Liabilities (other than liabilities or obligations of the Acquired Company).

Section 15.112. Insured Real Property.

"***Insured Real Property***" has the meaning set forth in Section 6.14.

Section 15.113. Intellectual Property.

"***Intellectual Property***" means all: (a) Trademarks; (b) Copyrights (c) Software, including source code, object code, mask works, operating systems and specifications, data, files, documentation and other materials related thereto; (d) Patents; (e) invention disclosures, discoveries and improvements, whether or not patentable; (f) Trade Secrets; (g) pending applications and registrations for any of the foregoing; (h) the right to sue for past, present and future infringement and past payment, if any, in connection with any of the foregoing; (i) copies and tangible embodiments of all of the foregoing and related documentation in whatever form or medium; (j) the right to exploit all of the foregoing and (k) the goodwill associated with each of the foregoing.

Section 15.114. IP Assignments.

"***IP Assignments***" has the meaning set forth in Section 3.3.

Section 15.115. Knowledge.

"***Knowledge***" means the actual knowledge, after reasonable investigation, of the individuals set forth on Schedule 15.115.

Section 15.116. 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 15.117. Leased Real Properties.

"***Leased Real Properties***" means the real properties leased pursuant to, and subject to, the Real Property Leases.

Section 15.118. Leave Employees.

"***Leave Employees***" has the meaning set forth in Section 10.1(a)(ii).

Section 15.119. Legal Proceeding.

"***Legal Proceeding***" means any judicial, administrative or arbitral action, suit, proceeding (public or private) or governmental proceeding.

Section 15.120. 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 15.121. LIBOR.

"***LIBOR***" shall mean the London Interbank Offered Rate paid in London on three (3) month U.S. Dollar deposits from other banks as quoted by the Chase Manhattan Bank on the Closing Date or, if such rate is not available, the rate published on the first publication date following the Closing Date under "Money Rates" in the New York City edition of *The Wall Street Journal*.

Section 15.122. 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 15.123. Losses.

"***Losses***" has the meaning set forth in Section 11.2(a).

Section 15.124. Major Customer.

"***Major Customers***" has the meaning set forth in Section 4.15 and each, individually, a "***Major Customer***".

Section 15.125. Major Supplier.

"***Major Suppliers***" has the meaning set forth in Section 4.15 and each, individually, a "***Major Supplier***".

Section 15.126. Material Adverse Effect.

"***Material Adverse Effect***" means any change or event or effect that is materially adverse to the Business, 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) changes or developments in general economic conditions or general conditions of the industry in which the Business is conducted; (iii) the impact associated with the commencement of the Cases; or (iv) the impact associated with the announcement of the transactions contemplated hereby. For the avoidance of doubt, the parties agree that (i) any one or more Deferred Local Closings shall neither constitute nor give rise to a Material Adverse Effect and (ii) Seller's inability to convey good and marketable title to the Owned Real Property described on Schedule 4.11(d) shall neither constitute nor give rise to a Material Adverse Effect.

Section 15.127. Material Business Contracts.

"***Material Business Contracts***" has the meaning set forth in Section 4.14(a).

Section 15.128. Multiemployer Plan.

"***Multiemployer Plan***" has the meaning set forth in Section 10.4(a).

Section 15.129. Net Funding Level.

"***Net Funding Level***" has the meaning set forth in Section 10.3.

Section 15.130. Net Working Capital Adjustment.

"Net Working Capital Adjustment" has the meaning set forth in Section 2.3(f).

Section 15.131. Net Working Capital of the Business.

"Net Working Capital of the Business" has the meaning set forth in Section 2.3(a).

Section 15.132. Nonassignable Assets.

"***Nonassignable Assets***" has the meaning set forth in Section 10.6(b).

Section 15.133. Non-Debtor Contract.

"***Non-Debtor Contract***" has the meaning set forth in Section 1.2(f).

Section 15.134. Non-Debtor Sellers.

"***Non-Debtor Sellers***" means those Asset Selling Affiliates that are not Debtors, and each, individually, a "***Non-Debtor Seller***".

Section 15.135. Non-Union Transferred Employees.

"***Non-Union Transferred Employees***" has the meaning set forth in Section 10.1(e).

Section 15.136. Notification.

"***Notification***" has the meaning set forth in Section 1.7.

Section 15.137. OEM Business.

"***OEM Business***" means that part of the Business pertaining to the sale of products to engine manufacturers for installation in engines.

Section 15.138. On-site Soil and Groundwater Contamination.

"***On-Site Soil and Groundwater Contamination***" means all circumstances and conditions giving rise to Liabilities relating to investigation and remediation work related to seeking regulatory closure of any on-site or off-site impacts of contamination which emanates from the current or former operations at the Real Property.

Section 15.139. 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 15.140. Other Marked Assets.

"***Other Marked Assets***" has the meaning set forth in Section 7.8(c).

Section 15.141. Owned Real Property.

"***Owned Real Property***" means the real property listed on Schedule 15.141 together with any and all buildings, structures, improvements and fixtures located thereon owned by the Seller or its Asset Selling Affiliates.

Section 15.142. Patents.

"***Patents***" means all United States and foreign patents and patent applications, including design patents and utility patents, reissues, divisions, continuations, continuations-in-part, reexaminations and extensions thereof, in each case including all applications therefor.

Section 15.143. PCIL Public Offering.

"***PCIL Public Offering***" has the meaning set forth in Section 3.2.

Section 15.144. PCIL Stock Acquisition Agreement.

"***PCIL Stock Acquisition Agreement***" has the meaning set forth in Section 3.2.

Section 15.145. Pensions Funding Adjustment Escrow.

"***Pensions Funding Adjustment Escrow***" has the meaning set forth in Section 2.2(b).

Section 15.146. Permit.

"***Permit***" means any approval, authorization, consent, franchise, license, permit or certificate issued or granted by any Governmental Body.

Section 15.147. Permitted Liens.

"***Permitted Liens***" means: (a) liens for current Taxes not yet due and payable; (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) any matter that would be shown or otherwise reflected by an accurate real property survey and which does not materially diminish the value of or materially interfere with the continued use of such real property; (e) easements, rights-of-way, licenses, utility agreements, restrictions, and other similar encumbrances of record, in each case in respect of real property ; (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 Business consistent with past practice; (g) liens under the Seller Financing; and (h) those matters reflected on Schedule 4.11(f).

Section 15.148. 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 15.149. Personal Property Leases.

"***Personal Property Leases***" has the meaning set forth in Section 4.12.

Section 15.150. Petition Date.

"***Petition Date***" means March 3, 2006.

Section 15.151. Post-Closing Tax Period.

"***Post-Closing Tax Period***" means any taxable period (or portion thereof) beginning after the Closing Date.

Section 15.152. Pre-Closing Tax Period.

"***Pre-Closing Tax Period***" means any taxable period (or portion thereof) ending on or before the Closing Date.

Section 15.153. Promec.

"***Promec***" has the meaning set forth in Section 4.1.

Section 15.154. Property Taxes.

"***Property Taxes***" means real, personal, and intangible *ad valorem* property Taxes.

Section 15.155. Publication Notice.

"***Publication Notice***" has the meaning set forth in Section 6.3.

Section 15.156. Purchase Price Adjustment Escrow.

"***Purchase Price Adjustment Escrow***" has the meaning set forth in Section 2.2(b).

Section 15.157. Purchased Assets.

"***Purchased Assets***" has the meaning set forth in Section 1.2.

Section 15.158. [Intentionally omitted]

Section 15.159. Purchased Equipment.

"Purchased Equipment" has the meaning set forth in Section 1.2(b).

Section 15.160. Purchased Intellectual Property.

"Purchased Intellectual Property" has the meaning set forth in Section 1.2(g).

Section 15.161. Purchased Inventory.

"***Purchased Inventory***" has the meaning set forth in Section 1.2(c).

Section 15.162. Purchased Shares.

"***Purchased Shares***" has the meaning set forth in Section 1.1.

Section 15.163. Purchaser.

"***Purchaser***" has the meaning set forth in the preamble.

Section 15.164. Purchaser Closing Documents.

"***Purchaser Closing Documents***" has the meaning set forth in Section 5.2.

Section 15.165. Purchaser Financial Advisor.

"***Purchaser Financial Advisor***" has the meaning set forth in Section 5.8.

Section 15.166. Purchaser Indemnified Group.

"***Purchaser Indemnified Group***" means Purchaser, its Subsidiaries and their respective Affiliates (including, after the Closing Date, the Acquired Company), together with their successors and permitted assigns, and their officers, directors, employees and agents.

Section 15.167. Purchaser Retirement Plans.

"***Purchaser Retirement Plans***" has the meaning set forth in Section 10.1(e).

Section 15.168. Purchaser Welfare Plans.

"***Purchaser Welfare Plans***" has the meaning set forth in Section 10.1(e).

Section 15.169. Qualified Bid.

"***Qualified Bid***" has the meaning set forth in the Bidding Procedures.

Section 15.170. RCRA.

"***RCRA***" means the Resource Conservation and Recovery Act, 42 U.S.C. 6901 *et. seq*.

Section 15.171. Real Property.

"Real Property" means collectively the Owned Real Property, Leased Real Properties, the Gravatai Leased Real Property, the Acquired Company Owned Real Property and Acquired Company Leased Real Property.

Section 15.172. Real Property Leases.

"***Real Property Leases***" means the real property leases listed on Schedule 15.172 of Seller or its Asset Selling Affiliates.

Section 15.173. Recorded Documents.

"***Recorded Documents***" has the meaning as set forth in Section 6.14.

Section 15.174. Related to the Business.

"***Related to the Business***" means primarily related to, or primarily used or held for use in the Business as conducted by Seller and its Selling Affiliates.

Section 15.175. Related Persons.

"*Related Person*" means any Affiliate and, with respect to an individual, any other individual that is a member of the individual's immediate family (by blood, marriage or adoption), a member of the individual's household, an entity in which the individual participates in management, or an employee or employer of the individual.

Section 15.176. 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 15.177. 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 15.178. Required Creditor Notices.

"***Required Creditor Notices***" has the meaning set forth in Section 6.3.

Section 15.179. Retention Agreements.

"***Retention Agreements***" shall mean the retention agreements between Seller and the Business Employees and Acquired Company Employees as set forth in the agreements listed on Schedule 15.179.

Section 15.180. Review Period.

"Review Period" has the meaning set forth in Section 2.3(c).

Section 15.181. Sale Hearing.

"***Sale Hearing***" means the hearing scheduled and held by the Bankruptcy Court on the approval of the sale of the Purchased Assets and the Purchased Shares under this Agreement.

Section 15.182. Sale Motion.

"***Sale Motion***" has the meaning set forth in Section 6.3(a).

Section 15.183. Second Phase.

"***Second Phase***" has the meaning set forth in Section 7.4(a).

Section 15.184. Second Request.

"***Second Request***" has the meaning set forth in Section 7.4(a).

Section 15.185. Seller.

"***Seller***" has the meaning set forth in the preamble.

Section 15.186. Seller Closing Documents.

"***Seller Closing Documents***" has the meaning set forth in Section 4.3.

Section 15.187. Seller Employee Benefit Plan.

"***Seller Employee Benefit Plan***" means any Employee Benefit Plan established, sponsored or maintained by the Seller or the Acquired Company or any of their respective Subsidiaries, in which any Business Employee or Acquired Company Employee is eligible to participate or receive benefits, or with respect to which Seller or any of its Subsidiaries (including the Acquired Company) contributes or has any liability.

Section 15.188. Seller Financing.

"***Seller Financing***" means (i) the postpetition financing facilities or arrangements of the Debtors and (ii) any financing facilities or arrangements of the Non-Debtors.

Section 15.189. 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 15.190. Seller Name.

"***Seller Name***" has the meaning set forth in Section 7.8(a).

Section 15.191. Seller PCIL Stock.

"***Seller PCIL Stock***" has the meaning set forth in Section 3.2.

Section 15.192. Seller Welfare Plans.

"***Seller Welfare Plans***" has the meaning set forth in Section 10.2(b).

Section 15.193. Selling Affiliates.

"***Selling Affiliates***" means the Share Selling Affiliates and the Asset Selling Affiliates.

Section 15.194. Severance Payment.

"***Severance Payment***" has the meaning set forth in each of the Assumed Retention Agreements.

Section 15.195. Share Selling Affiliates.

"***Share Selling Affiliates***" means those entities listed in Schedule 15.195, being those Affiliates of Seller who own Purchased Shares.

Section 15.196. Software.

"***Software***" means any and all computer software in both source and object code form, including without limitation any web pages, firmware, operating systems, libraries, files, fixes,

patches, updates, upgrades or other forms of software, mask works, data, databases, files, documentation and other materials related thereto, that are Related to the Business.

Section 15.197. Statement of Net Assets.

"Statement of Net Assets" has the meaning set forth in Section 4.7(a).

Section 15.198. Straddle Period.

"***Straddle Period***" means any taxable period beginning on or prior to and ending after the Closing Date.

Section 15.199. 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 15.200. Survey.

"***Survey***" has the meaning set forth in Section 6.14.

Section 15.201. Target Net Working Capital Lower Range.

"Target Net Working Capital Lower Range" has the meaning set forth in Section 2.3(d).

Section 15.202. Target Net Working Capital Upper Range.

"Target Net Working Capital Upper Range" has the meaning set forth in Section 2.3(d).

Section 15.203. 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, registration, 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 15.204. 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 XIV.

Section 15.205. 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 15.206. Tax Proceeding.

"***Tax Proceeding***" has the meaning set forth in Section 14.4.

Section 15.207. 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 attachments, schedules, statements, amendments or supplements to any of the foregoing).

Section 15.208. Title Commitment.

"***Title Commitment***" has the meaning set forth in Section 6.14.

Section 15.209. Title Insurer.

"***Title Insurer***" has the meaning set forth in Section 6.14.

Section 15.210. Trade Secrets.

"***Trade Secrets***" means all trade secrets, business information, ideas, formulas, compositions, technical documentation, operating manuals and guides, plans, designs, sketches, inventions, data, compilations of data, 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, customer and supplier lists and information, licensing records, unpublished advertising and promotional materials, service and parts records, warranty records, maintenance records that have been and are maintained in confidence and that provide the Business with a competitive business advantage.

Section 15.211. Trademarks.

"***Trademarks***" means all registered and unregistered United States federal, state and foreign trademarks, service marks, certification marks, brand names, trade names, trade dress formats, logos, business names, assumed names and trade names, product configurations, slogans, domain names and general intangibles of like nature and the goodwill of the Business symbolized thereby.

Section 15.212. Transfer Taxes.

"***Transfer Taxes***" has the meaning set forth in Section 14.9.

Section 15.213. Transferred Employee.

"***Transferred Employee***" has the meaning set forth in Section 10.1(a).

Section 15.214. Transferred JV Interests.

"***Transferred JV Interests***" has the meaning set forth in Section 1.2(m).

Section 15.215. Transferred JVs.

"***Transferred JVs***" has the meaning set forth in Section 1.2(m).

Section 15.216. Transferred Liens.

"***Transferred Liens***" means:

(a) in respect of Purchased Assets being sold by Debtor Sellers (a) liens for current Taxes not yet due and payable; (b) zoning, subdivision, building code, entitlement and other land use, construction, and environmental regulations by Governmental Bodies; (c) any matter that would be shown or otherwise reflected by an accurate real property survey and which does not materially diminish the value of or materially interfere with the continued use of such real property; (d) easements, rights-of-way, licenses, utility agreements, restrictions, and other similar encumbrances of record, in each case in respect of real property; (e) such other imperfections in title, charges, easements, restrictions and encumbrances on real property which do not materially diminish the value of or materially interfere with the continued use of such real property used in the Business consistent with past practice; and (f) those matters reflected on Schedule 4.11(f) (with the exception of (i) the lease agreement between Dana Capital Limited and Dana Spicer Limited dated January 1, 2002 for 2 Central Park Drive, Rugby, Warwickshire CV23 OWE, (ii) the lease agreement between Dana Commercial Credit Corporation and Dana Corporation, Perfect Circle/Engine Products division, dated September 1, 2000, (iii) those liens, as reflected in the lien searches relating to Seller and its Selling Affiliates provided by Purchaser's representatives to Seller's representatives on November 20 and 21, 2006, (iv) any mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business, and (v) those liens from which the Purchased Assets of the Debtor Sellers are capable of being sold free and clear under Section 363(f) of the Bankruptcy Code); and

(b) in respect of Purchased Assets being sold by Non-Debtor Sellers, Permitted Liens, except for any liens under the Seller Financing.

Section 15.217. Transition Agreements.

"***Transition Agreements***" means the Gravatai Lease Agreement and the Transition Services Agreement to be entered into at Closing.

Section 15.218. Transition Services Agreement.

"***Transition Services Agreement***" means a transition services agreement the form of which shall be agreed between Purchaser and Seller between the date of this Agreement and the Closing Date, which shall reflect those transition services required to be performed by the parties after Closing in connection with the transactions contemplated by this Agreement, and which shall be agreed by the parties in good faith on commercially reasonable terms.

Section 15.219. Undisclosed Contract.

"***Undisclosed Contract***" has the meaning set forth in Section 1.7.

Section 15.220. Union Transferred Employees.

"***Union Transferred Employees***" has the meaning set forth in Section 10.1(c).

Section 15.221. 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 15.222. Victor Reinz Distribution Agreement.

"***Victor Reinz Distribution Agreement***" has the meaning set forth in Section 3.3.

Section 15.223. WARN ACT.

"***WARN ACT***" means the Worker Adjustment and Retraining Notification Act.

Section 15.224. Withdrawal Liability Statement.

"***Withdrawal Liability Statement***" has the meaning set forth in Section 10.4(c).

Section 15.225. 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:

MAHLE GmbH
Department G
Pragstrasse 26-46
70376, Stuttgart, Germany
Attention: General Counsel
Telephone No.: +1 (49) 711 501 12423

With a copy to:

Baker & McKenzie LLP
One Prudential Plaza, Suite 3200
130 East Randolph Drive
Chicago, IL 60601
Attention: John E. Morrow, Esq. and Edward J. West, Esq.
Telephone No.: (312) 861-8000

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.

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 party hereto, provided, however, that Purchaser may without the consent of Seller assign any or all of its rights and obligations under this Agreement to one or more of its Designated Affiliates, provided that Purchaser continues to remain fully and unconditionally subject to such obligations (including any Liabilities assumed by or assigned to the Designated Affiliates. Any purported assignment or delegation in breach of the foregoing shall be void and of no effect.

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. 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. In the event of any conflict between the terms of this Agreement on the one hand and any other agreement referenced herein on the other hand, the terms of this Agreement shall prevail.

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 for the right of members of the Purchaser Indemnified Group and the Seller Indemnified Group to seek recovery under Section 11.2(a) and (b) respectively, nothing in this Agreement, express or implied, is intended to confer on any Person not a party hereto, any rights or remedies, including any third party beneficiary rights, of any nature or kind whatsoever, under or by reason of this Agreement. No member of the Purchaser Indemnified Group shall bring any claim or action to seek recovery under Section 11.2(a) without the prior written consent of Purchaser.

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 (such agreement not to be unreasonably withheld or delayed) as to the contents and timing 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.

(a) 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 four 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 available to Purchaser or its officers, employees or agents on a non-confidential basis prior to its disclosure to Purchaser by or at the request of Seller or its Subsidiaries, or (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. 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.

(b) The confidentiality agreement between the parties dated April 20, 2006 shall terminate and be of no further effect at and from Closing, and neither party shall have any further liability or obligation thereunder.

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 promptly destroy any notes, studies or other materials incorporating or derived from such books, records or other materials, 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 6.14, 13.2 and 14.9, 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 consummation of the transactions contemplated hereby including without limitation the due diligence review and the preparation, negotiation, execution, delivery and performance hereof and each of the other documents and instruments executed in connection herewith or contemplated hereby. Seller warrants and represents to Purchaser that the Acquired Company has not borne nor will bear any expenses (including fees and disbursements of counsel, accountants and other experts) incurred 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.

Section 16.12. Bulk Sales Laws.

Purchaser hereby waives compliance by Seller and its Subsidiaries with any applicable bulk sales law. Seller shall cause the Non-Debtor Sellers to indemnify Purchaser and its Designated Affiliates and hold Purchaser and its Designated Affiliates harmless from and against any and all liability under any bulk sales law for the sale of assets by the Non-Debtor Sellers 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 conflicts 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, 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 New York federal court sitting in the Borough of Manhattan of the City of New York or in any New York state court sitting in the Borough of Manhattan of the City of New York (each, 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, 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.

Section 16.18. Disclosure Schedules.

Seller's Schedules pertaining to Article IV and Purchaser's Schedules pertaining to Article V will be arranged in sections corresponding to the numbered and lettered sections of Articles IV and V, respectively. The statements in such Schedules, and those in any supplements to them, relate only to the provisions in the Section of this Agreement which they expressly address and not to any other provision. In the event of any inconsistency between the statements in the body of this Agreement and those in such Schedules (other than an exception expressly set forth as such in a Schedule with respect to a specifically identified representation or warranty), the statements in the body of this Agreement will control.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

MAHLE GmbH

By: _____
Name: Dr. Bernhard Volkmann
Title: CFO

By: _____
Name: Dr. Rudolf Paulik
Title: Corporate Executive Vice President

DANA CORPORATION

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

MAHLE GmbH

By: _____
Name:
Title:

By: _____
Name:
Title:

DANA CORPORATION

By: Teresa Mulawa
Name: Teresa Mulawa
Title: Treasurer

DEPOSIT AGREEMENT

This Deposit Agreement is dated as of December 1, 2006 (the "***Agreement***") and is among MAHLE GmbH, a corporation organized under the laws of the Federal Republic of Germany ("***Purchaser***"), Dana Corporation, a corporation organized under the laws of the Commonwealth of Virginia ("***Seller***"), and **The Bank of New York Trust Company, N.A.,** a United States banking association, as Deposit Agent (the "***Deposit Agent***").

WHEREAS, Purchaser and Seller have entered into a stock and asset purchase agreement, dated December 1, 2006 (the "***Purchase Agreement***"), pursuant to which Purchaser and Seller have agreed that a portion of the purchase price payable for the Business contemplated in the Purchase Agreement will be subject to this Agreement.

WHEREAS, Seller and certain of its affiliates filed voluntary chapter 11 petitions in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") which have been captioned *In re Dana Corporation et al.* Case No. 06-10354 (BRL) (the "Bankruptcy Cases").

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, and for other good, fair and valuable considerations and reasonably equivalent value, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the Deposit Agent, Purchaser and Seller do agree as follows, intending to be legally bound:

Section 1. Establishment of Deposit Account

(a) Purchaser hereby deposits with the Deposit Agent the sum of Nine Million, Seven Hundred and Seventy Thousand Dollars ($9,770,000) to be held in escrow by the Deposit Agent. The Deposit Agent accepts said sum and agrees to establish and maintain a separate account (the "***Deposit Account***") therefor in its capacity as Deposit Agent pursuant to the terms of this Agreement. The foregoing funds, plus all interest, dividends and other distributions and payments made thereon (collectively, the "***Distributions***"), less any funds distributed or paid in accordance with this Agreement, are collectively referred to herein as the "***Deposit Fund***".

(b) Purchaser and Seller shall each furnish the Deposit Agent with a completed Form W-8 or Form W-9, as applicable.

Section 2. Investments

(a) The Deposit Agent agrees to invest and reinvest the Deposit Fund, but only upon written instructions signed by an authorized agent of each of Purchaser and Seller, in accordance with the following:

The Deposit Fund will be invested from time to time, to the extent possible, in the FST Prime Obligations Fund administered by Goldman Sachs Asset Management, L.P.

(b) The parties recognize and agree that the Deposit Agent will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Deposit Account or the purchase, sale, retention or other disposition of any permitted investment.

(c) Distributions on permitted investments shall be added to the Deposit Account. Any loss or expense incurred as a result of an investment will be borne by the Deposit Fund.

(d) The Deposit Agent is hereby authorized to execute purchases and sales of permitted investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Deposit Agent shall send statements to each of the parties hereto on a monthly basis reflecting activity in the Deposit Account for the preceding month. Although Purchaser and Seller each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, Purchaser and Seller hereby agree that confirmations of permitted investments are not required to be issued by the Deposit Agent for each month in which a monthly statement is rendered. No statement need be rendered for the Deposit Account if no activity occurred for such month.

(e) Purchaser and Seller acknowledge and agree that the delivery of the Deposit Fund is subject to the sale and final settlement of permitted investments. Proceeds of a sale of permitted investments will be delivered on the business day on which the appropriate instructions are delivered to the Deposit Agent if received prior to the deadline for same day sale of such permitted investments. If such instructions are received after the applicable deadline, proceeds will be delivered on the next succeeding business day.

Section 3. Disbursement of Deposit Fund

(a) At Closing (as such term is defined in the Purchase Agreement), Purchaser and Seller shall provide joint written instructions to the Deposit Agent to release the Deposit Fund to Seller.

(b) If the Purchase Agreement is terminated pursuant to Sections 13.1(a), 13.1(b)(i), 13.1(c), 13.1(d), 13.1(e), 13.1(f), 13.1(g)(i), 13.1(h), 13.1(i), 13.1(j), 13.1(k) or 13.1(l) thereof, Purchaser and Seller shall provide joint written instructions to release the Deposit Fund to Purchaser.

(c) If the Purchase Agreement is terminated pursuant to Sections 13.1(b)(ii) or 13.1(g)(ii) thereof, Purchaser and Seller shall provide joint written instructions to release the Deposit Fund to Seller.

(d) A party hereto receiving a portion of the Deposit Fund shall receive a like portion of the Distributions with respect to such portion of the Deposit Fund.

(e) The Deposit Fund or any portion thereof shall be released by the Deposit Agent only in accordance with (i) joint written instructions of Purchaser and Seller to the Deposit Agent, (ii) a final non-appealable order of the Bankruptcy Court or (iii) after the chapter 11 cases are closed a final non-appealable order of any New York federal or state court in the Borough of Manhattan of the City of New York (each, a "Chosen Court"). In the event that the Deposit Agent shall be uncertain as to how to proceed in a situation not expressly addressed by this Agreement, the Deposit Agent shall be authorized to interplead the Deposit Fund with the Bankruptcy Court or, after the Bankruptcy Cases are closed, with another Chosen Court.

(f) Any joint written instructions from Purchaser and Seller to the Deposit Agent under this Agreement shall be in a form substantially similar to that attached hereto as Exhibit B, signed on behalf of each of Purchaser and Seller by an authorized representative thereof. Upon receipt of such joint written instructions, the Deposit Agent agrees to sell the investments held in the Deposit Account and to pay the full balance and proceeds of the Deposit Account as such joint written instructions shall direct.

Section 4. Concerning the Deposit Agent

Notwithstanding any provision contained herein to the contrary, the Deposit Agent, including its officers, directors, employees and agents, shall:

(a) not be liable for any action taken or omitted under this Agreement so long as it shall have acted in good faith and without fraud, gross negligence or willful misconduct;

(b) have no responsibility to inquire into or determine the genuineness, authenticity, or sufficiency of any securities, checks, or other documents or instruments submitted to it in connection with its duties hereunder;

(c) be entitled to deem the signatories of any documents or instruments submitted to it hereunder as being those purported to be authorized to sign such documents or instruments on behalf of the parties hereto, and shall be entitled to rely upon the genuineness of the signatures of such signatories without inquiry and without requiring substantiating evidence of any kind;

(d) be entitled to refrain from taking any action contemplated by this Agreement in the event that it becomes aware of any disagreement between the parties

hereto as to any facts or as to the happening of any contemplated event precedent to such action;

(e) have no responsibility or liability for any diminution in value of any assets held hereunder which may result from any investments or reinvestment made in accordance with any provision which may be contained herein;

(f) be entitled to compensation for its services hereunder as per Exhibit A attached hereto, which is made a part hereof, and for reimbursement of its reasonable out-of-pocket expenses including, but not by way of limitation, the fees and costs of attorneys or agents which it may find necessary to engage in performance of its duties hereunder, all to be paid jointly by Purchaser and Seller, and the Deposit Agent shall have, and is hereby granted, a prior lien upon any property, cash, or assets of the Deposit Account, with respect to its unpaid fees and nonreimbursed expenses, superior to the interests of any other persons or entities;

(g) be entitled and is hereby granted the right to set off and deduct any unpaid fees and/or nonreimbursed expenses from the Deposit Fund;

(h) be under no obligation to invest the deposited funds or the income generated thereby until it has received a Form W-9 or W-8, as applicable, from Purchaser and Seller, regardless of whether such party is exempt from reporting or withholding requirements under the Internal Revenue Code of 1986, as amended;

(i) be, and hereby is, jointly and severally indemnified and saved harmless by Purchaser and Seller from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of the Deposit Account or arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have resulted from the fraud, willful misconduct or gross negligence of the Deposit Agent, and such indemnification shall survive its resignation or removal, or the termination of this Agreement;

(j) in the event that (i) any dispute shall arise between the parties with respect to the disposition or disbursement of any of the assets held hereunder or (ii) the Deposit Agent shall be uncertain as to how to proceed in a situation not explicitly addressed by the terms of this Agreement whether because of conflicting demands by the other parties hereto or otherwise, be permitted to interplead all of the assets held hereunder into the Bankruptcy Court or, after the Bankruptcy Cases are closed, in another Chosen Court, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets. The parties hereto other than the Deposit Agent further agree to pursue any redress or recourse in connection with such a dispute, without making the Deposit Agent a party to same;

(k) have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for any of the parties to this Agreement. The Deposit Agent shall neither be

responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the other parties hereto, in connection herewith, including, without limitation, the Purchase Agreement. This Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Deposit Agent shall be inferred from the terms of this Agreement or any other agreement. IN NO EVENT SHALL THE DEPOSIT AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (i) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES WHICH RESULT FROM THE DEPOSIT AGENT'S FAILURE TO ACT IN ACCORDANCE WITH THE STANDARDS SET FORTH IN THIS AGREEMENT, OR (ii) SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF THE DEPOSIT AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES;

(l) have the right, but not the obligation, to consult with counsel of choice and shall not be liable for action taken or omitted to be taken by Deposit Agent either in accordance with the advice of such counsel or in accordance with any opinion of counsel to Purchaser or Seller addressed and delivered to the Deposit Agent; and

(m) have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees.

The Deposit Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by facsimile transmission, provided, however, that (a) the other parties hereto, subsequent to such transmission of written instructions, shall provide the originally executed instructions or directions to the Deposit Agent in a timely manner, (b) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for such party or in the name of such party, and (c) such party shall provide to the Deposit Agent an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If Purchaser and Seller elect to give the Deposit Agent facsimile instructions and the Deposit Agent in its discretion elects to act upon such instructions, the Deposit Agent's understanding of such instructions shall be deemed controlling. Provided that such instructions are jointly provided by or on behalf of both Purchaser and Seller, the Deposit Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Deposit Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Each of Purchaser and Seller agrees to assume all risks arising out of the use of facsimile transmission to submit instructions and directions to the Deposit Agent, including without limitation the risk of the Deposit Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties. The Deposit Agent shall only accept and act upon instructions or directions pursuant to this Agreement if they are joint written instructions from both Purchaser and Seller.

Any banking association or corporation into which the Deposit Agent may be merged, converted or with which the Deposit Agent may be consolidated, or any

corporation resulting from any merger, conversion or consolidation to which the Deposit Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Deposit Agent shall be transferred, shall succeed to all the Deposit Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

The Deposit Agent shall not be obligated to perform any obligation hereunder and shall not incur any liability for the nonperformance or breach of any obligation hereunder to the extent that it is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control; provided that the Deposit Agent shall use commercially reasonable efforts consistent with accepted corporate trust industry practices to maintain performance without delay and resume performance as soon as reasonably practicable under the circumstances.

Section 5. Attachment of Deposit Fund; Compliance with Legal Orders

In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Deposit Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Deposit Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 6. Tax Matters

(a) Reporting of Income. The Deposit Agent shall report to the Internal Revenue Service, and to Purchaser and Seller, all income earned from the investment of any sum held in the Deposit Account, as and to the extent required under the provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), including, without limitation, Section 468B(g) and Treasury Regulations Section 1.468B-7.

(b) Taxation of Deposit Account. Purchaser and Seller shall take into account in computing their respective U.S. federal income tax liability (and any state or local income tax liability to the extent that state or local law does not provide differently) all items of income, deduction and credit (including capital gains and losses) of the Deposit Account in accordance with Code Section 468B(g) and Treasury Regulations Section 1.468B-7(c). Subject to Code Section 468B(g) and Treasury Regulations Section 1.468B-7(c), Purchaser and Seller agree that Purchaser shall be treated as the federal

income tax owner of the Deposit Account. This Section 6(b) of this Agreement shall not be interpreted as imposing on Purchaser or Seller any obligation to file a return or pay U.S. federal, state or local income taxes to the extent that such person does not have an obligation to file a return or pay such taxes under the Code or state or local law.

(c) The Deposit Agent shall have the right to withhold amounts distributable to Purchaser or Seller to the extent of any applicable U.S. federal, state or local withholding tax or similar tax liability or obligation. For purposes of this Agreement, any amount of U.S. federal, state or local tax required to be withheld by the Deposit Agent with respect to any amount distributable by the Deposit Agent to either the Purchaser or the Seller shall be deemed to be a distribution to such person and shall reduce the amount otherwise distributable to such person under this Agreement.

(d) Unrelated Transactions. The Deposit Agent shall have no responsibility for the preparation and/or filing of any tax or information return with respect to any transaction, whether or not related to this Agreement or a related agreement, that occurs outside the Deposit Account.

Section 7. Resignation or Removal of Deposit Agent

The Deposit Agent may resign as such following the giving of thirty (30) days prior written notice to the other parties hereto provided, however, Deposit Agent shall continue to serve until its successor accepts the duties of Deposit Agent and shall use commercially reasonable efforts to assist in the transition of the Deposit Funds to such newly appointed Deposit Agent. Similarly, the Deposit Agent may be removed and replaced following the giving of thirty (30) days joint prior written notice to the Deposit Agent by both Purchaser and Seller.

If the other parties hereto have failed to appoint a successor prior to the expiration of thirty (30) days following receipt of the notice of resignation or removal, the Deposit Agent may petition the Bankruptcy Court or, after the Bankruptcy Cases are closed, another Chosen Court of competent jurisdiction for the appointment of a successor Deposit Agent or for other appropriate relief, and any such resulting appointment shall be binding upon all of the parties hereto.

Section 8. Termination

This Agreement shall terminate upon the distribution of all of the Deposit Fund from the Deposit Account in accordance with the terms of this Agreement.

Section 9. Notices

Any notice, consent or request to be given in connection with any of the terms or provisions of this Agreement shall be in writing and be given in person, by facsimile transmission, overnight courier delivery service or by mail (postage prepaid, certified or registered, return receipt requested), and shall become effective (a) on delivery if given in person, (b) on the date of delivery if sent by facsimile transmission, (c) on the date of

receipt if sent by courier delivery service, or (d) on the date stamped on the receipt if mailed (rejection or other refusal to accept or inability to deliver because of change of address of which no notice was given shall be deemed to be receipt of notice).

Until notified in writing by the appropriate party of a change to a different address, notices shall be addressed as follows:

(i) if to the Purchaser:

MAHLE GmbH
Department G
Pragstrasse 26-46
70376, Stuttgart, Germany
Attention: General Counsel
Fax Number: +49 (0) 7 11/5 01-12 018

With a copy to:
Baker & McKenzie LLP
One Prudential Plaza, Suite 3200
130 East Randolph Drive
Chicago, IL 60601
Attention: John E. Morrow, Esq. and Edward J. West, Esq.
Fax Number: (312) 861 2899

(ii) If to Seller:

Dana Corporation
4500 Dorr Street
Toledo, OH 43615
Attention: General Counsel
Fax Number: 419-535-4790

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.
Fax Number: 804-343-4501

(iii) if to the Deposit Agent:

The Bank of New York Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Escrow Unit

Fax Number: (312) 827-8542

Section 10. Waiver of Trial by Jury

Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

Section 11. Governing Law, Counterparts

This Agreement shall be construed in accordance with the laws of the State of New York. It may be executed in several counterparts, each one of which shall constitute an original and all collectively shall constitute but one instrument.

Section 12. Amendment, Modification or Waiver

This Agreement may be amended or modified and any term of this Agreement may be waived only if such amendment, modification or waiver is in writing and signed by all parties.

Section 13. Assignments of Interests

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. No assignment of the interest of any of the parties hereto shall be binding upon the Deposit Agent unless and until written evidence of such assignment in form satisfactory to the Deposit Agent shall be filed with and accepted by the Deposit Agent. Any purported assignment or delegation in breach of the foregoing shall be void and of no effect.

Section 14. USA Patriot Act

Purchaser and Seller hereby acknowledge that the Deposit Agent is subject to federal laws, including the Customer Identification Program (CIP) requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Deposit Agent must obtain, verify and record information that allows the Deposit Agent to identify Purchaser and Seller. Accordingly, prior to opening an Account hereunder the Deposit Agent will ask each of Purchaser and Seller to provide certain information including, but not limited to, its name, physical address, tax identification number and other information that will help the Deposit Agent to identify and verify each of Purchaser's and Seller's identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. Purchaser and Seller each agrees that the Deposit Agent cannot open an account hereunder unless and until the Deposit Agent verifies the identity of each of Purchaser and Seller in accordance with its CIP.

Section 15. Headings.

The heading references herein 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 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.

IN WITNESS WHEREOF, the parties have been duly executed this Deposit Agreement as of the date first above written.

MAHLE GmbH

By _____

Its CFO

By _____

Its Corp. EVP Cylinder Components

Dana Corporation

By _____

Its

The Bank of New York Trust Company, N.A.,
As Deposit Agent

By _____

Its

IN WITNESS WHEREOF, the parties have been duly executed this Deposit Agreement as of the date first above written.

MAHLE GmbH

By _____

Its

By _____

Its

Dana Corporation

By _____
Teresa Mulawa
Its: Treasurer

The Bank of New York Trust Company, N.A.,
As Deposit Agent

By _____

Its

IN WITNESS WHEREOF, the parties have been duly executed this Deposit Agreement as of the date first above written.

MAHLE GmbH

By _____

Its

By _____

Its

Dana Corporation

By _____

Its

The Bank of New York Trust Company, N.A.,
As Deposit Agent

By _____

Its: Vice President

EXHIBIT A

SCHEDULE OF DEPOSIT AGENT FEES

Exhibit A

Mahle / Dana Corporation
Signing Deposit Escrow
Fee Schedule

Upon appointment of The Bank of New York Trust Company N.A.("BNY") as Deposit Agent, Mahle and Dana Corporation *shall be responsible for the payment of the fees, expenses and charges as set forth in this Fee Schedule.*

GENERAL FEES

ACCEPTANCE FEE - WAIVED

This one time charge is payable at the time of the closing and includes the review and execution of the agreement and all documents submitted in support thereof and establishment of accounts.

ANNUAL ADMINISTRATIVE FEE - $4,000

An annual fee will cover the duties and responsibilities related to account administration and servicing, which may include maintenance of accounts on various systems, custody and securities servicing, reporting, etc. This fee is payable in advance for the year and shall not be prorated.

INVESTMENT COMPENSATION

With respect to investments in money market mutual funds for which BNY provides shareholder services BNY (or its affiliates) may also receive and retain additional fees from the mutual funds (or their affiliates) for shareholder services as set forth in the Authorization and Direction to BNY to Invest Cash Balances in Money Market Mutual Funds.

BNY will charge a $25.00 transaction fee for each purchase, sale, or redemption of securities other than the aforementioned Money Market Mutual Funds.

DISBURSEMENT FEE (CHECK OR WIRE) PER TRANSACTION

A fee of $25.00 will be assessed for each disbursement.

COUNSEL FEES

If counsel is retained by BNY, a fee covering the fees and expenses of Counsel for its services, including review of governing documents, communication with members of the closing party (including representatives of the purchaser, investment banker(s), attorney(s) and BNY), attendance at meetings and the closing, and such other services as BNY may deem necessary. The Counsel fee will be the actual amount of the fees and expenses charged by Counsel and is payable at closing. Should closing not occur, you would still be responsible for payment of Counsel fees and expenses.

MISCELLANEOUS FEES

The fees for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be commensurate with the service to be provided and will be charged in BNY's sole discretion. These extraordinary services may include, but are not limited to: proxy dissemination/tabulation, customized reporting and/or procedures, electronic account access, etc. Counsel, accountants, special agents and others will be charged at the actual amount of fees and expenses billed.

OUT-OF-POCKET EXPENSES

Additional out-of-pocket expenses may include, but are not limited to, telephone; facsimile; courier; copying; postage; supplies; expenses of foreign depositaries; and expenses of BNY's representative(s) and Counsel for attending special meetings. Fees and expenses of BNY's representatives and Counsel will be charged at the actual amount of fees and expenses charged and all other expenses will be charged at cost or in an amount equal to 10% of all expenses billed for the year, in BNY's discretion, and BNY may charge certain expenses at cost and others on a percentage basis.

Terms and Disclosures

TERMS OF PROPOSAL

Final acceptance of the appointment as Deposit Agent under the escrow agreement is subject to approval of authorized officers of BNY and full review and execution of all documentation related hereto. Please note that if this transaction does not close, you will be responsible for paying any expenses incurred, including Counsel fees. We reserve the right to terminate this offer if we do not enter into final written documents within three months from the date this document is first transmitted to you. Fees may be subject to adjustment during the life of the engagement.

MISCELLANEOUS

The terms of this Fee Schedule shall govern the matters set forth herein and shall not be superseded or modified by the terms of the escrow agreement. This Fee Schedule shall be governed by the laws of the State of New York without reference to laws governing conflicts. BNY and the undersigned agree to jurisdiction of the federal and state courts located in the City of New York, State of New York

CUSTOMER NOTICE REQUIRED BY THE USA PATRIOT ACT

To help the US government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (whether an individual or organization) for which a relationship is established.

What this means to you: When you establish a relationship with BNY, we will ask you to provide certain information (and documents) that will help us to identify you. We will ask for your organization's name, physical address, tax identification or other government registration number and other information that will help us to identify you. We may also ask for a Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization.

We thank you for your assistance.

EXHIBIT B
Form of Joint Written Instructions

_____, 200[ ]

The Bank of New York Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Attention: Corporate Trust Division

Re: Deposit Account No. _____ among MAHLE GmbH, Dana Corporation and The Bank of New York Trust Company, N.A., as Deposit Agent (the "Deposit Agent")

Please sell all investments held in the Deposit Account and distribute the full balance and proceeds thereof by (wire transfer) (cashier's check) to _____ (if wire transfer - name of bank, bank's ABA number and customer's account number for credit) or as _____ shall otherwise direct.

Very truly yours,

Mahle GmbH

By _____
Name:
Title:

Dana Corporation

By _____
Name:
Title:

DISTRIBUTION AGREEMENT

This Distribution Agreement, dated as of the ___ day of _____, 2007 (the "Agreement"), is between Dana Corporation, a Virginia corporation ("Dana"), and [MAHLE Clevite Inc.], a [Delaware corporation] ("Distributor").

WHEREAS, Dana and Distributor are parties to that certain Stock and Asset Purchase Agreement, dated _____ __, 2006, providing for the acquisition on the date hereof of the Business (as defined therein); and

WHEREAS, prior to the date hereof, Dana distributed the Products (as defined in Section 1(a)) and Permitted Goods (as defined in Section 1(g)) through the Business; and

WHEREAS, Dana desires to have Distributor distribute the Products and Permitted Goods and to provide certain services in accordance with this Agreement from and after the date hereof and Distributor desires to act as Dana's distributor with respect to the Products and Permitted Goods from and after the date hereof.

WHEREAS, Distributor desires to have the right to use the Trademarks (as defined in **Exhibit I**) on Packaging (as defined in Section 23(a)) in connection with the Products and Permitted Goods; and

WHEREAS, Dana is willing to grant Distributor this right on the terms and conditions herein;

Accordingly, in consideration of the mutual agreements and covenants between the parties contained herein, Dana and Distributor agree as follows:

1. Appointment.

(a) Subject to the terms of this Agreement, Dana appoints Distributor as its exclusive distributor of the products manufactured by Dana at the Facilities (as defined in Section 10) identified in **Exhibit A** attached hereto (the "Products") and Permitted Goods, including all enhancements made thereto, to customers in the independent aftermarket sales channel ("Channel of Distribution") (each a "Customer" and, collectively, the "Customers") in the United States of America and Canada, (as expanded from time to time in accordance with Section 1(c) hereof, the "Territory"), other than with respect to the Excluded Distribution (as defined in Section 1(b)). Distributor shall advertise, offer, sell, and otherwise solicit sales of the Products and Permitted Goods bearing the Trademarks; provided that to the extent required by a Customer, Distributor may sell the Products or Permitted Goods under the Customer's private label in a manner mutually agreed by the parties hereto or otherwise in accordance with the relevant terms of this Agreement. Distributor accepts its appointment as the exclusive distributor of the Products and Permitted Goods to the Customers in the Territory in the Channel of Distribution on the terms and conditions set forth in this Agreement. Dana expressly agrees (i) that all the Products and Permitted Goods sold in the Territory will be sold exclusively by Distributor in the Channel of Distribution, and (ii) not to sell the Products or Permitted Goods in the Channel of Distribution directly or indirectly, whether itself or through one or more agents,

representatives, distributors or otherwise, to any other person or entity in the Territory, except for the Excluded Distribution. In addition, except for the Excluded Distribution, neither Dana nor any of its affiliates will directly or indirectly distribute or sell any private label products in the Channel of Distribution in the Territory that are competitive with the Products or Permitted Goods. Distributor shall be entitled to appoint any subsidiary or affiliate of Distributor as a sub-distributor in the Territory, and may assign or grant its rights and obligations to such subsidiary or affiliate as is reasonable or appropriate to the performance of its obligations under this Agreement; provided, however, that Distributor shall at all times remain liable for the performance of all obligations of Distributor and its subsidiaries and affiliates hereunder.

(b) Distributor will have no rights to act as Dana's distributor for the Products or Permitted Goods, or otherwise, directly or indirectly, advertise, offer, sell or otherwise solicit sales of the Products or Permitted Goods outside of the Territory; provided, however, that Distributor will be permitted to advertise, offer, sell or otherwise solicit sales outside the Territory on a non-exclusive basis Products and Permitted Goods if such Products or Permitted Goods (i) are or contain Products purchased in the Territory (ii) are marketed, distributed and sold under a customer's private label, (iii) are marketed, distributed and sold in a manner and on terms mutually agreed between the parties, and (iv) such marketing, distribution and sale does not conflict with the terms of the agreements listed and described on **Exhibit C** hereto (the "Affinia Agreements") then in effect. Dana will retain all rights to sell, supply or distribute, directly or indirectly, the Products or Permitted Goods to any customer and to appoint sales representatives or other distributors to supply the Products or Permitted Goods to customers (i) outside the Territory (subject to Distributor's rights pursuant to the foregoing sentence or otherwise under this Agreement) and (ii) in the Territory as set forth on **Exhibit B** attached hereto (the "Excluded Distribution").

(c) The parties hereby agree that, upon the expiration or termination of each of the Affinia Agreements, this Agreement will be automatically amended with no further action by the parties to provide that Distributor shall be granted (i) the right to distribute the Products and the Permitted Goods to the Customers in the Channel of Distribution and (ii) a license with respect to the Trademarks, in each case, on the terms and for the territory set forth in **Exhibit C** corresponding to such expiring or terminating Affinia Agreement for the remaining Term of this Agreement. Upon such expiration or termination, the expanded territory with respect to which Distributor gains rights upon the expiration or termination of any of the Affinia Agreements in accordance with the terms hereof, shall become and be considered for all purposes Territory hereunder.

(d) Subject to Section 2(b), below, Distributor shall purchase its requirements for the Products in the Channel of Distribution from Dana, and shall not purchase substitute or alternative products for the Products from any other party except as provided in Section 1(g) below.

(e) Dana shall use commercially reasonable efforts to prevent the unauthorized or unintended importation of Products in the Territory by third parties. Dana shall comply with the product supply standards and terms set forth on **Exhibit D**.

(f) In accordance with this Agreement, Distributor shall be entitled to source Product components and/or Packaging from a third party appointed by Distributor ("Manufacturer") as provided in Section 24 of this Agreement to enable Distributor to manufacture or assemble Permitted Goods.

(g) In accordance with this Agreement, Distributor shall be permitted to source Permitted Goods. For purposes of this Agreement the term "Permitted Goods" means (i) Product components that are outsourced to a Manufacturer by Dana on the date hereof or to a New Supplier qualified in accordance with the terms of this Agreement; (ii) a substitute or an alternative product for a Product from a Manufacturer only to the extent that Dana and Distributor are unable to agree to a price modification with respect to such Product pursuant to Section 7(a), (iii) products that are complementary to the Products from a party other than Dana, (iv) products in replacement of discontinued Product under Section 2(b), and (v) kits assembled by Distributor that include Products and other approved products described in (i) - (iv) above, all that in each case incorporate and utilize packaging bearing the Trademarks. For the avoidance of doubt, products to be sold without the use or application of the Trademarks shall not be included in the definition of "Permitted Goods" under this Agreement, and Distributor shall be under no obligation to Dana under Section 23, Section 24, and Section 25 with respect thereto.

(h) If, during the Term, Dana or Distributor identifies a provision in this Agreement that it believes requires re-examination in light of business practices or conditions (including the possibility of limited distribution of Products under Distributor's private label), Dana and Distributor agree to review such practices or conditions and to work together in good faith to try to agree upon an appropriate written amendment to this Agreement documenting any revisions that are agreed to between the parties.

2. Products.

(a) In the event that Dana develops a new product of the type set forth on **Exhibit A**, and such product is not intended exclusively for the Excluded Distribution, then Dana shall provide written notice to Distributor of such product and the proposed price and shall offer Distributor a right of first refusal to distribute such product pursuant to this Agreement. If Distributor elects within 30 days of receipt of such notice from Dana to distribute such product, the price for such product shall be agreed upon in writing by Dana and Distributor at the time such product is added to this Agreement and shall generally be in accordance with the pricing terms hereof. Such product will become a "Product" hereunder, and **Exhibit A** shall be supplemented accordingly.

(b) Dana shall have the right at any time by written notice to Distributor to discontinue the manufacturing of any of the Products; provided that Dana shall provide Distributor with reasonable advance notice thereof and shall provide Distributor with the opportunity to order a reasonable quantity of any such Product. Dana shall not change the drawings, designs, specifications, materials, composition, formula and/or method of production of, any of the Products without providing a minimum of six (6) months advance notice to Distributor and obtaining the written consent of Distributor, such consent not to be unreasonably

withheld conditioned or delayed. Subject to the terms hereof pertaining to Permitted Goods, Distributor shall have the right to source any such discontinued product from other suppliers.

(c) At all times during the Term of this Agreement (as defined in Section 3), Dana will bear all costs related to engineering, research or development of Products, including any new Products.

3. Term.

This Agreement is effective as of the date hereof (the "Effective Date"), and unless earlier terminated in accordance with Section 14, shall continue in effect for a period of ten (10) years from the Effective Date (the "Initial Term"). Thereafter, this Agreement shall continue in effect for subsequent periods of two (2) years (each a "Renewal Term" or collectively "Renewal Terms"), unless notice of an intent not to renew this Agreement is given by either Dana or Distributor to the other not less than six (6) months prior to the expiration of the Initial Term or prior to the commencement of any such additional Renewal Terms, as applicable. The Initial Term and any Renewal Term shall be referred to herein collectively as the "Term".

4. Marketing Obligations of Distributor.

(a) Distributor will diligently promote and procure sales of the Products and Permitted Goods to the Customers and will, including without limitation:

(i) exert its commercially reasonable efforts and apply its expertise, ability and experience to market, promote and secure orders for the Products and Permitted Goods from the Customers;

(ii) keep accurate accounts, books and records and make reports with respect to its activities hereunder in such manner and form as the parties may, from time to time, mutually agree; and

(iii) not amend, change, modify or waive the terms of any Dana warranty or limitation of liability concerning the Products.

(b) Distributor shall comply with the marketing standards set forth on **Exhibit E** (the "Marketing Standards").

(c) Distributor will maintain appropriate levels of staff and facilities required for the effective sale and distribution of the Products and Permitted Goods in accordance with the terms of this Agreement.

5. Sales Requirements and Inventory Maintenance Obligations of Distributor.

(a) Distributor shall use its commercially reasonable efforts to comply with the sales performance requirements set forth on **Exhibit F** (the "Sales Requirements").

(b) Distributor shall use its commercially reasonable efforts to (i) maintain a supply of the Products and Permitted Goods in the Territory sufficient to satisfy the Sales

Requirements, and (ii) maintain sufficient stocks of the Products and Permitted Goods in its warehouses and, if applicable, at wholesalers to enable the distribution channels to make the Products and Permitted Goods available to Customers in a quantity corresponding to the actual demand in the Territory. Dana and its representatives shall be entitled to inspect such stocks upon reasonable advance notice during normal business hours.

6. Orders.

(a) Distributor may place orders for Products using Distributor's standard purchase order forms, or if mutually agreed upon, by telephone or electronic means. Each order from Distributor for Products shall be for a reasonable batch size minimum quantity of Products.

(b) Any order from Distributor for Products will become valid and binding on Distributor and Dana only when such order has been accepted and confirmed by Dana in writing or by e-mail. Dana will not unreasonably refuse to accept Distributor's orders. Notwithstanding the terms and conditions of any order, the terms and conditions set forth in this Agreement shall apply to all orders for and sale of Products hereunder. Distributor shall not be entitled to cancel or reschedule the delivery of any firm order without the prior written consent of Dana.

(c) Unless otherwise specified in the purchase order, Distributor shall provide Dana reasonable advance notice and reasonable lead time to deliver (or otherwise make available to Distributor's agents or employees for pick up) the Products ordered hereunder.

(d) Dana shall use its commercially reasonable efforts to fill or cause to be filled all orders received from Distributor and confirmed by Dana with promptness and dispatch and in accordance with the terms of this Agreement. Dana shall supply for any period, in aggregate, the quantity of Products necessary to allow Distributor to meet the Sales Requirements pursuant to Section 5(a); provided that Dana shall not be required to supply any amount of a Product in excess of the amount of such Product reflected on the most recent forecast provided to Dana by Distributor pursuant to Section 6(e) below for such period.

(e) Distributor shall use its best efforts to provide to Dana on a monthly basis a rolling twelve month forecast of its anticipated Product requirements. Such forecasts will be for planning and production purposes only, and will not constitute firm or binding commitments on the part of Distributor.

(f) Distributor will be in charge of all aspects of Product order and administrative management and Product and Permitted Goods sales, including but not limited to, managing the Customers' Product or Permitted Goods orders and payments, preparing and/or managing any required documentation to fulfill orders, and exercising full responsibility for credit control and collection activities.

(g) In the event that Dana receives an inquiry from a Customer (or potential Customer) in the Territory with respect to which Distributor has acquired rights in accordance with the terms hereof with regard to the Products or Permitted Goods, Dana will promptly direct the customer inquiry to Distributor for further handling; provided however that if a Customer

refuses to purchase Products or Permitted Goods from Distributor following Dana's referral of such Customer to Distributor, the parties will use their reasonable best efforts to find an appropriate business solution for the supply of Products or Permitted Goods to such Customer, including the possibility of direct supply of Products or Permitted Goods by Dana to such Customer under the same commercial terms as the Products or Permitted Goods would have been supplied by Distributor.

7. Prices and Compensation.

(a) The initial prices at which Dana shall sell Products to Distributor are set forth on **Exhibit A** and shall remain in effect for one year after the Effective Date. At the end of one year after the Effective Date, the parties shall have the right to adjust the sales price for Products on an annual basis by issuance of a mutually agreed, written revision to **Exhibit A**, the latest such revision that is issued in accordance with this paragraph being deemed (a) to be a part of this Agreement and (b) to revoke and replace **Exhibit A** previously applicable hereunder. Each such successive **Exhibit A** shall remain in effect until the mutually agreed adoption of a new **Exhibit A**, and, for the avoidance of doubt, in the event the parties are unable to agree to a specific price modification, the applicable price shall be as set forth on **Exhibit A** as then in effect.

(b) Unless otherwise mutually agreed, Distributor's sole and exclusive compensation as distributor of the Products and for associated services shall be the difference between the price at which Dana sells Products to Distributor and the price paid by purchasers of Products from Distributor.

(c) Notwithstanding anything set forth in this Agreement, pricing for Product and Permitted Goods sales to third parties by Distributor hereunder shall be at the sole discretion of Distributor.

8. Invoices and Payment.

(a) Dana shall invoice Distributor for Products at the time such Products are delivered to Distributor at the Facility. Payment for shipments hereunder will be made by Distributor within forty five (45) days from the date of receipt of invoice by means of wire transfer of immediately available funds without deduction or setoff, to such account as Dana may from time to time designate in writing.

(b) Interest shall accrue on any late payments at the rate of one month LIBOR plus 3 percent per month. Dana will be entitled to defer shipments under this Agreement while any of Dana's undisputed invoices to Distributor remain more than 30 days past due in accordance with the terms of this Agreement.

9. Support Services. With respect to the Products, Dana will provide technical documentation, specifications and reasonable support for technical training, quality management, product management and other related functions to support and improve customer satisfaction and market penetration for Products within the Territory. In addition, Dana will provide up to

two (2) application engineers to Distributor upon request to support Customers by providing such services as shall be mutually agreed by the parties.

10. Shipping Terms; Risk of Loss. Except as otherwise agreed by the parties in writing, all Products purchased and sold hereunder shall be delivered at the Facility on the basis of EX WORKS (INCOTERMS 2000). For purposes of this Agreement, "Facility" shall mean the applicable Dana manufacturing facility set forth on **Exhibit G**. Title and risk of loss with respect to the Products purchased by Distributor pursuant to this Agreement shall pass to Distributor upon acceptance of the Products at Dana's Facility by any agent or employee of Distributor or its affiliates.

11. Insurance.

(a) Distributor shall, during the Term of this Agreement, insure and keep insured, the Products and Permitted Goods in Distributor's care, custody and control, against all risks of physical damage, including but not limited to fire, theft, loss, damage and all other usual possessory risks, including transit insurance coverage, business interruption and commercial general liability insurance (including products/completed operation and contractual liability coverage) in minimum amounts of $5 million and with a reasonable scope of coverage. Distributor shall, upon request, provide Dana a copy of certificate of insurance evidencing the required coverages. In addition, in the event of cancellation of any such insurance policy, Distributor shall (i) provide to Dana written notice of cancellation of such policy at least 30 days prior to the effective cancellation date, and (ii) ensure that comparable insurance coverage is promptly obtained.

(b) During the Term of this Agreement, Dana will maintain commercial general liability insurance (including products/completed operation and contractual liability coverage) and business interruption insurance with respect to the Products in minimum amounts of $5 million and with a reasonable scope of coverage. Dana shall, upon request, provide Distributor a copy of a certificate of insurance evidencing the required coverages. In addition, in the event of cancellation of any such insurance policy, Dana shall (i) provide to Distributor written notice of cancellation of such policy at least thirty (30) days prior to the effective cancellation date, and (ii) ensure that comparable insurance coverage is promptly obtained.

12. Storage. Distributor will at all times store the Products and Permitted Goods in such a manner as to assure their good condition.

13. Default.

(a) The failure by either party to perform, keep or observe any term, provision, warranty or condition contained in this Agreement unless otherwise excused in writing by the other party shall constitute a default of this Agreement (a "Default").

(b) The following shall constitute a "Distributor Material Default" by Distributor of its obligations under this Agreement: Distributor fails to comply with the Sales

Requirements for any calendar year, provided that such failure is not the result of acts or omissions of Dana.

(c) The following shall constitute a "Dana Material Default" by Dana of its obligations under this Agreement: (i) Dana fails to comply with its obligations under Section 1(a) and Section 1(b) of this Agreement; (ii) Dana repeatedly and materially delivers defective Products; or (iii) Dana repeatedly and materially fails to deliver Products in accordance with this Agreement; provided that any such failures under (i), (ii) and (iii) above are not the result of acts or omissions of Distributor.

(d) The failure by Distributor to pay when due and payable any payment or charge (other than a payment or charge or portion thereof disputed in good faith) past due and owing hereunder within ten (10) business days after receipt of default notice thereof shall constitute a "Distributor Payment Default."

14. Termination.

(a) Distributor may terminate this Agreement: (i) immediately upon written notice to Dana if Dana has failed to cure a Default (other than a Dana Material Default) within thirty (30) days after receipt of written notice identifying the Default; (ii) immediately upon written notice to Dana in the event of a Dana Material Default; (iii) immediately upon written notice to Dana in the event Dana is adjudicated as bankrupt, a petition in bankruptcy is filed either by or against Dana, or Dana makes any assignment for the benefit of creditors or receivers are appointed for Dana or for a substantial part of its assets or business (except with respect to the voluntary petitions initiating cases under chapter 11 of the Bankruptcy Code filed by Dana on March 3, 2006 (the "Cases")); or (iv) immediately upon written notice to Dana if Dana is unable to perform its obligations hereunder as a result of any cause described in Section 30 hereof and such inability to perform has persisted for a period of sixty (60) days or more.

(b) Dana may terminate this Agreement: (i) immediately upon written notice to Distributor if Distributor has failed to cure a Default (other than a Distributor Material Default or a Distributor Payment Default) within thirty (30) days after receipt of written notice identifying the Default; (ii) immediately upon written notice to Distributor in the event of a Distributor Payment Default; (iii) immediately upon written notice to Distributor in the event of a Distributor Material Default; (iv) immediately upon written notice to Distributor in the event Distributor is adjudicated as bankrupt, a petition in bankruptcy is filed either by or against Distributor, or Distributor makes any assignment for the benefit of creditors or receivers are appointed for Distributor or for a substantial part of its assets or business; or (v) immediately upon written notice to Distributor if Distributor is unable to perform its obligations hereunder as a result of any cause described in Section 30 hereof and such inability to perform has persisted for a period of sixty (60) days or more.

15. Certain Actions Upon Termination.

(a) Upon the termination of this Agreement, all rights herein granted to Distributor shall terminate, provided that Distributor may sell for a period of six (6) months, on a

nonexclusive basis, its remaining inventory of the Products or Permitted Goods on the terms and conditions provided for in this Agreement. Thereafter, except as otherwise provided in Section 15(c) below, Distributor shall discontinue all sale and distribution of the Products or Permitted Goods.

(b) Distributor shall pay to Dana no later than five (5) business days after the termination of this Agreement any amounts (including interest payments pursuant to Section 8) accrued and unpaid hereunder as of such termination date.

(c) Upon termination of this Agreement, Distributor shall deliver to Dana a complete and accurate schedule of Distributor's inventory of the Products within the later of ten (10) days (i) from the date of the termination of this Agreement, or (ii) from the date Distributor exercises its right to sell its remaining inventory of Products as provided in Section 15(c) above, from the end of the six (6) month period. Such schedule shall reflect Distributor's cost of each Product in its inventory.

(d) Dana shall have the option at the end of the six (6) month period referred to in Section 15(a), exercisable by written notice delivered to Distributor within fifteen (15) days after the end of such six (6) month period, to purchase from Distributor all of the inventory then remaining in Distributor's possession at cost as specified in the schedule referred to in Section 15(c) above. In the event that Dana exercises such option, Distributor shall deliver to Dana or its designee all of the remaining inventory as promptly as practicable after delivery of such notice. Dana shall make payment for the inventory purchased by it, and also shall pay for applicable reasonable shipping and handling charges, within thirty (30) days after its receipt of such inventory. Distributor shall destroy any inventory not purchased by Dana at Dana's cost and expense and shall provide Dana a notarized certificate attesting to such destruction.

(e) Upon the termination of Product sales under this Agreement, Distributor shall deliver to Dana, or as Dana may direct, all promotional and related materials, including all Advertisements (as defined below) belonging to Dana.

16. Indemnification.

(a) Distributor will indemnify, defend and hold harmless Dana and Dana's directors, officers, employees, agents, representatives and affiliates from and against any and all costs, losses, expenses, liabilities, claims, actions, expenses, judgments and damages of every kind and character whatsoever (including, but not limited to, attorneys' fees and costs and expenses of defense) which, either directly or indirectly, are in any way connected with, arise out of or result from: (i) Distributor's breach of any of its representations, covenants or agreements provided hereunder; (ii) Distributor's activities in connection with Distributor's storage, transportation, manufacture, assembly, handling, marketing, sampling, sale or distribution of the Products or Permitted Goods; or (iii) any alleged infringement of any patent issued in the United States to any third person or entity, to the extent such alleged infringement is based on products produced or manufactured by Dana to specifications or designs provided by or at the request of Distributor; provided, however, that Distributor will have no obligation to indemnify Dana where

the cost, loss, expense, liability, claim, action, expense, judgment or damage is caused solely by the negligence of Dana or its directors, officers, employees, agents or representatives. Distributor's obligations under this Section will survive any expiration or termination of this Agreement.

(b) Dana will indemnify, defend and hold harmless, Distributor and Distributor's directors, officers, employees, agents, representatives and affiliates from and against any and all costs, losses, expenses, liabilities, claims, actions, expenses, judgments and damages of every kind and character whatsoever (including, but not limited to, attorneys' fees and costs and expenses of defense) which, either directly or indirectly, are in any way connected with, arise out of or result from: (i) Dana's breach of any of its representations, covenants or agreements provided hereunder; (ii) Dana's activities in connection with Dana's design, manufacturing, marketing, sale or supply of Products; (iii) any intellectual property claims made with respect to the Products, including for patent or trademark infringement; and (iv) claims or other actions alleging violation or infringement of a third party's trademark rights, by Distributor's use of the Trademarks in accordance with the terms of this Agreement; provided, however, that Dana will have no obligation to indemnify Distributor where the cost, loss, expense, liability, claim, action, expense, judgment or damage is caused solely by the negligence of Distributor or its directors, officers, employees, agents or representatives. Dana's obligations under this Section will survive any expiration or termination of this Agreement. With respect to Sections (b)(iii) and (iv) hereunder, Dana shall have the right to (i) settle the claim, suit or action; (ii) modify the Products so as to avoid the claim of alleged infringement; (iii) effect a license to enable Distributor to continue purchasing and selling the Products or (iv) defend the allegations, as Dana in its reasonable discretion deems appropriate. Dana's obligation to indemnify, defend and hold harmless shall not apply to the extent that any such claim, suit or action for infringement is based on: (i) any additive employed or change introduced by Distributor in or to the Products; (ii) any misuse of the Products or any unintended and improper incorporation thereof into another product; (iii) any Product or Permitted Good manufactured or produced to specifications or design provided by Distributor.

(c) Whenever a claim shall arise for indemnification under this Section 16, 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 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.

17. Warranty/Recall.

(a) Dana represents, warrants and covenants that the Products shall be free from defects in design, materials, production and workmanship and shall be manufactured and supplied in compliance with applicable laws. Furthermore, the Products shall meet Dana's standard specifications or other specifications mutually agreed upon by both parties. Unless

otherwise expressly agreed to in writing by the parties, Dana's exclusive liability and Distributor's sole remedy under this Agreement in connection with any Products which fail to conform to the warranty provided in this Section 17(a) will be for Dana at its cost to replace such nonconforming Products at the original delivery point, or to refund Distributor's purchase price for such nonconforming Products. Dana reserves the right to inspect any allegedly nonconforming Products in order to verify the nonconformity and ascertain its cause. EXCEPT AS SET FORTH HEREIN, DANA MAKES NO OTHER REPRESENTATIONS, GUARANTEES OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED. ALL OTHER WARRANTIES, WRITTEN OR ORAL, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED AND EXCLUDED.

(b) The express warranties of Dana in this Agreement do not extend to (i) losses to the extent caused by the misuse, accident, abuse, neglect, normal wear and tear or improper installation, improper maintenance or improper application by a party other than Dana; (ii) Products that have been repaired or altered outside of Dana's facilities unless authorized in writing by Dana or unless such repair or alteration is performed by Dana; or (iii) any labor charges for removal and/or replacement of the nonconforming of defective Product. Distributor shall not modify or alter in any way the express warranty of Dana in this Agreement with respect to the Products.

(c) Dana will bear all reasonable costs of recalling defective Products from the market and disposal thereof in connection with such recalls, including costs associated with disassembly, reassembly and customer communications. Distributor will use its commercially reasonable efforts to mitigate the costs of any such recall to Dana.

18. Limitation of Liability. In no event will either party be liable to the other for loss of profits or revenue or for any incidental, consequential, indirect, special or punitive damages incurred by such other party.

19. Notice of Claims.

(a) Distributor will inspect each shipment of the Products received from Dana for visible damage to packaging within five (5) business days following delivery of the Products at the Facility and will notify Dana of Products that are unmarketable due to visible packaging damage that occurred in transit.

(b) Distributor will make claims to Dana in writing (i) within five (5) business days following delivery of the Products at the Facility in the case of visible shipping damage and (ii) in all other cases within thirty (30) days of installation and first use of the Products as to which such claims relate or, if such claim is for non-delivery, within 30 days of the date fixed for delivery.

20. Taxes. In addition to paying the prices in effect under this Agreement, Distributor will pay all taxes and duties applicable to the sale or delivery by Dana or the subsequent sale by Distributor of the Products or Permitted Goods, except for franchise taxes and

taxes based upon the net income of Dana. Distributor accepts full responsibility for the collection or payment of any taxes that may be required by law, statutes or regulations of any applicable jurisdiction, including import duties at the destination port. Neither Dana nor its affiliates, employees, directors or officers will be liable for any claims arising from or related to Distributor's failure to pay, or improper payment of, any excise duties, value-added taxes or any other taxes the payment for which Distributor is responsible under this Agreement.

21. Independent Contractor. This Agreement will not be deemed to have established an employment, dealership, partnership, joint venture, or franchise relationship between Dana and Distributor. Dana and Distributor intend that Distributor is and will remain an independent contractor.

22. Limit of Authority. Neither party will make any agreement, warranty or representation nor assume or create any obligation or responsibility, express or implied, on behalf of the other party.

23. Trademark License Grant.

(a) Subject to the provisions of this Agreement, Dana hereby grants to Distributor for the Term a paid-up, non-exclusive license in the Channel of Distribution in the Territory revocable upon termination or expiration of this Agreement, without the right to grant a sub-license, to use the Trademarks solely on labels, containers, packages, tags and displays ("Packaging") and sales, advertising, promotional, publicity or display materials ("Advertisements") in connection with the sale of the Products and in connection with the sale of the Permitted Goods, so long as the Permitted Goods continue to be manufactured in accordance with the standards, specifications and instructions established and approved in advance by Dana and distributed in accordance with this Agreement. For the avoidance of doubt, Distributor shall not be licensed to place the Trademarks on the components of the Permitted Goods themselves. If Dana applies to register or proposes to use a trademark or service mark in connection with the Products that is not listed on Exhibit H, or if Dana omitted a mark from Exhibit H, the parties shall amend Exhibit H to include such mark(s), and those marks shall be Trademarks permitted for use in the Territory and Channel of Distribution subject to the terms and conditions of this Agreement.

(b) Except as provided herein, no license, immunity or other right shall be granted or extended, directly or by implication, by or as a result of this Agreement in or with respect to any trademark other than the Trademarks or to use the Trademarks for any purpose, or with any other goods or services other than the Products and the Permitted Goods other than as provided in this Agreement. Distributor agrees not to use the Trademarks, artwork and/or designs or any component thereof in any business sign, business cards, stationery or forms nor as part of the name of the Distributor's business or any division thereof. Dana reserves all rights not expressly granted. Distributor shall not advertise in any publication or communications medium or in any other manner which could damage the goodwill of the Trademarks, Dana's artwork and designs in any way. Specifically, Trademarks shall not be used in any illegal, vulgar, obscene,

immoral, unsavory or offensive manner or in any sexually-oriented magazine, or in any other potentially controversial publication or other controversial media or setting whatsoever.

(c) Distributor shall mark or cause to be marked any applicable registration notices or other intellectual property related notice or legend in legible print that is readable by the naked eye on the Packaging for Permitted Goods on which the Trademarks appear, including that the Trademarks are owned by Dana, as Dana may reasonably specify.

(d) Distributor shall not combine with or otherwise create a composite mark, use in association with, or in juxtaposition with the Trademarks or any mark or trade name other than Trademarks. Distributor shall not combine, associate with or use in juxtaposition with the Trademarks any of its own trademarks or trade names or any third party trademarks or trade names.

24. Quality Control. In order to maintain the high-quality reputation associated with the Trademarks, the parties agree as follows:

(a) Dana has the right, at reasonable times and upon reasonable notice, to inspect the Permitted Goods and Products at Distributor's premises, whether assembled or not, upon which, and/or in connection with which, the Trademarks are to be used, in order to verify that the Permitted Goods meet with agreed standards and specifications.

(b) Dana shall have the right to receive and review, from time to time and without charge, a reasonable number of samples of Permitted Goods and Products that will be marketed and sold in the Packaging. Distributor shall promptly amend such Packaging that is not approved by Dana. All such samples shall remain the property of Dana.

(c) Distributor is not required to notify Dana or otherwise consult with Dana to continue with third party suppliers of specific Permitted Goods that supplied such goods prior to the Effective Date and such suppliers shall automatically be deemed acceptable Manufacturers hereunder.

(d) Prior to any production of Permitted Goods by a supplier not supplying goods to the Business as of the date hereof (a "New Supplier") Distributor shall notify Dana of its intent to source Permitted Goods manufactured by such New Supplier. Such notice to Dana shall include the contact information for such New Supplier and shall identify and provide samples of those Permitted Goods that it intends to source from such New Supplier. Dana shall bear the cost of any testing it elects to conduct on any Permitted Goods supplied by such New Supplier.

(e) From time to time, Dana may request, and Distributor shall promptly provide, a full and complete list of any and all Manufacturers being utilized by Distributor at the time and previously for the production of Permitted Goods and Packaging hereunder, including at least the name, address(es) of manufacturing locations, telephone number and name of principal contact of the Manufacturer.

(f) Distributor shall use its commercially reasonable efforts to ensure that any New Suppliers have agreed to Dana's right to inspect such Permitted Goods, including the right to inspect the materials, facilities and premises and methods of production of such third party in accordance with this Agreement. Distributor shall remain fully responsible and liable for ensuring that all such Permitted Goods and Packaging are manufactured by the Manufacturer in accordance with terms and conditions herein, and Distributor shall use its commercially reasonable efforts to take the steps necessary to ensure that the Manufacturer shall;

(i) produce the products only as and when directed by Distributor;

(ii) does not distribute, sell or supply the Permitted Goods to any person or entity other than Distributor; and

(iii) does not delegate its obligations with respect to the Permitted Goods.

(g) Distributor shall ensure that no Permitted Goods, Packaging or components thereof shall contain asbestos.

(h) Dana shall ensure that no Products shall contain asbestos.

25. <u>Acknowledgement of Trademark Rights</u>.

(a) Other than the rights granted in this Agreement, Distributor shall have no proprietary or ownership rights in the Trademarks and shall not represent that it has any such rights. Distributor recognizes Dana's sole and exclusive ownership of and title in and to the Trademarks, including any registrations thereof as well as trademarks, trade names, service marks or domain names which incorporate such trademarks throughout the Term of this Agreement and thereafter.

(b) Distributor acknowledges the validity of the registration Dana owns, obtains, or acquires for its Trademarks. Any trademarks, service marks, trade names, fictitious names, company or corporate name, or domain name obtained or applied for by Distributor that contain the Trademarks shall be transferred to Dana immediately without additional compensation.

(c) Distributor shall not at any time either directly or indirectly, or assist others in putting at issue, contest, dispute, challenging, opposing, petitioning to cancel, attacking or contesting the ownership, fame, validity and enforceability of the rights granted hereunder and admits to the ownership, fame, validity and enforceability of the Trademarks. Distributor shall not register, apply to register or aid a third party in applying to register or register any of the Trademarks. Distributor also agrees not to attempt to register or to use any trademark or service marks, which may be confusingly similar to any Trademarks. All rights in the Trademarks and the goodwill connected therewith shall remain the property of Dana. This covenant shall survive termination or expiration of this Agreement.

(d) Distributor agrees that all use of any of the Trademarks by or on behalf of Distributor shall inure to the benefit of Dana.

(e) If Dana or Distributor considers it advisable to record Distributor as a Distributor, licensee or registered user of the Trademarks, then the parties agree to cooperate in such a procedure and to execute any documents submitted for this purpose. Furthermore, Distributor agrees to cooperate with Dana in removal of such registration if this Agreement terminates or expires. The cost of such registration and recordal, or removal, shall be paid for by Dana.

(f) Distributor agrees to cooperate fully and in good faith (and cause its officers, directors, employees, and agents, and those of their affiliates, to cooperate) as reasonably requested by Dana in any such filings, prosecutions, and maintenance of the Trademarks, such cooperation to include: (i) executing without additional compensation (but at Dana's expense) all papers and other instruments deemed appropriate by Dana for such filings, prosecutions, and maintenance of the Trademarks; (ii) providing specimens of use of the Trademarks as necessary or desirable for such filings, prosecution and maintenance; and (iii) taking all other actions reasonably requested by Dana, in each case to perfect, maintain, protect and enforce Dana's rights in and ownership of the Trademarks; provided that, Dana will reimburse Distributor for any reasonable out-of-pocket costs actually incurred by Distributor in performing its obligations under this section.

(g) Distributor agrees that it will promptly call to the attention of Dana in writing the use, suspected use or threatened use of any trademark by any third party which Distributor considers an infringement of any Trademark, together with such detailed information as shall be available to Distributor from time to time relating to such matters. However, Dana shall have the sole right in its discretion to decide whether or not proceedings shall be brought or instituted against such third parties. Distributor agrees to cooperate fully with Dana and its counsel or designee in such manner that they may reasonably request, including making available to Dana and its counsel or designee reasonably relevant evidentiary materials as may be in Distributor's possession.

(h) Dana will use all commercially reasonable efforts to maintain the registrations of the Trademarks and to protect and enforce the Trademarks in the Territory. Dana represents and warrants to Distributor that Dana has the right to license the Trademarks in the Territory in the manner contemplated by this Agreement and that Dana has not entered into any enforceable agreement, or granted any rights, that would be in conflict in any material respect with the rights granted to Distributor in the Territory hereunder.

26. Advertisements.

(a) Except as contemplated by the terms of this Agreement, including the Marketing Standards, Distributor shall not use any Advertisements, Packaging, and/or any Trademarks without the prior written approval of Dana (which shall not be unreasonably withheld).

(b) Distributor acknowledges that any works created by and pursuant to this Agreement that may contain the Trademarks are compilations or derivatives of the terms and use in Section 103 of the Copyright Act. Therefore any rights, including copyrights that Distributor may have in those original works do not extend to any portion or aspect of the Trademarks or any derivative thereof and may not in any way dilute or affect the interest of the Dana in the Trademarks or any derivative thereof. Accordingly, Distributor shall not copy, use, assign or otherwise transfer any rights in any works with any portion or aspect of the Trademark or any derivative thereof included, except in accordance with this Agreement. Distributor shall not affix a copyright notice to any product bearing the Trademarks otherwise attempt to obtain or assert copyright rights in the artwork or design which contains the Trademarks without the express written prior authorization of Dana.

27. Cooperation; Delivery of Written Statements and Reports; Audit Rights.

(a) The parties agree to have annual (or more frequent, if desired or necessary) meetings to discuss sales volumes, mix for existing and new Products and Permitted Goods and strategies for how to approach the markets in the Territory. For the avoidance of doubt, Distributor shall have the right (in its sole discretion) to determine marketing strategy for the Products within the Territory.

(b) Distributor shall submit to Dana within the first thirty (30) days of each quarter a written statement setting forth for the most recently completed calendar quarter (i) for each Product or Permitted Good, the number of Products and Permitted Goods sold by Distributor, (ii) for each Product or Permitted Good, the number of Products and Permitted Goods returned, if any, to Distributor, (iii) information on any service issues relating to the Products or Permitted Goods, and (iv) such other information as Dana may reasonably request, including, but not limited to, information relating to Distributor's customers.

(c) Distributor shall promptly advise Dana of all customer complaints, and furnish Dana with copies of all written customer complaints, received with respect to the Products or the Permitted Goods and shall liaise with Dana as to the appropriate responses to such complaints.

28. Confidential Information.

(a) In connection with carrying out their respective obligations under this Agreement, Dana and Distributor may disclose certain Information (as defined below) to each other. When it discloses such Information each party is referred to as a "Disclosing Party" in this Section 28, and when it receives such Information each party is referred to as a "Receiving Party" in this Section 28.

(b) Both parties hereto agree that all information and materials (collectively referred to as "Information") which have been or will be developed under this Agreement or disclosed to the Receiving Party (whether such Information is owned by the Disclosing Party or any other entity with whom the Disclosing Party does business), will be held by the Receiving Party in confidence. Such Information includes, but is not limited to, the terms and conditions of

this Agreement, trade secrets, drawings, plans, designs, specifications, manufacturing, research and development data, inventions, know-how, processes, procedures, costs, suppliers, methods, sales, customer information and lists, financial data and business plans. The Receiving Party will not disclose the Information to others, except to its employees, agents (including third party service providers) and affiliates that require such information to assist the Receiving Party in fulfilling its obligations under this Agreement, and will not use the Information for any purpose other than as provided herein. All Information delivered or developed hereunder (including all descriptions and modifications thereof) is and remains the property of the Disclosing Party. The Receiving Party will promptly return the Information and all such property to the Disclosing Party and discontinue all use of the Information upon termination of this Agreement or at the Disclosing Party's written request. Neither the execution of this Agreement nor the furnishing of Information will be construed as granting either expressly or otherwise a license under any invention or patent now or hereafter owned or controlled by the Disclosing Party. Neither party hereto will disclose any confidential information of any third party to the other party nor use such confidential information in performing services for the other party.

29. Compliance with Laws.

(a) Each party hereto hereby agrees that it will comply with all laws applicable to its performance under this Agreement. Without limiting the generality of the immediately preceding sentence, Distributor agrees that it will comply with any and all applicable (i) fair competition and/or antitrust laws in effect in any country that may apply to the sale, marketing or distribution of the Products and (ii) requirement to provide product information in multiple languages in any country that may apply to the sale, marketing or distribution of the Products or the Permitted Goods. Each of Distributor and Dana represents and warrants that it has the legal capacity, including all applicable business licenses and permits, required to execute this Agreement and perform its obligations hereunder. Should either party become aware of any existing or proposed laws or regulations or standards that are inconsistent with the provisions of this Agreement, Distributor will promptly notify Dana and the Parties will attempt to resolve such inconsistency.

(b) Distributor and Dana will comply with United States and other export control laws, regulations, rules, orders, licenses, requirements and governmental requests, now or hereafter in effect, applicable to exports or transactions pursuant to or in connection with this Agreement. Without limiting the foregoing, Distributor will not sell, directly or indirectly, any Products or Permitted Goods that are intended for customers located in any country that is the subject of United States trade sanctions.

(c) Distributor will comply with all fiscal and other laws or regulations governing the importation and resale of the Products or the Permitted Goods and will be responsible for securing any licenses or permits and paying any duties or fees required to import the Products or the Permitted Goods into any country. Failure of Distributor to fulfill any such responsibility will not relieve Distributor of any of obligations to Dana in connection with any such Products or Permitted Goods purchased by Distributor.

(d) Distributor acknowledges that the laws of the United States of America, in particular the Foreign Corrupt Practices Act ("FCPA"), prohibit anyone acting on behalf of Dana to make any payment or to give anything of value to any government official for the purpose of influencing an act or decision of such government official in his or her official capacity or inducing him or her to use his or her influence with the government to assist in obtaining or retaining business for or with, or directing business to, any person. Without limiting the generality of the immediately preceding paragraph, Distributor will not make any payments that violate the FCPA.

30. Force Majeure. Neither party shall be liable for any failure or delay in the performance of any of its obligations hereunder, when such failure or delay is caused by or results from any cause whatsoever beyond the reasonable control of such party, including but not limited to, riot, war or hostilities between any nations, embargoes, government orders or regulations, acts of God, fire, accidents, strikes, differences with workmen, delays of carriers, lack of transportation facilities, inability to obtain materials, or curtailment of or failure in obtaining sufficient power; provided, however, that the party whose performance has been so interrupted shall give the other party, prompt notice of the interruption and the cause thereof and shall use reasonable means to resume full performance of its obligations under this Agreement as soon as possible.

31. Severability. It is the intent of the parties to this Agreement that the terms and conditions hereof will be enforceable to the fullest extent permitted by law. If any provision of this Agreement or the application thereof to any circumstance or person will be construed by a court to be invalid or unenforceable in whole or in part, then such provision will be construed in a manner so as to permit its enforceability to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person or circumstance, other than those to which they have been held invalid or unenforceable, will remain in full force and effect.

32. Assignment. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby. Except as set forth in Section 1(a), this Section 32 and Section 36 of this Agreement, neither party hereto will assign any of its rights or sub-contract or otherwise delegate any of its obligations under this Agreement (whether by merger, change-in-control, operation of law or otherwise), in whole or in part, without the prior written consent of the other party. Notwithstanding the foregoing, Dana may assign its rights and obligations hereunder without the prior written consent of Distributor in connection with a merger, consolidation, spin-off, corporate re-organization, acquisition or sale of all or substantially all of the assets of Dana and/or its sealing products group. Any purported assignment in breach of the foregoing shall be void and of no effect.

33. Survival. Notwithstanding the expiration of the Term or any termination of this Agreement, any duty or obligation which has been incurred and which has not been fully observed, performed and/or discharged, and any right, unconditional or conditional, which has been created and has not been fully enjoyed, enforced and/or satisfied, will survive such

expiration or termination until such duty or obligation has been fully observed, performed and/or discharged and such right has been fully enforced, enjoyed and/or satisfied.

34. 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). 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, whether in tort or contract or at law or in equity, shall be brought only in either 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, or thereafter in any New York federal court sitting in the Borough of Manhattan of the City of New York or in any New York state court sitting in the Borough of Manhattan of the City of New York (each, 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, service of process in any such action or proceeding shall be effective if provided in accordance with Section 35 of this Agreement, and the effective date of such service of process shall be as set forth in Section 35, 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.

35. 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).

Notices to Dana:

Dana Corporation
4500 Dorr Street
Toledo, Ohio 43615
USA
Attn: General Counsel

With a copy to:

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd St.
Richmond, VA 23219-4074
USA
Attn: Robert Acosta-Lewis

Notices to Distributor:

[MAHLE Clevite Inc.]
c/o MAHLE GmbH
Pragstrasse 26-46
70376, Stuttgart, Germany
Attention: General Counsel

With a copy to:

Baker & McKenzie
One Prudential Plaza, Suite 3200
130 East Randolph Drive
Chicago, IL 606014
USA
Attention: John E. Morrow and Edward J. West

36. **No Third Party Rights.** Each party shall cause its affiliates and subsidiaries to comply with and be bound by the terms and conditions of this Agreement to the extent necessary to the application of the parties' respective rights and obligations hereunder. Subject to the foregoing sentence, neither Dana nor Distributor intend that this Agreement create any rights or interests except as between Dana and Distributor, and nothing in this Agreement, express or implied, is intended to confer on any person or entity not a party hereto any rights or remedies by reason of this Agreement.

37. **Entire Agreement.** This Agreement, the Exhibits hereto constitute the sole and entire agreement between Distributor and Dana regarding the subject matter hereof, and supersede any and all previous contracts, agreements and understandings between the parties hereto, whether oral or written, relating to the subject matter hereof. This Agreement will not be modified or amended except by an instrument in writing signed by the parties hereto. Any preprinted terms and conditions contained on Distributor's order forms or other Distributor documents shall be null and void and shall not be deemed to amend this Agreement. In the event of any conflict between this Agreement and any Distributor purchase orders or other customer forms, the terms of this Agreement shall control.

[REMAINDER OF PAGE INTENTIONALLY BLANK.]

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by duly authorized signatories effective as of the date first written above.

DANA CORPORATION

By: _____

Name:

Title:

MAHLE CLEVITE INC.

By: _____

Name:

Title:

EXHIBIT B

[Form of Sale Notice]

JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306
Corinne Ball (CB 8203)
Richard H. Engman (RE 7861)

JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
Heather Lennox (HL 3046)
Carl E. Black (CB 4803)
Ryan T. Routh (RR 1994)

JONES DAY
1420 Peachtree Street, N.E.
Suite 800
Atlanta, Georgia 30309-3053
Telephone: (404) 521-3939
Facsimile: (404) 581-8330
Jeffrey B. Ellman (JE 5638)

Attorneys for Debtors
and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Dana Corporation, *et al.*,	:	Case No. 06-10354 (BRL)
Debtors.	:	(Jointly Administered)

NOTICE OF SALE AND SOLICITATION OF BIDS TO PURCHASE ENGINE PRODUCTS GROUP OF THE DANA COMPANIES AND TERMS AND CONDITIONS OF BIDDING PROCEDURES

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. The above-captioned debtors and debtors in possession (collectively, the "Debtors") have entered into a Stock and Asset Purchase Agreement dated December 1, 2006 (the "Original Agreement") to sell certain assets of the Debtors and their nondebtor affiliates (the

"Sellers") that are used in their Engine Products Group (collectively, the "Offered Assets") to MAHLE GmbH ("MAHLE"). The Engine Products Group generally consists of the assets related to (a) the manufacturing of piston rings and bearings under, among others, the Perfect Circle, Clevite, Glacier, Vandervell and Glacier Vandervell names; (b) the aftermarket "Clevite" distribution business; and (c) the manufacture of heavy duty camshafts for heavy duty diesel and industrial markets under the Perfect Circle name.

2. The Debtors' ability to close the transactions contemplated by the Original Agreement is subject to higher and better offers and the approval of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Accordingly, the Debtors are soliciting offers for the purchase of the Offered Assets, and the Bankruptcy Court has entered an order (the "Bidding Procedures Order") approving auction and sale procedures (the "Bidding Procedures") for the Offered Assets.[1] Capitalized terms not otherwise defined herein have the meaning given to them in the Bidding Procedures Order or the Bidding Procedures.

3. In a motion filed with the Bankruptcy Court on December 4, 2006, the Debtors propose to: (a) sell the Offered Assets to MAHLE (or another Successful Bidder) free and clear of all liens, claims, or encumbrances thereon, with all such interests in the Offered Assets to be transferred, and attach, to the sale proceeds (except for certain transferred liens and assumed liabilities specifically described in the Original Agreement); and (b) assume and assign certain executory contracts and unexpired leases of the Debtors to MAHLE (or another Successful Bidder) (the "Debtor Contracts"). You may obtain a copy of the Sale Motion and the Original Agreement by sending (a) written request to counsel to the Debtors, Jones Day, 222

[1] A copy of the Bidding Procedures Order is attached hereto as Exhibit A. **[Omitted from Publication version of notice.]**

East 41st Street, New York, NY 10017, Attention: Richard H. Engman, Esq., Facsimile: (212) 755-7306 or (b) accessing the website of the Debtors' claims and noticing agent, BMC Corporation, at www.bmccorp.net. A list of the Debtor Contracts which the Debtors propose to assume and assign and the related Cure Costs in connection with the assumption of such Debtor Contracts is attached hereto as Exhibit B. **[Omitted from Publication version of notice.]**

4. As part of the Original Agreement, the Debtors and MAHLE will seek an order from the Bankruptcy Court stating that MAHLE is not liable for certain retiree medical costs and certain claims related to or connected with the operation of the Engine Products Group business prior to closing, including but not limited to certain claims for negligence, strict liability, design or manufacturing defect, conspiracy, failure to warn, breach of warranties, death, personal injury, property damage, product recall, product warranties, product recalls or product rebates.

5. The Bankruptcy Court has scheduled an auction of the Offered Assets (the "Auction") for **February 12, 2007 at 10:00 a.m. (Eastern Time)** at the offices of Jones Day, 222 East 41st Street, New York, NY 10017. All interested parties are invited to submit a qualifying bid to purchase the Offered Assets.

6. A hearing to approve the sale of the Offered Assets to MAHLE or a Successful Bidder other than MAHLE is scheduled to be conducted on **February 14, 2007 at 10:00 a.m. (Eastern Time)**, in Room 625 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, or as soon thereafter as counsel may be heard.

7. Except as provided in Paragraphs 8 and 9 below, objections to the sale of Offered Assets free and clear of all liens, claims, interests or encumbrances to MAHLE or a

Successful Bidder other than MAHLE must (a) be in writing, (b) state the basis of such objection with specificity, (c) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court for the Southern District of New York, (d) be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System which can be found at http://www.nysb.uscourts.gov, the official website for the Bankruptcy Court) by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), and (e) be served in accordance with General Order M-242 upon (1) Dana Corporation, 4500 Dorr Street, Toledo, Ohio 43615 (Attn: Douglas H. Liedberg, Esq.), (2) counsel for the Debtors, Jones Day, 222 East 41st Street, New York, New York 10017, attn: Richard H. Engman; (3) counsel to the Official Committee of Unsecured Creditors, Kramer, Levin Naftalis & Frankel L.L.P., 1177 Avenue of the Americas, New York, New York, 10036, attn: Thomas Moers Mayer, Esq.; (4) counsel to the Official Committee of Equity Security Holders, Fried, Frank, Harris, Shriver & Jacobson L.L.P., One New York Plaza, New York, New York, 10004, attn: Gary L. Kaplan; (5) counsel to the Debtors' postpetition lenders, Shearman & Sterling L.L.P., 599 Lexington Avenue, New York, New York, 10022, attn: Douglas Bartner; and (6) counsel to MAHLE, Baker & McKenzie LLP, 2300 Trammel Crow Center, 2001 Ross Avenue, Dallas, Texas 75201, attn: David W. Parham (the "Notice Parties"), so as to be actually received **no later than 4:00 p.m. (Eastern time) on February 8, 2007**.

8. Objections, if any, to Cure Costs, or to the proposed assumption and assignment of the Debtor Contracts, including, but not limited to, objections related to adequate

assurance of future performance, must be in writing and filed with this Court and served upon the Notice Parties so as to be received by the applicable Contract Assumption Objection Deadline (as such term is defined below). The Contract Assumption Objection Deadline for each Debtor Contract shall be the latest of: (i) the Bidding and Objection Deadline; (ii) the Sale Hearing for objections to whether a Successful Bidder other than MAHLE has provided adequate assurance of future performance under the Debtor Contracts; and (iii) 10 days after the date of service of any amended version of Schedules 1.2(e) or 7.2 on the affected counterparty to the Debtor Contract.

9. In the event that the Auction results in a Successful Bidder other than MAHLE, the deadline for objecting to the sale of the Offered Assets to such Successful Bidder or whether such Successful Bidder has provided adequate assurance of future performance on an Assigned Agreement shall be the commencement of the Sale Hearing.

10. The Auction and/or Sale Hearing may be adjourned, from time to time, without further notice to creditors or parties in interest other than by announcement of the adjournment in open Court or on the Court's calendar.

Dated: December __, 2006
New York, New York

Respectfully submitted,

Corinne Ball (CB 8203)
Richard H. Engman (RE 7861)
JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306

Heather Lennox (HL 3046)
Carl E. Black (CB 4803)
Ryan T. Routh (RR 1994)
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212

Jeffrey B. Ellman (JE 5638)
JONES DAY
1420 Peachtree Street, N.E.
Suite 800
Atlanta, Georgia 30309-3053
Telephone: (404) 521-3939
Facsimile: (404) 581-8330

ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT C

[Form of Bidding Procedures Order]

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Dana Corporation, *et al.*,	:	Case No. 06-10354 (BRL)
Debtors.	:	(Jointly Administered)

ORDER, PURSUANT TO SECTIONS 105, 363 AND 365 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004 AND 6006, (A) APPROVING BIDDING PROCEDURES FOR THE SALE OF ENGINE PRODUCTS GROUP, (B) APPROVING CERTAIN BIDDER PROTECTIONS AND (C) SCHEDULING A FINAL SALE HEARING AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF

This matter coming before the Court on the motion (the "Motion") of the above-captioned debtors and debtors in possession (the "Debtors") seeking, pursuant to sections 105, 363 and 365 of the Bankruptcy Code, 11 U.S.C. § 101 *et. seq.* (the "Bankruptcy Code") entry of (i) an order (a) scheduling a hearing (the "Sale Hearing") to consider approving the assumption and assignment of certain executory contracts (the "Debtor Contracts") and the sale of certain assets and equity interests of the Debtors (the "Domestic Net Assets") and of their nondebtor affiliates that are used in their Engine Products Group (collectively, the "Sale Transaction"), (b) authorizing and approving the procedures that are attached hereto as Exhibit A (the "Bidding Procedures") for the marketing and sale of the Domestic Net Assets, including, but not limited to, the conduct of an auction (the "Auction") and the allowance of certain stalking-horse bidder protections and (c) authorizing and approving the form and manner of the Debtors' proposed notice of the Auction and the Sale Hearing; and (ii) an order authorizing and approving the Sale Transaction to the Successful Bidder in accordance with the Successful Bid (as such terms are defined in the Bidding Procedures) (the "Sale Order"); the Court having reviewed the Motion

and conducted a hearing to consider the relief requested therein (the "Hearing"); and the Court having considered the statements of counsel and the evidence presented at the Hearing;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The Debtors have articulated good and sufficient reasons for, and the best interests of their estates will be served by, this Court granting certain of the relief requested in the Motion, including approval of (i) the Bidding Procedures, (ii) the Breakup Fee and/or the Expense Reimbursement as provided for in the stock and asset purchase agreement, dated as of December 1, 2006 (the "Original Agreement"),[1] between MAHLE GmbH ("MAHLE") and Dana Corporation and that is attached as Exhibit A to the Motion, (iii) the procedures described below for the determination of the amounts necessary to cure defaults under executory contracts and unexpired leases (the "Cure Costs") so as to permit the assumption and assignment under section 365 of the Bankruptcy Code of the Debtor Contracts, which are listed on Schedule 1.2(e) of the Original Agreement and (iv) the form of notice attached hereto as Exhibit B (the "Sale Notice").

B. The Debtors have articulated good and sufficient reasons for, and the best interests of their estates will be served by, this Court scheduling a subsequent Sale Hearing to consider granting other relief requested in the Motion, including approval of the Sale Transaction and the transfer of the Domestic Net Assets to the Successful Bidder free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code.

C. The Breakup Fee and the Expense Reimbursement as set forth in Article XIII of the Original Agreement (together, the "Bidder Protections") to be paid under the

[1] Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Original Agreement.

circumstances described herein to MAHLE are: (i) an actual and necessary cost and expense of preserving the Debtors' estates, within the meaning of section 503(b) of the Bankruptcy Code; (ii) commensurate to the real and substantial benefits conferred upon the Debtors' estates by MAHLE; (iii) reasonable and appropriate in light of the size and nature of the proposed Sale Transaction and comparable transactions, the commitments that have been made and the efforts that have been and will be expended by MAHLE; and (iv) necessary to induce MAHLE to continue to pursue the Sale Transaction and to continue to be bound by the Original Agreement.

D. Moreover, the Bidder Protections are an essential inducement and condition relating to MAHLE's entry into, and continuing obligations under, the Original Agreement. Unless it is assured that the Bidder Protections will be available, MAHLE is unwilling to remain obligated to consummate the Sale Transaction or otherwise be bound under the Original Agreement (including the obligation to maintain its committed offer while such offer is subject to higher or otherwise better offers as contemplated by the Bidding Procedures). The Bidder Protections induced MAHLE to submit a bid that will serve as a minimum or floor bid on which the Debtors, their creditors and other bidders can rely. MAHLE has provided a material benefit to the Debtors and their creditors by increasing the likelihood that the best possible purchase price for the Domestic Net Assets will be received. Accordingly, the Bidder Protections are reasonable and appropriate and represent the best method for maximizing value for the benefit of the Debtors' estates.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED to the extent set forth herein.

2. The Bidding Procedures, which are attached hereto as Exhibit A, are hereby approved and shall govern all bids and bid proceedings relating to the Domestic Net

Assets. The Debtors are authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures.

3. The deadline for (a) submitting a Qualified Bid (as such term is defined in the Bidding Procedures) and/or (b) objecting to approval of the Sale Transaction (other than an objection to the proposed assumption and assignment of the Debtor Contracts or to any proposed Cure Costs), including the sale of the Domestic Net Assets free and clear of liens, claims, encumbrances and interests pursuant to section 363(f) of the Bankruptcy Code shall be February 8, 2007 (the "Bidding and Objection Deadline"), provided, however, that in the event the Auction results in a Successful Bidder (as such term is defined in the Bidding Procedures) other than MAHLE, the deadline for objecting to the sale of the Domestic Net Assets to such Successful Bidder shall be the commencement of the Sale Hearing.

4. As further described in the Bidding Procedures, the Debtors shall conduct the Auction on February 12, 2007 if more than one Qualified Bid is timely received.

5. The Court shall conduct the Sale Hearing on February 14, 2007 at 10:00 a.m. (Eastern Time), at which, the Court will consider approval of the Sale Transaction to the Successful Bidder.

6. Except as otherwise provided in paragraph 3 herein, in order to be considered, any objection to the Sale Transaction (other than an objection to the proposed assumption and assignment of the Debtor Contracts or to any proposed Cure Costs) must be in writing and filed with this Court and served upon the following so as to be received by the Bidding and Objection Deadline: (a) counsel for the Debtors, Jones Day, 222 East 41st Street, New York, New York 10017, attn: Richard H. Engman; (b) counsel to the Official Committee of Unsecured Creditors (the "Creditors' Committee"), Kramer, Levin Naftalis & Frankel L.L.P.,

1177 Avenue of the Americas, New York, New York, 10036, attn: Thomas Moers Mayer, Esq.; (c) counsel to the Official Committee of Equity Security Holders (the "Equity Committee"), Fried, Frank, Harris, Shriver & Jacobson L.L.P., One New York Plaza, New York, New York, 10004, attn: Gary L. Kaplan; (d) counsel to the Debtors' postpetition lenders, Shearman & Sterling L.L.P., 599 Lexington Avenue, New York, New York, 10022, attn: Douglas Bartner; and (e) counsel to MAHLE, Baker & McKenzie LLP, 2300 Trammel Crow Center, 2001 Ross Avenue, Dallas, Texas 75201, attn: David W. Parham.

7. Schedule 1.2(e) to the Original Agreement reflects the Debtor Contracts that the Debtors propose to assume and assign to MAHLE and Schedule 7.2 to the Original Agreement reflects the proposed Cure Cost in connection with each such proposed assignment. The Debtors and MAHLE have until the 15th day prior to the Sale Hearing to amend Schedule 1.2(e) to add or remove Debtor Contracts to the schedule or to revise the proposed Cure Cost for a Debtor Contract. The Debtors shall, no later than 14 days prior to the Sale Hearing, provide notice of any such amendments to Schedule 1.2(e) to the counterparties to the Debtor Contracts affected by such amendments. In accordance with Section 1.7 of the Original Agreement, the Debtors may at MAHLE's request or with MAHLE's consent add additional Debtor Contracts (the "Subsequent Debtor Contracts") to Schedule 1.2(e) after the date that is 14 days prior to the Sale Hearing and file a notice of such proposed assumption and assignment and the related proposed Cure Cost and serve it on the counterparty to the Subsequent Debtor Contract.

8. Objections, if any, to Cure Costs, or to the proposed assumption and assignment of the Debtor Contracts, including, but not limited to, objections related to adequate assurance of future performance, must be in writing and filed with this Court and served upon

the following so as to be received by the applicable Contract Assumption Objection Deadline (as such term is defined below): (a) counsel for the Debtors, Jones Day, 222 East 41st Street, New York, New York 10017, attn: Richard H. Engman; (b) counsel to the Creditors' Committee, Kramer, Levin Naftalis & Frankel L.L.P., 1177 Avenue of the Americas, New York, New York, 10036, attn: Thomas Moers Mayer, Esq.; (c) counsel to the Equity Committee, Fried, Frank, Harris, Shriver & Jacobson L.L.P., One New York Plaza, New York, New York, 10004, attn: Gary L. Kaplan; (d) counsel to the Debtors' postpetition lenders, Shearman & Sterling L.L.P., 599 Lexington Avenue, New York, New York, 10022, attn: Douglas Bartner; and (e) counsel to MAHLE, Baker & McKenzie LLP, 2300 Trammel Crow Center, 2001 Ross Avenue, Dallas, Texas 75201, attn: David W. Parham. The Contract Assumption Objection Deadline for each Debtor Contract shall be the latest of: (i) the Bidding and Objection Deadline; (ii) the Sale Hearing for objections to whether a Successful Bidder other than MAHLE has provided adequate assurance of future performance under the Debtor Contracts; and (iii) 10 days after the date of service of any amended version of Schedules 1.2(e) or 7.2 on the affected counterparty to the Debtor Contract.

9. Any party failing to timely file an objection to the Cure Costs set forth on Schedule 7.2 of the Original Agreement or the proposed assumption and assignment of the Debtor Contracts set forth on Schedule 1.2(e) of the Original Agreement, or any amendment thereto, shall be forever barred from objecting to the Cure Costs and from asserting any additional cure or other amounts against the Debtors, their estates or MAHLE (or a Successful Bidder other than MAHLE).

10. Where a nondebtor counterparty to a Debtor Contract (other than a Subsequent Debtor Contract) files an objection meeting the requirements of this order asserting a

cure amount higher than the proposed Cure Costs listed on Schedule 7.2 (the "Disputed Cure Costs"), and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid under section 365 of the Bankruptcy Code with respect to such Disputed Cure Cost will be determined at the Sale Hearing or at such other date and time as may be fixed by this Court. All other objections to the proposed assumption and assignment of a Debtor Contract (other than an objection to the proposed assumption and assignment of a Subsequent Debtor Contract) will be heard at the Sale Hearing. Any objection to the proposed assumption and assignment of a Subsequent Debtor Contract or the proposed Cure Cost in connection with a Subsequent Debtor Contract will be determined at such other date and time as may be fixed by this Court.

11. Except as may otherwise be agreed to by the parties to a Debtor Contract, the defaults under the Debtor Contracts that need to be cured in accordance with section 365(b) of the Bankruptcy Code shall be cured as follows. If MAHLE is the Successful Bidder, MAHLE shall pay all undisputed Cure Costs within 14 days following the Closing of the Sale Transaction and shall reserve sufficient funds to pay the full amount of any Disputed Cure Cost until such time as there is a final order of this Court determining the correct Cure Cost; *provided, however*, that if the Cure Costs as determined by this Court for the Debtor Contracts being assigned to MAHLE are greater than $3,000,000 in the aggregate, the Debtors shall be responsible for such excess amount as an adjustment to the Final Consideration due under the Original Agreement. In order to effect any such adjustment, the amount otherwise payable by MAHLE at Closing pursuant to Section 2.1(a) of the Original Agreement shall be reduced by an amount equal to the amount by which the Cure Costs that have been allowed by the Bankruptcy Court prior to Closing exceed $3,000,000. To the extent that the aggregate Cure Costs finally allowed by the

Bankruptcy Court exceed $3,000,000 on or after the Closing, MAHLE shall pay the Cure Cost finally allowed by the Bankruptcy Court on any Debtor Contract that is assumed and assigned after the Closing in accordance with the requirements of the Approval Order or such other Order of the Bankruptcy Court that approves the assumption and assignment of a Debtor Contract to MAHLE, but the Debtors shall reimburse MAHLE for any such Cure Costs paid by MAHLE in excess of $3,000,000 that are not taken into account in the adjustment of the amount payable at Closing pursuant to Section 2.1(a) of the Original Agreement within 30 days of receiving documentation evidencing proof of payment of the Cure Costs on such Debtor Contracts. If a party other than MAHLE is the Successful Bidder, the Debtor Contracts shall be cured by payment of the Cure Costs and Disputed Cure Costs in accordance with the terms of the Marked Agreement.

12. Notwithstanding any provision in this Order, the Original Agreement or the Bidding Procedures, this Order does not satisfy and the Court has not determined that the Debtors have satisfied the requirements of section 365 of the Bankruptcy Code, including those relating to cure of any existing default or providing adequate assurance of future performance. No Debtor Contract will be deemed assumed and assigned until the later of (i) the date the Court has entered an order authorizing the assumption and assignment of a particular Debtor Contract or (ii) the date the Sale Transaction is closed. The Successful Bidder will have no rights in and to the particular executory contract or unexpired lease until such time as the particular executory contract or unexpired lease is assumed and assigned.

13. In accordance with Section 13.2(e) of the Original Agreement, the Breakup Fee set forth in section 13.2(b) of the Original Agreement and the Expense Reimbursement set forth in Section 13.2(c) of the Original Agreement are hereby approved in all

respects and shall be paid to MAHLE in accordance with the Original Agreement if this Court approves a sale of these assets to an entity other than MAHLE who outbids MAHLE at the Auction (an "Alternative Transaction"). MAHLE shall not waive the right to payment of the Breakup Fee or the Expense Reimbursement by bidding or rebidding at the Auction.

14. MAHLE shall be entitled to a "credit" equal to the Breakup Fee and full amount of the Expense Reimbursement when bidding at the Auction.

15. The form of the Sale Notice is good and sufficient for all purposes and no other or further notice shall be required if the Debtors:

(a) within three business days after entry of the Bidding Procedures Order (the "Mailing Deadline"), serve the Sale Notice together with a copy of this Order by first-class mail, postage prepaid upon: (i) counsel to the Creditors' Committee; (ii) counsel to the Equity Committee; (iii) counsel to the Debtors' postpetition lenders; (iv) counsel to MAHLE; (v) any party who, in the past year, expressed in writing to the Debtors an interest in the Domestic Net Purchased Shares and Purchased Assets, and who the Debtors and their representatives reasonably and in good faith determine potentially have the financial wherewithal to effectuate the transaction contemplated in the Agreement; (vi) non-Debtor parties to the Debtor Contracts; (vii) all parties who are known to claim interests in or liens upon the Domestic Net Assets; (viii) the Securities and Exchange Commission; (ix) the Internal Revenue Service; (x) all applicable state attorneys general, local environmental enforcement agencies, and local regulatory authorities; (xi) all applicable state and local taxing authorities; (xii) the U.S. Trustee; (xiii) Federal Trade Commission; (xiv) United States Attorney General/Antitrust Division of Department of Justice; (xv) Environmental Protection Agency; (xvi) Transferred Employees of the Debtors; (xvii) Indenture Trustees; (xviii) United States Attorney; (xix) existing tort and warranty claimants; (xx) the entities set forth in the Special Service List and the General Service List established pursuant to that certain Amended Administrative Order, Pursuant to Rule 1015(c) of the Federal Rules of Bankruptcy Procedure, Establishing Case Management and Scheduling Procedures (D.I. 574), dated March 23, 2006; (xxi) former members of the collective bargaining units at the Seller's Muskegon, Michigan, Caldwell, Ohio or Churubusco, Indiana facilities who retired with eligibility for such post-retirement welfare benefit plan coverage under (A) the Muskegon collective bargaining agreement prior to the July 16, 2004 effective date of the current Muskegon bargaining agreement assumed by the Purchaser pursuant to Section 10.1 (c) of the Original Agreement; (B) under the Caldwell collective bargaining agreement prior to the November 6, 2001 effective date of the current Caldwell bargaining agreement assumed by the Purchaser pursuant to Section 10.1 (c) of the Original Agreement; or (C) under the Churubusco collective bargaining agreement prior to the May 6, 2002 effective date of the current Churubusco bargaining agreement assumed by the Purchaser pursuant

to Section 10.1 (c) of the Original Agreement; and dependents of such bargaining unit retirees, to the extent provided in the terms of the relevant assumed collective bargaining agreement.

(b) On the Mailing Deadline, or as soon as practicable thereafter, Debtors will publish the Sale Notice in the *USA Today and Automotive News (U.S., Europe and Asia editions)*.

16. The failure of any objecting person or entity to timely file its objection shall be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Motion, or the consummation and performance of the Sale Transaction contemplated by the Original Agreement or a Marked Agreement (as such term is defined in the Bidding Procedures), if any (including the transfer free and clear of all liens, claims, encumbrances, and interests of each of the Domestic Net Assets transferred as part of the Sale Transaction).

17. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

Dated: New York, New York

_____, 2006

_____
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

EXHIBIT A TO BIDDING
PROCEDURES ORDER

BIDDING PROCEDURES[1]

By motion (the "Motion") dated December 4, 2006, Dana Corporation and its affiliated debtors (the "Debtors") sought, among other things, approval of the process and procedures for the sale of certain assets of their Engine Products Group, which manufactures piston rings, thin-wall bearings, thrust washers, bushings and heavy duty camshafts. On December 19, 2006, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered its order (the "Procedures Order"), which, among other things, authorized and directed the Debtors and certain nondebtor affiliates (collectively, the "Sellers") to market the Offered Assets (as defined below) of the Engine Products Group through the bidding procedures (the "Bidding Procedures") described below. As part of the Bidding Procedures, the Bankruptcy Court has scheduled a hearing to approve the sale of the Offered Assets for February 14, 2007, at 10:00 a.m. (the "Sale Hearing")

I. Important Dates

The Debtors shall, in consultation with the Official Committee of Unsecured Creditors (the "Creditors' Committee"), the Official Committee of Equity Security Holders (the "Equity Committee") and the Debtors' postpetition lenders (the "DIP Lenders"):

(a) Assist Potential Bidders (as defined herein) in conducting their respective due diligence investigations and accept Bids (as defined herein) until 12:00 p.m. (Eastern Time) on February 8, 2007.

(b) Negotiate with Qualified Bidders in preparation for an auction (the "Auction") to be held on February 12, 2007.

(c) Select the Successful Bidder (as defined herein) at the conclusion of the auction and seek authority to sell assets to such Successful Bidder(s) at the Sale Hearing to be held by the Bankruptcy Court on February 14, 2007**.**

II. The Sale Hearing

At the Sale Hearing, the Debtors will seek entry of an order substantially in the form of Exhibit H to the Original Agreement, *inter alia*, authorizing and approving the Sale Transaction (as defined below) (a) if no other Qualified Bid (as defined below) is received by the Sellers, to MAHLE GmbH ("MAHLE") pursuant to the terms and conditions set forth in the Agreement (as defined below), or (b) if another Qualified Bid is received by the Sellers, to MAHLE or such other Qualified Bidder(s) (as defined below) as the Sellers, in the exercise of their reasonable

[1] Capitalized terms not otherwise defined herein shall have the respective meaning ascribed to them in the Motion.

business judgment, may determine to have made the highest or otherwise best offer to purchase the Offered Assets, consistent with the Bidding Procedures (the "Successful Bidder"). The Sale Hearing may be adjourned or rescheduled without notice, other than by an announcement of such adjournment at the Sale Hearing.

III. Determination by the Sellers

The Sellers shall (a) determine (with the assistance of their investment banker and financial advisor, Miller Buckfire & Co., LLC ("Miller Buckfire")) whether any person or entity is a Qualified Bidder, (b) coordinate the efforts of Potential Bidders (as defined below) in conducting their respective due diligence investigations regarding the Offered Assets and the Assumed Liabilities (as defined below), (c) receive bids from Qualified Bidders, (d) negotiate any bids and (e) conduct an auction on the Offered Assets (collectively, the "Bidding Process"). Any person or entity who wishes to participate in the Bidding Process must be a Qualified Bidder. Except as provided by applicable law or court order, neither the Sellers nor their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Offered Assets or the Assumed Liabilities to any person or entity who is not a Potential Bidder and who does not comply with the participation requirements below.

IV. Participation Requirements

Unless otherwise ordered by the Bankruptcy Court for cause shown, to participate in the Bidding Process, each interested person or entity (a "Potential Bidder") must deliver so as to be received by the deadline the following (unless previously delivered) to: (i) Dana Corporation, 4500 Dorr Street, Toledo, Ohio, 43615, attn: Douglas H. Liedberg; (ii) Miller Buckfire & Co., L.L.C., 250 Park Avenue, 19th Floor, New York, New York, 10177, attn: Richard Morgner; (iii) Hunton & Williams L.L.P., 951 East Byrd Street, Richmond, Virginia, 23219, attn: Cyane B. Crump; (iv) Jones Day, 325 John H. McConnell Boulevard, Columbus, Ohio, 43215, attn: Randall M. Walters; (v) Kramer, Levin Naftalis & Frankel L.L.P., 1177 Avenue of the Americas, New York, New York, 10036, attn: Thomas Moers Mayer, Esq.; (vi) Fried, Frank, Harris, Shriver & Jacobson L.L.P., One New York Plaza, New York, New York, 10004, attn: Gary L. Kaplan; and (vii) Shearman & Sterling L.L.P., 599 Lexington Avenue, New York, New York, 10022, attn: Douglas Bartner, no later than 12:00 p.m. (Prevailing Eastern Time) on February 8, 2007:

(a) An executed confidentiality agreement in form and substance satisfactory to the Debtors; and

(b) A statement demonstrating to the Sellers' satisfaction a bona fide interest in purchasing the Offered Assets together with the Assumed Liabilities of the Sellers.

If the Debtors determine, in consultation with the Creditors' Committee and the Equity Committee, that a potential bidder has a *bona fide* interest in the Offered Assets, no later than two business days after the Debtors make that determination and have received from a Potential Bidder all of the materials required above, the Debtors will deliver to the Potential Bidder: (i) a confidential memorandum containing information and financial data with respect to the Offered

Assets and the Assumed Liabilities (the "Confidential Memorandum"); (ii) a copy of the Original Agreement and a form agreement for overbidders; and (iii) access information for the Debtors' confidential electronic Data Room concerning the Offered Assets and the Assumed Liabilities (the "Data Room").

V. Due Diligence

Until the Bid Deadline (as defined below), the Sellers will afford any Potential Bidder such due diligence access or additional information as may be reasonably requested by the Potential Bidder that the Sellers, in their business judgment, determine to be reasonable and appropriate under the circumstances. All additional due diligence requests shall be directed to Alexander Tracy of Miller Buckfire at (212) 895-1878. The Sellers, with the assistance of Miller Buckfire, shall coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders. In the event that any such due diligence material has not previously been provided to any other Potential Bidder, the Debtors shall simultaneously provide such materials to all Potential Bidders, as well as to counsel to the Creditors' Committee, counsel to the Equity Committee and counsel to MAHLE.

Unless otherwise determined by the Sellers, the availability of additional due diligence to a Potential Bidder will cease (a) if the Potential Bidder does not become a Qualified Bidder, (b) from and after the Bid Deadline or (c) if the Bidding Process is terminated in accordance with its terms. Except as provided above with respect to the Confidential Memorandum, the Agreement (as defined below) to be provided to the Potential Bidders and access to the Data Room, neither the Sellers nor their representatives will be obligated to furnish any information of any kind whatsoever relating to the Offered Assets or the Assumed Liabilities to any party.

VI. Bid Deadline

A Potential Bidder that desires to make a bid shall deliver written and electronic copies of its bid to: (a) Dana Corporation, 4500 Dorr Street, Toledo, Ohio, 43615, attn: Douglas H. Liedberg; (b) Miller Buckfire & Co., L.L.C., 250 Park Avenue, 19th Floor, New York, New York, 10177, attn: Richard Morgner; (c) Hunton & Williams L.L.P., 951 East Byrd Street, Richmond, Virginia, 23219, attn: Cyane B. Crump; (d) Jones Day, 325 John H. McConnell Boulevard, Columbus, Ohio, 43215, attn: Randall M. Walters; (e) Kramer, Levin Naftalis & Frankel L.L.P., 1177 Avenue of the Americas, New York, New York, 10036, attn: Thomas Moers Mayer, Esq.; (f) Fried, Frank, Harris, Shriver & Jacobson L.L.P., One New York Plaza, New York, New York, 10004, attn: Gary L. Kaplan; and (g) Shearman & Sterling L.L.P., 599 Lexington Avenue, New York, New York, 10022, attn: Douglas Bartner, so as to be received not later than 12:00 p.m. (Prevailing Eastern Time) on February 8, 2007 (the "Bid Deadline"). Electronic delivery information for bids will be posted in the Data Room.

VII. Bid Requirements

The Debtors are party to that certain Stock and Asset Purchase Agreement by and among certain of the Debtors and their nondebtor affiliates identified therein (collectively, the "Sellers") and MAHLE GmbH, dated as of December 1, 2006 (including all exhibits, schedules and agreements attached thereto, the "Original Agreement"), with respect to the sale of certain assets

of the Sellers identified therein, together with the transfer to MAHLE of the Sellers' rights and interests under certain related executory contracts and unexpired leases (collectively, the "Offered Assets") and the assumption by MAHLE of certain liabilities associated with the Offered Assets (the "Assumed Liabilities") (such transaction is collectively referred to as the "Sale Transaction"). The Original Agreement contains an ancillary agreement that allows MAHLE exclusive distribution rights in certain territories relating to Victor Reinz branded products for a term of 10 years. The Debtors reserve the right to reach a different agreement on distribution rights with respect to Victor Reinz branded products with any Bidder other than MAHLE.

A bid is a signed document from a Potential Bidder that provides, at a minimum, that:

(a) The Potential Bidder offers to purchase the Offered Assets and to assume the Assumed Liabilities of the Sellers at the purchase price and upon the terms and conditions set forth in a copy of an asset purchase agreement enclosed therewith, marked to show any proposed amendments and modifications to the Original Agreement (the "Marked Agreement");

(b) The bid is not subject to any due diligence or financing contingency and is irrevocable until one business day following the closing of the Sale Transaction with the Successful Bidder;

(c) The purchase price in such bid is a higher and better offer for the Offered Assets, and such offer shall not be considered a higher or better offer unless such bid provides for net consideration to the Sellers' estates of at least $3,000,000 more than the sum of the Initial Cash Consideration of $97,700,000 and the value of the Assumed Liabilities (the "Alternative Minimum Purchase Price");

(d) Is a bid received by the Bid Deadline; and

(e) Does not entitle a bidder (other than MAHLE) to any break up fee, termination fee or similar type of payment or reimbursement.

A Potential Bidder shall accompany its bid with: (i) written evidence of available cash, a commitment for financing or ability to obtain a satisfactory commitment if selected as the Successful Bidder and such other evidence of ability to consummate the Sale Transaction as the Sellers may reasonably request; (ii) a copy of a board resolution or similar document demonstrating the authority of the Potential Bidder to make a binding and irrevocable bid on the terms proposed; and (iii) any pertinent factual information regarding the Potential Bidder's operations that would assist the Sellers in their analysis of issues arising with respect to any applicable antitrust laws.

A Potential Bidder must deposit with the Deposit Agent selected by the Sellers a Good Faith Deposit equal to 10% of the cash purchase price set forth in the Marked Agreement. The Good Faith Deposit must be made by certified check or wire transfer and will be held by the Deposit Agent in accordance with the terms of the escrow agreement to be provided with the Original Agreement.

A bid received from a Potential Bidder that meets the above requirements will be considered a "Qualified Bid" and each Potential Bidder that submits a Qualified Bid will be considered a "Qualified Bidder." For purposes hereof, MAHLE is a Qualified Bidder and the Original Agreement executed by MAHLE is a Qualified Bid. A Qualified Bid will be valued based upon factors such as: (a) the purported amount of the Qualified Bid, including any benefit to the Debtors' bankruptcy estates and the nondebtor Sellers from any assumption of liabilities of the Sellers; (b) the fair value to be provided to the Sellers under the Qualified Bid; (c) the ability to close the proposed Sale Transaction without delay; (d) the ability to obtain all necessary antitrust approvals for the proposed transaction; and (e) any other factors the Sellers may deem relevant. Within two business days after receipt from a Qualified Bidder, the Sellers shall distribute a copy of each Qualified Bid to counsel to MAHLE by facsimile, hand delivery or overnight courier.

The Sellers reserve the right, after consultation with the DIP Lenders, the Creditors' Committee and the Equity Committee, to reject any bid if such bid:

(i) is on terms that are materially more burdensome or conditional than the terms of the Original Agreement;

(ii) requires any indemnification of such Qualified Bidder on terms that are materially more burdensome or conditional than the terms of the Original Agreement;

(iii) includes a non-cash instrument or similar consideration that is not freely marketable; or

(iv) does not provide for the complete assumption of all Assumed Liabilities relating to the Offered Assets identified in the bid.

Any bid rejected pursuant to this paragraph shall not be deemed to be a Qualified Bid.

VIII. Baseline Bid

Qualified Bidders that have submitted Qualified Bids are eligible to participate in the Auction. The Sellers will select, after consultation with the DIP Lenders, the Creditors' Committee and the Equity Committee, the highest and best bid or bids (the "Baseline Bid") to serve as the starting point for the Auction. The Baseline Bid either will be (a) the bid set forth by MAHLE in the Agreement or (b) a Qualified Bid which proposes a purchase price in excess of the Alternative Minimum Purchase Price.

As soon as practicable, the Sellers will provide all Qualified Bidders (including MAHLE) with a copy of the Baseline Bid.

IX. "As Is, Where Is"

The Sale Transaction shall be on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Sellers, its agents or its estate, except to the extent expressly set forth in the Original Agreement or the Marked Agreement which has been

designated as the Baseline Bid, as the case may be. Except as otherwise provided in the Successful Bid or such other bid which may ultimately be consummated in the Sale Transaction, all of the Debtors' right, title and interest in the Domestic Net Assets (as such term is defined in the Bid Procedures Order) shall be sold free and clear of all options, pledges, security interests, setoff rights, voting trusts or similar arrangements, liens, charges, claims or other encumbrances or restrictions on voting or transfer thereon and there against (collectively, "Encumbrances"), such Encumbrances, if any, to attach to the net proceeds of the Sale Transaction. Except as otherwise provided in the Successful Bid or such other bid which may ultimately be consummated in the Sale Transaction, the Purchaser shall not be considered a successor to the Sellers or otherwise be liable for any warranty or tort claims existing as of the date the Sale Transaction is closed, whether known or unknown.

X. Auction

If more than one Qualified Bid is received by the Bid Deadline, the Sellers will conduct an auction (the "Auction"). The Auction shall take place at 10:00 a.m. (Prevailing Eastern Time) on February 12, 2007, at the offices of Jones Day, located at 222 East 41st Street, New York, New York, or such later time or such other place as the Sellers shall notify all Qualified Bidders who have submitted Qualified Bids. Only a Qualified Bidder who has submitted a Qualified Bid will be eligible to participate at the Auction. Professionals for the DIP Lenders, the Creditors' Committee, and the Equity Committee shall be able to attend and observe the Auction.

At the Auction, participants (including MAHLE) will be permitted to increase their bids and will be permitted to bid based only upon the terms of the Baseline Bid (except to the extent otherwise authorized by the Sellers). The bidding will start at the purchase price and terms proposed in the Baseline Bid, and continue in increments of at least $1,000,000.

The Debtors may adopt, in consultation with the DIP Lenders, the Creditors' Committee and the Equity Committee, rules for the Auction at any time that will best promote the goals of the Bidding Process and that are not inconsistent with any provisions of the Original Agreement or the Bidding Procedures described herein. Any such rules will provide that: (a) the procedures must be fair and open, with no participating Qualified Bidder disadvantaged in any material way as compared to any other Qualified Bidder; (b) all bids will be made and received in one room, on an open basis, and all other bidders will be entitled to be present for all bidding with the understanding that the true identity of each bidder will be fully disclosed to all other bidders and that all material terms of each Qualified Bid will be fully disclosed to all other bidders throughout the entire Auction; and (c) each Qualified Bidder will be permitted a fair, but limited, amount of time to respond to the previous bid at the Auction.

Immediately prior to the conclusion of the Auction, the Sellers, after consultation with the DIP Lenders, the Creditors' Committee, and the Equity Committee will: (a) review and evaluate each bid made at the Auction on the basis of financial and contractual terms, including any benefit to the Sellers' bankruptcy estates from any proposal to assume reclamation or other obligations of the Sellers, and other factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale Transaction; (b) identify the successful bid (the "Successful Bid"); and (c) notify all Qualified Bidders participating in the

Auction, prior to its adjournment, of the successful bidder or bidders (the "Successful Bidder"), and the amount and other material terms of the Successful Bid. At the Sale Hearing, the Sellers shall present the Successful Bid to the Bankruptcy Court for approval.

XI. Acceptance of Qualified Bids

The Sellers may (a) determine, in their reasonable business judgment, which Qualified Bid is the Successful Bid and the next highest or otherwise best bid (the "Next Highest Bid"); and (b) reject at any time before entry of the Sale Order any bid that, in the Sellers' reasonable judgment, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures or the terms and conditions of the Sale Transaction or (iii) contrary to the best interests of the Sellers and their estates.

The Sellers presently intend to consummate the Sale Transaction with the Successful Bidder, whether such entity is MAHLE or another Qualified Bidder. However, the Sellers' presentation to the Bankruptcy Court for approval of the Successful Bid does not constitute the Sellers' acceptance of the bid. The Sellers will be deemed to have accepted the Successful Bid only when such bid has been approved by the Bankruptcy Court. The Sellers and the Successful Bidder shall close the Sale Transaction on or before June 1, 2007 with the exception of deferred closings (if any) related to foreign assets or interests, unless extended by mutual agreement of the Sellers and the Successful Bidder. If the Successful Bidder does not close the Sale Transaction by such date, then the Sellers shall be authorized, but not required, to close with the Next Highest Bidder without a further court order. If the Sellers decide to close with the Next Highest Bidder, the Sellers and the Next Highest Bidder shall have an additional 45 days to close. If the Next Highest Bidder fails to consummate the Sale Transaction on the terms set forth in the Marked Agreement within such time period for any reason, the Sellers shall be authorized, but not required to close the Sale Transaction with the party that submitted the third highest offer received at the Auction. If that Qualified Bidder fails to close, the Sellers shall be authorized, but not directed, to proceed down the list of Qualified Bidders, in order of the size of each Qualified Bidders' highest bids, until they can consummate a Sale Transaction on the terms and conditions provided for in the applicable Marked Agreement.

XII. Modification of Procedures

If necessary to satisfy their fiduciary duties, the Debtors may, after consultation with the DIP Lenders, Creditors' Committee, the Equity Committee and such other persons as the Debtors deem appropriate, amend these Bidding Procedures or the Bidding Process at any time in any manner that will best promote the goals of the Bidding Process, including extending or modifying any of the dates described herein.

XIII. Return of Good Faith Deposit

The Good Faith Deposits of all Qualified Bidders, including MAHLE, shall be held in escrow by the Sellers, but shall not become property of the Sellers' estates absent further order of the Bankruptcy Court. The Good Faith Deposit of the Successful Bidder will be retained by the Deposit Agent, notwithstanding the Bankruptcy Court's approval of the Sale Transaction, until the earlier of (a) the Closing of the Sale Transaction or (b) the termination of an executed

Original Agreement or Marked Agreement and withdrawal of the Offered Assets together with the Assumed Liabilities for sale by the Sellers. At the closing of the Sale Transaction contemplated by the Successful Bid, the Successful Bidder will be entitled to a credit for the amount of its Good Faith Deposit in accordance with the Successful Bidder's purchase agreement. The Good Faith Deposits of all Qualified Bidders, other than the Successful Bidder, shall be released by the Sellers upon the earlier of (a) the closing of the Sale Transaction or (b) the withdrawal of the Offered Assets together with the Assumed Liabilities for sale by the Sellers. Additionally, if the Original Agreement is terminated, MAHLE's Good Faith Deposit shall be returned to MAHLE in accordance with the Original Agreement. Upon the return of the Good Faith Deposits, their respective owners shall receive any and all interest that will have accrued thereon.

EXHIBIT B

EXHIBIT D

[Form of Sale Order]

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Dana Corporation, *et al.*,	:	Case No. 06-10354 (BRL)
Debtors.	:	(Jointly Administered)

ORDER (A) AUTHORIZING THE SALE OF ASSETS AND STOCK RELATING TO THE DEBTORS' ENGINE PRODUCTS GROUP FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND LEASES IN CONNECTION THEREWITH, AND (C) GRANTING RELATED RELIEF

This matter is before this Court on the motion, dated November 4, 2006 (the "Sale Motion")[1] [Docket #_____] of the above-captioned debtors and debtors in possession (the "Debtors"), for entry of an order (the "Sale Order"), pursuant to sections 105, 363, and 365 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), and Rules 2002, 6004, 6006, 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"): (i) authorizing and approving the Stock and Asset Purchase Agreement, dated as of November ___, 2006 (the "Agreement"), as amended, substantially in the form attached hereto as **Exhibit A**, by and between Dana Corporation and MAHLE GmbH ("MAHLE") whereby Debtor Dana Corporation agrees, subject to this Court's approval, to convey or cause the Debtors to convey the Debtors' interests in certain assets and equity interests related to the Engine Products Group (the "Domestic Net Assets") and to cause the Non-Debtor

[1] Unless otherwise stated, all capitalized terms not defined herein shall have the meanings ascribed to them in the copy of the Agreement attached to this Order as **Exhibit A** and the Sale Motion, and to the extent of any inconsistency, the Agreement shall govern.

Sellers[2] to convey the Non-Debtor Sellers' interests in assets and equity interests related to the Engine Products Group (the "Foreign Net Assets") to MAHLE or its designated affiliates, and approving such other ancillary agreements to be entered into by the parties thereto as contemplated therein; (ii) authorizing and approving the sale by the Debtors of the Domestic Net Assets, free and clear of all liens, claims, encumbrances and interests (other than any Assumed Liabilities (as such term is defined in Section 1.5 of the Agreement) or Transferred Liens (as such term is defined in Section 15.216 of the Agreement)) (the "Sale Transaction"); (iii) authorizing the assumption and assignment of the executory contracts and unexpired leases (the "Debtor Contracts") identified on **Exhibit B** to this Sale Order; and (iv) granting other related relief; a hearing on the Sale Motion having been held on _____, 2007 (the "Sale Hearing") at which time all interested parties were offered an opportunity to be heard with respect to the Sale Motion; the Court having reviewed and considered (i) the Sale Motion and attachments thereto, (ii) the Agreement attached hereto as **Exhibit A**, (iii) objections and comments relating to the Sale Transaction, (iv) the arguments of counsel, made, and the evidence proffered or adduced, at the Sale Hearing; and it appearing that the relief requested in the Sale Motion is in the best interests of the Debtors, their estates and creditors and other parties in interest; and upon the record of the Sale Hearing and these cases; and after due deliberation thereon; and good cause appearing therefore, it is hereby **FOUND AND DETERMINED THAT:**

[2] The "Non-Debtor Sellers" include: Dana Argentina S.A., Dana San Juan S.A., Dana Industries, Ltd., Dana-Albarus S.A., Societe de Reconditionment Industriel de Monteurs SAS (SRIM), Glacier Vandervell SAS, Dana Holdings GmbH, Dana Italia Spa, Glacier Tribometal Slovakia A.S., Dana Automocion, S.A., Dana Spicer Ltd., Dana Heavy Axle Mexico, S.A. de C.V., Dana Capital Ltd. and Dana Commercial Credit Corporation.

JURISDICTION, FINAL ORDER AND STATUTORY PREDICATES

A. This Court has jurisdiction over the Sale Motion, the transactions contemplated by the Agreement and any other ancillary documents and agreements related thereto pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a), and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue of these cases and the Sale Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. This Sale Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), the Court expressly finds that there is no just reason for delay in the implementation of this Sale Order, and expressly directs entry of judgment as set forth herein.

C. The statutory predicates for the relief sought in the Sale Motion are sections 105(a), 363(b), (f) and (m), and 365(a), (b) and (f) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007 and 9014.

SOUND BUSINESS PURPOSE

D. The Debtors seek to convey the Domestic Net Assets, all of which are related to the manufacturing and distribution of piston rings, thin-wall bearings, thrust washers, bushings and heavy duty camshafts (the "Engine Products Group"). The Debtors have demonstrated both (i) good, sufficient, and sound business purpose and justification for the Sale Transaction, and (ii) compelling circumstances for the Sale Transaction pursuant to section 363(b) of the Bankruptcy Code prior to, and outside of, a plan of reorganization in that, among other things, the value of the Domestic Net Assets and the Engine Products Group would be harmed by any delay of the Sale Transaction. Time is of the essence in consummating the Sale Transaction.

HIGHEST AND BEST OFFER

E. On **[_____]**, 2006, this Court entered an order (Docket #_____) (the "Bid Procedures Order") approving certain competitive bidding procedures (the "Bidding Procedures") for the Domestic Net Assets and the Foreign Net Assets. The Bidding Procedures provided a full, fair and reasonable opportunity for any entity to make an offer to purchase the Domestic Net Assets. The Debtors and the Non-Debtor Sellers conducted an auction process in accordance with the Bidding Procedures Order and complied with that order in all respects. The Auction was duly noticed and conducted in a noncollusive, fair and good faith manner. MAHLE participated in the Auction and complied with the Bidding Procedures Order.

F. As demonstrated by the testimony and other evidence proffered or adduced at the Sale Hearing, (1) the Debtors have adequately marketed the Domestic Net Assets and the Foreign Net Assets; (2) the purchase price contained in the Agreement constitutes the highest and otherwise best offer for the Domestic Net Assets and the Foreign Net Assets and provides fair and reasonable consideration for such assets; (3) the Sale Transaction will provide a greater recovery for the Debtors' creditors than would be provided by any other practical available alternative; (4) no other party has offered to purchase the Domestic Net Assets and the Foreign Net Assets for greater economic value to the Debtors or their estates; and (5) the Purchase Price constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia.

BEST INTEREST OF CREDITORS

G. Approval of the Agreement and the consummation of the Sale Transaction to MAHLE at this time are in the best interests of the Debtors, their creditors, their estates and other parties in interest.

GOOD FAITH

H. MAHLE is not an "insider" of any of the Debtors, as that term is defined in section 101 of the Bankruptcy Code.

I. The Agreement and each of the transactions contemplated therein were negotiated, proposed and entered into by the Debtors, the Non-Debtor Sellers and MAHLE in good faith and from arm's-length bargaining positions. MAHLE is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all the protections afforded thereby. The Debtors, the Non-Debtor Sellers and MAHLE have entered into the Agreement without collusion, in good faith, and from arm's-length bargaining positions, and no party has engaged in any conduct that would cause or permit the Agreement to be avoided under section 363(n) of the Bankruptcy Code.

NOTICE OF THE SALE MOTION, THE AUCTION AND THE CURE AMOUNTS

J. As evidenced by the certificates of service filed with the Court, (i) proper, timely, adequate and sufficient notice of the Sale Motion and the Sale Hearing has been provided by the Debtors, (ii) such notice was good and sufficient, and appropriate under the particular circumstances, and (iii) no other or further notice of the Sale Motion, the proposed Sale Transaction, the Bidding Procedures, the Auction or the Sale Hearing is or shall be required. A reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein has been afforded to all interested persons and entities, including, but not limited to:

(i) counsel to the Official Committee of Unsecured Creditors;

(ii) counsel to the Official Committee of Equity Security Holders;

(iii) counsel to the Debtors' postpetition lenders;

(iv) counsel to MAHLE;

(v) any party who, in the past year, expressed in writing to the Debtors an interest in the Domestic Net Assets, and who the Debtors and their representatives reasonably and in good faith determine potentially have the financial wherewithal to effectuate the transaction contemplated in the Agreement;

(vi) non-Debtor parties to the Debtor Contracts;

(vii) all parties who are known to claim interests in or liens upon the Domestic Net Assets;

(viii) the Securities and Exchange Commission;

(ix) the Internal Revenue Service;

(x) all applicable state attorneys general, local environmental enforcement agencies, and local regulatory authorities;

(xi) all applicable state and local taxing authorities;

(xii) the U.S. Trustee;

(xiii) Federal Trade Commission;

(xiv) United States Attorney General/Antitrust Division of Department of Justice;

(xv) Environmental Protection Agency;

(xvi) Transferred Employees of the Debtors;

(xvii) Former members of the collective bargaining units at the Seller's Muskegon, Michigan, Caldwell, Ohio or Churubusco, Indiana facilities who retired with eligibility for such post-retirement welfare benefit plan coverage under (A) the Muskegon collective bargaining agreement prior to the July 16, 2004 effective date of the current Muskegon bargaining agreement assumed by the Purchaser pursuant to Section 10.1 (c) of the Agreement; (B) under the Caldwell collective bargaining agreement prior to the November 6, 2001 effective date of the current Caldwell bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) of the Agreement; or (C) under the Churubusco collective bargaining agreement prior to the May 6, 2002 effective date of the current Churubusco bargaining agreement assumed by the Purchaser pursuant to

Section 10.1 (c) of the Agreement; and dependents of such bargaining unit retirees, to the extent provided in the terms of the relevant assumed collective bargaining agreement;

(xviii) Indenture Trustees;

(xix) United States Attorney;

(xx) existing tort and warranty claimants; and

(xxi) the entities set forth in the Special Service List and the General Service List established pursuant to that certain Amended Administrative Order, Pursuant to Rule 1015(c) of the Federal Rules of Bankruptcy Procedure, Establishing Case Management and Scheduling Procedures (D.I. 574), dated March 23, 2006.

K. Additionally, the Debtors published notice of the Sale Transaction in the *USA Today and Automotive News (U.S., Europe and Asia editions).* With regard to parties who have claims against the Debtors, but whose identities are not reasonably ascertainable by the Debtors, the Court finds that such publication notice is sufficient and reasonably calculated under the circumstances to reach such parties.

L. In accordance with the provisions of the Bidding Procedures Order, the Debtors have served notice of their intent to assume and assign the Debtor Contracts and of the related proposed Cure Costs (the "Cure Notice") upon each non-debtor counter-party to the Debtor Contracts. The service of such notice was good, sufficient and appropriate under the circumstances and no further notice need be given with respect to the Cure Costs for the Debtor Contracts listed in the Cure Notice and the assumption and assignment of the Debtor Contracts to MAHLE. All non-debtor parties to the Debtor Contracts have had an opportunity to object to both the Cure Costs listed in the Cure Notice and the assumption and assignment of the Debtor Contracts to MAHLE.

SECTION 363(F) REQUIREMENTS MET FOR FREE AND CLEAR SALE

M. The Debtors may sell the Domestic Net Assets free and clear of all liens, claims, interests and encumbrances of any kind or nature whatsoever ("Claims") (except for any

Transferred Liens or Assumed Liabilities), because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of Claims who did not object, or who withdrew their objections, to the Sale Transaction or the Sale Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Claims who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Claims, if any, attach to the proceeds of the Sale Transaction ultimately attributable to the property against which they have a Claim, in the same order of priority, with the same validity, force and effect that such creditor had prior to the Sale Transaction, subject to any defenses of the Debtors.

N. MAHLE would not have entered into the Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtors, their estates, and their creditors, if the Sale Transaction of the Domestic Net Assets to MAHLE was not free and clear of all Claims other than Transferred Liens and Assumed Liabilities, or if MAHLE would, or in the future could, be liable for any of such Claims, including, without limitation, the Excluded Liabilities.

ASSUMPTION AND ASSIGNMENT OF THE DEBTOR CONTRACTS

O. The assumption and assignment of the Debtor Contracts are integral to the Agreement, are in the best interests of the Debtors and their estates, and represent the reasonable exercise of sound business judgment.

P. The Debtors have sought to assume and assign five current collective bargaining agreements (the "CBA's") to MAHLE under Section 10.1(c) of the Agreement. Certain liabilities in the CBAs are not being assigned to MAHLE (the "Excluded Retiree Liabilities"). Specifically, the Excluded Retiree Liabilities are all Liabilities relating to post-retirement health or life insurance coverage for (i) any former member of the collective

bargaining units at the Seller's Muskegon, Michigan, Caldwell, Ohio or Churubusco, Indiana facilities who retired with eligibility for such post-retirement welfare benefit plan coverage under (A) the Muskegon collective bargaining agreement prior to the July 16, 2004 effective date of the current Muskegon bargaining agreement assumed by the Purchaser pursuant to Section 10.1 (c) of the Agreement; (B) under the Caldwell collective bargaining agreement prior to the November 6, 2001 effective date of the current Caldwell bargaining agreement assumed by the Purchaser pursuant to Section 10.1(c) of the Agreement; or (C) under the Churubusco collective bargaining agreement prior to the May 6, 2002 effective date of the current Churubusco bargaining agreement assumed by the Purchaser pursuant to Section 10.1 (c) of the Agreement, as well as (ii) dependents of such bargaining unit retirees, to the extent provided in the terms of the relevant assumed collective bargaining agreement. The term "Debtor Contracts" does not include the Excluded Retiree Liabilities; rather, such liabilities are Excluded Liabilities under the Agreement.

Q. With respect to each of the Debtor Contracts, the Debtors have met all requirements of section 365(b) of the Bankruptcy Code. Further, MAHLE has provided adequate assurance of future performance under the Debtor Contracts in satisfaction of sections 365(b) and 365(f) of the Bankruptcy Code. Accordingly, the Debtor Contracts can be assumed by the Debtors and assigned to MAHLE, as provided for in the Bid Procedures Order, the Sale Motion and the Agreement.

VALIDITY OF THE TRANSFERS

R. As of the Closing Date, the transfer of the Domestic Net Assets to MAHLE will be a legal, valid, and effective transfer of the Domestic Net Assets, and will vest MAHLE with all right, title and interest of the Debtors in and to the Domestic Net Assets, free and clear of (i) all Claims other than Transferred Liens and Assumed Liabilities and (ii) all debts

arising under or out of, in connection with, or in any way relating to, any acts of the Debtors or the Non-Debtor Sellers, claims (as defined in section 101(5) of the Bankruptcy Code), rights or causes of action (whether in law or in equity, including, but not limited to, any rights or causes of action based on theories of transferee or successor liability under any law, statute, rule, or regulation of the United States, any state, territory, or possession thereof, or the District of Columbia), obligations, demands, guaranties, rights, contractual commitments, restrictions, interests and matters of any kind or nature whatsoever, whether arising prior to or subsequent to the commencement of these cases, and whether imposed by agreement, understanding, law, equity or otherwise.

S. The Debtors (i) have full corporate power and authority to execute the Agreement and all other documents contemplated thereby, and the Sale Transaction of the Domestic Net Assets has been duly and validly authorized by all necessary corporate action of the Debtors, (ii) have all of the corporate power and authority necessary to consummate the transactions contemplated by the Agreement, (iii) have taken all actions necessary to authorize and approve the Agreement and the consummation by the Debtors of the transactions contemplated thereby and (iv) no consents or approvals, other than those expressly provided for in the Agreement, are required for the Debtors to consummate such transactions.

ADDITIONAL FINDINGS

T. The Debtors' post petition secured lenders have provided any required consent pursuant to the terms of their financing documents to the consummation of the transactions contemplated on the Agreement.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

GENERAL PROVISIONS

1. The Sale Motion is granted in full and the Sale Transaction is approved as set forth in this Sale Order.

2. All objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Sale Motion or by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled on the merits, except as expressly provided herein.

APPROVAL OF THE AGREEMENT

3. The Agreement, all transactions contemplated therein and all of the terms and conditions thereof are hereby approved.

4. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the Debtors are authorized to perform their obligations under and comply with the terms of the Agreement and consummate the Sale Transaction, pursuant to and in accordance with the terms and conditions of the Agreement and this Sale Order.

5. The Debtors, as well as their affiliates, officers, employees and agents, are authorized to execute and deliver, and empowered to perform under, consummate and implement, the Agreement, in substantially the same form as the Agreement attached hereto as **Exhibit A**, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement and to take all further actions as may be reasonably requested by MAHLE for the purpose of assigning, transferring, granting, conveying and conferring to MAHLE or reducing to possession, the Domestic Net Assets, or as may be

necessary or appropriate to the performance of the obligations as contemplated by the Agreement, all without further order of the Bankruptcy Court.

6. This Sale Order and the Agreement shall be binding in all respects upon MAHLE, the Debtors, their affiliates, any trustees appointed in the Debtors' cases or in the cases of any affiliated debtors, all creditors (whether known or unknown) of any Debtors or of any affiliated debtor, all interested parties and their successors and assigns, including, but not limited to, any party asserting a lien, claim, interest or encumbrance and any non-debtor party to the Debtor Contracts. Nothing contained in any chapter 11 plan confirmed in these bankruptcy cases or the confirmation order confirming any such chapter 11 plan shall conflict with or derogate from the provisions of the Agreement or this Sale Order, and to the extent of any conflict or derogation between this Sale Order or the Agreement and such future plan or order, the terms of this Sale Order and Agreement shall control to the extent of such conflict or derogation.

TRANSFER OF DOMESTIC NET ASSETS

7. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Debtors are authorized to transfer the Domestic Net Assets in accordance with the terms of the Agreement. The Domestic Net Assets shall be transferred to MAHLE, and upon consummation of the Agreement, such transfers (a) shall be valid, legal, binding and effective transfers; (b) shall vest MAHLE with all right, title and interest of the Debtors; and (c) shall be free and clear of all Claims except for Transferred Liens and Assumed Liabilities with all such liens, claims, interests and encumbrances to attach to the net proceeds of the Sale Transaction, in the order of their priority, with the same validity, force and effect which they now have as against the Domestic Net Assets, subject to any claims and defenses the Debtors may possess with respect thereto.

8. All persons and entities holding Claims other than Transferred Liens or Assumed Liabilities against or in the Debtors or the Domestic Net Assets (whether legal or

equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to, the Debtors, the Domestic Net Assets, the operation of the Debtors' business prior to the Closing Date, or the transfer of the Domestic Net Assets to MAHLE, are hereby forever barred, estopped and permanently enjoined from asserting such Claims against MAHLE, its successors or assigns, its property or the Domestic Net Assets. No such persons or entities shall assert against MAHLE or its successors in interest any liability, debt, claim or obligation arising from, related to or in connection with the ownership or operation of the Domestic Net Assets prior to the Closing Date, except for Transferred Liens and Assumed Liabilities.

9. This Sale Order (i) shall be effective as a determination that, on the closing of the Sale Transaction, all Claims other than Transferred Liens and Assumed Liabilities relating to the Domestic Net Assets have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected, and (ii) is and shall be binding upon and govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

10. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens or other documents or agreements evidencing Claims against or in the Debtors or the Domestic Net Assets shall not have delivered to the Debtors prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all interests which the person or entity has with respect to the Debtors or the Domestic Net Assets or otherwise, then only with regard to Domestic Net Assets that are purchased by MAHLE pursuant to the Agreement and this Sale Order (a) the Debtors are hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Domestic Net Assets and (b) MAHLE is hereby authorized to file, register or otherwise record a certified copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Claims against the Domestic Net Assets other than the Transferred Liens or Assumed Liabilities.

11. All persons or entities in possession of some or all of the Domestic Net Assets are directed to surrender possession of such assets to MAHLE or its designee at Closing.

12. Following Closing, no holder of any lien, claim, interest or encumbrance shall interfere with MAHLE's title to or use and enjoyment of the Domestic Net Assets based on or related to any such lien, claim, interest or encumbrance, or based on any actions the Debtors may take in their chapter 11 cases.

13. All persons and entities are prohibited and enjoined from taking any action to adversely affect or interfere with the ability of the Debtors to transfer the Domestic Net Assets to MAHLE in accordance with the Agreement and this Sale Order.

ASSUMPTION AND ASSIGNMENT OF DEBTOR CONTRACTS

14. Pursuant to Sections 105(a) and 365 of the Bankruptcy Code, the Debtors' assumption and assignment to MAHLE of the Debtor Contracts listed on **Exhibit B**, is hereby approved, and all requirements of section 365 of the Bankruptcy Code are hereby deemed satisfied.

15. The Debtors are hereby authorized in accordance with sections 105(a) and 365 of the Bankruptcy Code to assume and assign the Debtor Contracts to MAHLE free and clear of all Claims, and to execute and deliver to MAHLE such documents or other instruments as may be necessary to assign and transfer the Debtor Contracts to MAHLE.

16. The Debtor Contracts shall be transferred to, and remain in full force and effect for the benefit of, MAHLE in accordance with their respective terms, notwithstanding any provision in any such Debtor Contract (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer. There shall be no rent accelerations, assignment fees, increases or any other fees charged to MAHLE or the Debtors as a result of the assumption or assignment of the Debtor Contracts.

17. The Cure Costs under the Debtor Contracts arising or accruing prior to the date of this Sale Order that are shown on **Exhibit B** shall be paid by MAHLE within 14 days following the Closing of the Sale Transaction or within such time MAHLE shall reserve sufficient funds to pay the full amount of any Disputed Cure Cost until such time as there is a final order of this Court determining the correct Cure Cost; *provided, however*, that if the Cure Costs as determined by this Court for the Debtor Contracts being assigned to MAHLE are greater than $3,000,000 in the aggregate, the Debtors shall be responsible for such excess amount as an adjustment to the Final Consideration due under the Agreement. In order to effect

any such adjustment, the amount otherwise payable by MAHLE at Closing pursuant to Section 2.1(a) of the Agreement shall be reduced by an amount equal to the amount by which the Cure Costs that have been allowed by the Bankruptcy Court prior to Closing exceed $3,000,000. To the extent that the total of the Cure Costs finally allowed by the Bankruptcy Court exceed $3,000,000 on or after the Closing, MAHLE shall pay the Cure Cost finally allowed by the Bankruptcy Court on any Debtor Contract that is assumed and assigned after the Closing in accordance with the requirements of the Approval Order or such other Order of the Bankruptcy Court that approves the assumption and assignment of a Debtor Contract to MAHLE, but the Debtors shall reimburse MAHLE for any such Cure Costs paid by MAHLE in excess of $3,000,000 that are not taken into account in the adjustment of the amount payable at Closing pursuant to Section 2.1(a) of the Agreement within 30 days of receiving documentation evidencing proof of payment of the Cure Costs on such Debtor Contracts.

18. Payment of the Cure Costs shall be a full satisfaction of any and all defaults under the Debtor Contracts, whether monetary or non-monetary. Each non-Debtor party to a Debtor Contract hereby is forever barred, estopped and permanently enjoined from asserting against the Debtors or MAHLE, its successors or assigns or the property of any of them, any default existing as of the date of the Sale Hearing if such default was not raised or asserted prior to or at the Sale Hearing.

19. The failure of the Debtors or MAHLE to enforce at any time one or more terms or conditions of any Debtor Contract shall not be a waiver of such terms or conditions, or of the Debtors' and MAHLE's rights to enforce every term and condition of the Debtor Contracts.

20. Upon the Closing, MAHLE shall be fully and irrevocably vested with all right, title and interest of the relevant Debtors under the Debtor Contracts.

ADDITIONAL PROVISIONS

21. Except as expressly set forth in the Agreement, MAHLE and its successors or assigns shall have no liability for any liability, claim (as that term is defined in Section 101(5) of the Bankruptcy Code), damages or other obligation of or against the Debtors related to the Domestic Net Assets by reason of the transfer of the Domestic Net Assets to MAHLE. MAHLE shall not be deemed, as a result of any action taken in connection with the purchase of the Domestic Net Assets, to: (a) be a legal successor, or otherwise be deemed a successor to the Debtors or the Non-Debtor Sellers (other than with respect to any obligations arising under the Debtor Contracts from and after the Closing Date), (b) have, de facto or otherwise, merged with or into the Debtors or the Non-Debtor Sellers or (c) be a mere continuation or substantial continuation of the Debtors or the Non-Debtor Sellers or the enterprise of the Debtors or the Non-Debtor Sellers.

22. Effective upon the Closing and except as otherwise provided by stipulations filed with or announced to the Court with respect to a specific matter, all persons and entities are forever prohibited and enjoined from commencing or continuing in any matter any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral or other proceeding against MAHLE, its successors and assigns, or the Domestic Net Assets, with respect to any (a) Claim other than Transferred Liens and Assumed Liabilities, or (b) successor liability, including, without limitation, the following actions: (i) commencing or continuing in any matter any action or other proceeding against MAHLE, or its successors, assets or properties; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against MAHLE or its successors, assets or properties; (iii) creating, perfecting or enforcing any lien, claim, interest or encumbrance against MAHLE or its successors, assets or properties; (iv) asserting any setoff, right of subrogation or recoupment of any kind against any

obligation due MAHLE or its successors, assets or properties; (v) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Sale Order or other orders of the Court, or the agreements or actions contemplated or taken in respect thereof; or (vi) revoking, terminating or failing or refusing to renew any license, permit or authorization to operate any of the Domestic Net Assets or conduct any of the businesses operated with the Domestic Net Assets.

23. Except for the Transferred Liens and the Assumed Liabilities, MAHLE shall not have any liability or other obligation of the Debtors or their affiliates arising under or related to the Domestic Net Assets. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein or in the Agreement, MAHLE shall not be liable for any Claims against the Debtors or any of their predecessors or affiliates, and MAHLE shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger or substantial continuity, whether known or unknown as of the applicable Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or their affiliates or any obligations of the Debtors or their affiliates arising prior to the Closing, including, but not limited to, liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Domestic Net Assets prior to the Closing. MAHLE has given substantial consideration under the Agreement for the benefit of the holders of Claims. The consideration given by MAHLE shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of MAHLE, which releases shall be deemed to have been given in favor of MAHLE by all holders of any Claims of any kind whatsoever.

24. While the Sellers' bankruptcy cases are pending, this Court shall retain jurisdiction to, among other things, interpret, enforce and implement the terms and provisions of this Sale Order and the Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith in all respects, and to adjudicate disputes related to this Sale Order or the Agreement.

25. The transactions contemplated by the Agreement are undertaken by MAHLE in good faith, as that term is used in Section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale Transaction shall not affect the validity of the Sale Transaction to MAHLE.

26. The consideration provided by the Purchaser for the Domestic Net Assets is fair and reasonable.

27. This sale may not be avoided under section 365(n) of the Bankruptcy Code.

28. The terms and provisions of the Agreement and this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates and their creditors, MAHLE, and its respective affiliates, successors and assigns, and any affected third parties including, but not limited to, all persons asserting Claims in the Domestic Net Assets to be sold to MAHLE pursuant to the Agreement, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

29. The failure specifically to include any particular provisions of the Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

30. The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by both parties, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not materially change the terms of the Agreement.

31. In the event that there is a direct conflict between the terms of this Sale Order and the Agreement, the terms of this Sale Order shall control.

32. Each and every federal, state and local governmental agency, department, or official is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

33. As provided by Rules 6004(h) and 6006(d) of the Federal Rules of Bankruptcy Procedure, this Sale Order shall not be stayed for 10 days after the entry of the Sale Order and shall be effective immediately upon entry, and the Debtors and MAHLE are authorized to close the Sale Transaction immediately upon entry of this Sale Order.

EXHIBIT A
ASSET PURCHASE AGREEMENT

[See Attached]

EXHIBIT B
LIST OF DEBTOR CONTRACTS

[See Attached]