UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-K

(Mark One)

☒

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002, or

o

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-15827

VISTEON CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	**38-3519512**
(State of incorporation)	(I.R.S. employer identification no.)
17000 Rotunda, Dearborn, Michigan	**48120**
(Address or principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (800)-VISTEON

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1.00 per share	New York Stock Exchange

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

Yes ü No___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

Yes ü No___

As of January 31, 2003, the registrant had outstanding 129,024,309 shares of common stock. The aggregate market value of such common stock held by non-affiliates of the registrant as of such date was $877,805,738, based on the closing price of the common stock on that date ($6.87 a share) as reported by the New York Stock Exchange.

Document Incorporated by Reference*

Document	Where Incorporated
Proxy Statement	Part III (Items 10,

11, 12 and 13)

* As stated under various Items of this Report, only certain specified portions of such document are incorporated by reference in this Report.

PART I

ITEM 1. BUSINESS

Overview

Visteon Corporation is a leading global supplier of automotive systems, modules, and components to global vehicle manufacturers and the automotive aftermarket. Headquartered in Dearborn, Michigan, we have global capabilities, with regional headquarters in Cologne, Germany, Yokohama, Japan, and São Paulo, Brazil. We have a workforce of approximately 77,000 and a network of manufacturing sites, technical centers, sales offices and joint ventures located in every major region of the world.

Visteon operates in two business segments: Automotive Operations and Glass Operations.

Automotive Operations: Visteon is a leading global supplier of automotive systems, modules and components in the following product areas: climate control, interior, exterior, powertrain, chassis, and electronics. Our products are featured on vehicles built by many leading automotive manufacturers, including Ford Motor Company, General Motors, Toyota, Daimler-Chrysler, Volkswagen, Honda, Renault, Nissan, Hyundai, Peugeot, Mazda and BMW.

Glass Operations: Our Glass Operations segment is composed of our vehicle glazing product group, which produces glass products for Ford and aftermarket customers, and our commercial glass product group, which produces float glass for commercial architecture.

Visteon was incorporated in Delaware in January 2000 as a wholly-owned subsidiary of Ford. Ford subsequently transferred to Visteon the assets and liabilities comprising its automotive components and systems business. Visteon separated from Ford on June 28, 2000 when all of the common stock of Visteon was distributed by Ford to its shareholders.

Financial Information About Business Segments

Business segment financial information can be found on pages 72-74 of this Annual Report on Form 10-K (Note 16, “Segment Information”, of our consolidated financial statements).

Automotive Parts Industry

The automotive parts industry provides systems, modules, and components to vehicle manufacturers for the manufacture of new vehicles, as well as to the aftermarket for use as replacement and enhancement parts. Historically, large vehicle manufacturers operated internal divisions to provide a wide range of component parts for their vehicles. More recently, vehicle manufacturers have moved towards a competitive sourcing process for automotive parts, including increased purchases from independent suppliers, as they seek lower-priced and/or higher-technology products. Demand for aftermarket products tends to increase when vehicle owners retain their vehicles longer, as these vehicles generally have a greater need for repairs.

Industry Trends. The following key trends have been affecting the automotive parts industry over the past several years:

- *Demand for Safe and Environmentally Friendly Products.* Consumers are increasingly interested in products and technologies that make them feel safer and more secure. Vehicle manufacturers and many governmental regulators are increasingly requiring safe and environmentally friendly products. This demand coupled with advances in technology have led to a number of new product opportunities for companies like Visteon possessing strong innovation capabilities such as advanced front lighting systems, driver information technologies, emissions controls, fuel consumption improvements and recyclable materials. In addition, Visteon is prepared to support the technology needs of advanced systems to support environmentally focused power systems, such as fuel cells, which could revolutionize the automotive industry.

- *Increasing Electronics Integration and Technological Content.* Electronics integration, which typically involves replacing bulky mechanical components with electronic ones and/or adding new electrical functions to the vehicle, allows vehicle manufacturers improved control over vehicle weight, costs and functionality. Integrated electronic solutions help auto manufacturers improve fuel economy through weight reduction and reduce emissions through improved air and engine control systems. In addition, Visteon is combining its leadership position in automotive supply with leaders in non-automotive electronics to offer vehicle manufacturers integrated technologies that meet key consumer and regulatory needs.

- *Globalization of Suppliers.* In order to serve multiple markets more efficiently, vehicle manufacturers are assembling vehicle platforms globally. With this globalization, vehicle manufacturers are increasingly interested in global suppliers that can better serve multiple markets, address local consumer preferences while controlling design costs and minimizing import tariffs in local markets. Visteon's presence in more than 190 facilities, in 25 countries, on 6 continents makes it well positioned to meet this need.

- *Ongoing Industry Consolidation.* The worldwide automotive parts industry is consolidating as suppliers seek to achieve operating synergies through business combinations, shift production to locations with more flexible work rules and practices, acquire complementary technologies, build stronger customer relationships and follow their customers as they expand globally. Visteon's ability to provide vehicle manufacturers with single-point sourcing of integrated systems and modules on a global basis has improved its ability to respond to this consolidation.

- *Design of several model derivatives off of a single vehicle platform.* Vehicle manufacturers have moved to designing and producing several vehicle models off of a single vehicle platform. With this method, vehicle manufacturers will vary the design of some components to create the different vehicle models and standardize other components across the platform, helping to reduce the overall cost of design and manufacture of each model. Suppliers like Visteon with its broad product line of innovative new systems are well positioned to assist vehicle manufacturers in differentiating each of their vehicle models.

- *Increased competitive intensity and market pressures on OEs.* As vehicle manufacturers are under increasing pressure to adjust to changing consumer preferences and to incorporate technological advances, they are shortening product development times. These shorter development times allow vehicle manufacturers to effectively introduce vehicles and features that match prevailing consumer preferences. In order to simplify the vehicle design and assembly processes and reduce their costs, vehicle manufacturers are experimenting with opportunities for their suppliers to provide fully engineered, pre-assembled systems rather than individual components. By offering sophisticated systems and modules rather than individual components, automotive suppliers like Visteon are well positioned to capture value from the design, engineering, research and development and assembly functions vehicle manufacturers are increasingly looking to outsource.

Products

Visteon designs and manufactures components, systems, and modules that can make up as much as 40% of the value of a vehicle. We support our products with a full-range of styling, design, testing and manufacturing capabilities, including just-in-time and in-sequence delivery.

The following discussion describes the major product groups within each segment. Financial information relating to sales attributable to each of these product groups can be found in Note 16, “Segment Information”, of our consolidated financial statements.

Automotive Operations

Chassis Products & Systems. Visteon designs and manufactures a wide array of chassis-related products, from driveline systems for popular all-wheel drive vehicles to steering and suspension systems.

Chassis Product Lines	Description
Driveline	Visteon produces all of the major components for an all-wheel drive system. Major products include front and rear independent suspension and solid-beam axles, propshafts, halfshafts, and power transfer units. Visteon’s slip-in-tube propshaft is an example of our exclusive technology that reduces weight and improves NVH and vehicle crash performance.
Steering	Visteon designs and produces hydraulic power assisted steering systems, rack and pinion steering gears, recirculating ball nut steering gears, and power steering pumps. We have also developed electric power assisted steering (EPAS) systems, which use electric motors rather than conventional hydraulics.
Suspension	Visteon’s suspension products include corner and suspension modules, brake hubs and rotors, knuckles and spindles, in a variety of materials, and stabilizer bars.

Interior Products & Systems. Visteon is one of the leading global suppliers of cockpit systems, instrument panels, door modules and interior trim and console modules.

Interior Product Lines	Description
Cockpits	Visteon’s cockpits incorporate the latest in driver information, entertainment, vehicle controls and climate control features and package a variety of structural, electronic and safety components. We provide our customers with a complete array of services including advanced engineering and computer aided design, styling concepts and modeling, and just-in-sequence delivery of manufactured parts.
Instrument Panels	Visteon’s instrument panels consist of a substrate and the optional assembly of structure, ducts, registers, passenger airbag system (integrated or conventional), finished panels and the glove box assembly.
Door Modules & Interior Trim	Visteon provides a wide range of door trim panels and modules as well as a variety of interior trim products.
Console Modules	Visteon’s console modules expand the functionality of today’s console offerings, delivering flexible and versatile storage options to the consumer. The modules are interchangeable units and offer consumers a wide range of storage options that can be tailored to their individual needs.

Climate Control Products & Systems. Visteon is one of the leading global suppliers of components, modules, and systems that provide automotive heating, ventilation and air conditioning, and powertrain cooling.

Climate Control Product Lines	Description
Climate Systems	Visteon designs and manufactures fully integrated heating, air conditioning and powertrain cooling systems.
Heat Exchangers	Heat exchangers provide the mechanism of heat transfer for automotive air conditioning and powertrain cooling systems. Included in the offering are radiators, condensers, evaporator and heater cores, integrated heat exchangers, cooling modules and intercoolers.
Fluid Transport	Fluid transport includes refrigerant handling lines, powertrain cooling lines, accumulator/ receiver dryers, and fittings designed to suit specific customer requirements.
Air Handling	Visteon's air handling modules heat and cool air and distribute it throughout the passenger cabin.
Controls	Visteon designs and manufactures mechanical and electronic A/C and heater controls. These controls allow the passengers to select various air temperature, speed and distribution combinations for optimal comfort.
Compressors	Compressors pump refrigerant through the air conditioning systems. Compressor technologies include fixed and variable displacement swashplate designs, as well as fixed and variable capacity scroll designs.
Powertrain Cooling	Cooling functionality and thermal management for the vehicle powertrain system (engine and transmission) is provided by powertrain cooling.
Front End Modules	The front end module integrates structural, exterior cooling, electrical, and lighting components and subsystems in order to achieve improvements in packaging, and vehicle thermal and front-end structure performance.

Powertrain Products & Systems. Visteon offers innovative designs in engine management, fuel storage and delivery, and electrical conversion systems, which are designed to provide the automotive customer with solutions that enhance powertrain performance, fuel economy and emissions control.

Powertrain Product Lines	Description
Engine Management	Visteon has a complete line of products for vehicle engine and powertrain management, including the powertrain control module. Our diverse line of sophisticated powertrain products are designed to deliver improved fuel economy and reduced emissions while enhancing performance. These products include air charging assemblies and air induction systems, torque enhancement systems, intake manifolds, long life filtration systems, fuel injectors and rails, mechanical and electronic throttle bodies, and ignition coils among others.
Electrical Conversion	Visteon offers a wide range of alternators and starters to meet differing needs of the automotive customer. In addition, Visteon is working to develop technologies that meet future higher-voltage vehicle architectures and power requirements, such as 42 Volt.
Fuel Storage & Delivery	Visteon manufactures systems and components to support low emissions vehicles. The principal products in these systems are plastic blow-molded and thermoformed fuel tanks, fuel pumps and delivery modules, and fuel vapor storage systems.

Electronic Products & Systems. Visteon is one of the leading global suppliers of high-tech in-vehicle entertainment, driver information, wireless communication, safety and security electronics.

Electronic Product Lines	Description
Audio	Visteon produces a wide range of audio systems and components, including integrated cassette/CD/MP3 radios and amplifiers. Examples of our new electronics products include digital and satellite radios, HD Radio broadcast tuners, audiophile systems and advanced bluetooth interface modules integrated with Visteon Voice capability. Visteon's MACH® digital signal processing (DSP) is an integrated technology providing improved performance for entertainment systems and can support branded audio systems such as Boston Acoustics and Sony.
Driver Information	We design and build a wide range of displays, from analog electronic to high impact clusters and LED displays.
Driver Awareness & Personal Security	Visteon has developed numerous products to assist driving and enhance safety. These include Visteon Voice Technology ™, adaptive cruise control, anti-theft systems, remote keyless entry systems, and tire pressure monitoring. Visteon is working with USDOT to develop lane departure warning systems.
Family Entertainment	Visteon delivers in-vehicle entertainment that provides consumers with DVD and wireless headphones systems capable of interacting with other plug and play multimedia.

Exterior Products & Systems. Visteon's can provide exterior packages that deliver high quality and functionality to the automotive customer.

Exterior Product Lines	Description
Lighting	We design and build a wide variety of headlamps, rear lamps, high-mount stop lamps, and foglamps.
Bumpers & Exterior Trim	We offer bumper systems, fascias and assemblies and valance panels.

Glass Operations

Our Glass Operations are composed of our vehicle glazing product group, which produces glass products for Ford and aftermarket customers, and our commercial glass product group, which produces float glass for commercial architecture. Glass Operations accounted for about $600 million, or 3%, of our 2002 total sales. The following table provides a description of the Glass Operations segment product lines:

Glass Product Lines	Description
Vehicle Glazing	Products include windshields, backlites, moon roofs, and side windows. Capabilities include glass design, development and manufacturing. Aftermarket replacement glass products are distributed under the Carlite® brand name.
Commercial Glass	We also produce float glass for commercial architectural and automotive markets.

Customers

Visteon sells its products primarily to global vehicle manufacturers. In addition, we sell products for use as aftermarket and service parts to automotive original equipment manufacturers and others for resale through their own independent distribution networks.

Vehicle Manufacturers

Visteon does business with all of the world's largest vehicle manufacturers including Ford, General Motors, Toyota, Daimler-Chrysler, Honda, Volkswagen, Renault, Nissan, Hyundai, Peugeot, Mazda and BMW. Ford is our largest customer, and in 2002 our sales to Ford accounted for about 80% of our 2002 total sales. Our top five customers other than Ford accounted for approximately 8% of our total 2002 sales, which includes certain sales to Mazda Motor Corporation, of which Ford owns a 33.4% equity interest. In 2002, we secured over $1 billion of net new non-Ford business for the second year in a row.

Price reductions are typically negotiated on an annual basis between suppliers and vehicle manufacturers. Such reductions are intended to take into account expected annual reductions in the overall cost to the supplier of providing products and services to the customer, through such factors as overall increases in manufacturing productivity, material cost reductions, and design-related cost improvements. Visteon has an aggressive cost reduction program that focuses on reducing our total costs, which are intended to offset these customer price reductions.

Aftermarket

We sell products to the worldwide aftermarket as replacement parts or as customized products, such as body appearance packages and in-car entertainment systems, for current production and older vehicles. In 2002, our aftermarket sales were $905 million, representing 5% of our total sales. We currently sell 59% of these products to the independent aftermarket and 41% to Ford's Automotive Consumer Service Group, the principal aftermarket sales organization of Ford. In 2002, aftermarket sales of our glass products were $171 million, representing 1% of our total sales and 19% of our total aftermarket sales.

Arrangements with Ford and its Affiliates

In connection with Visteon's separation from Ford, Visteon and Ford entered into a series of agreements outlining the terms of separation and the relationship between Visteon and Ford on an ongoing basis. The following summary of certain of these agreements is qualified in all respects by the actual terms of the respective agreements.

Master Transfer Agreement. The master transfer agreement, effective as of April 1, 2000, provided for Ford to transfer to Visteon and/or its subsidiaries, all assets used exclusively by Visteon, including but not limited to real property interests, personal property and ownership interests in subsidiaries and joint ventures.

In addition, Visteon and Ford agreed to a division of liabilities including liabilities related to product liability, warranty, recall, environmental, intellectual property claims and other general litigation claims. Visteon and Ford agreed on a division of responsibility for product liability, warranty and recall matters as follows: (a) Ford will retain liability for all product liability, warranty or recall claims that involve parts made or sold by Visteon for 1996 or earlier model year Ford vehicles, (b) Visteon is liable for all product liability, warranty or recall claims that involve parts made or sold by Visteon for 1997 or later model year Ford vehicles in accordance with Ford's global standard purchase order terms as applied to other Tier 1 suppliers and (c) Visteon has assumed all responsibility for product liability, warranty or recall claims relating to parts made or sold by Visteon to any non-Ford customers.

Supply Agreement and Pricing Letter Agreement. The supply agreement provides that Visteon's existing purchase orders with Ford as of January 1, 2000, will generally remain in effect at least through the end of 2003, subject to Ford's right to terminate any particular purchase order for quality or other reasons. In addition, the pricing letter required a one-time 5% price reduction on products that Visteon was supplying to Ford as of January 1, 2000, based on a market pricing review conducted by Ford and Visteon. The pricing letter also required productivity price adjustments in each of 2000, 2001, 2002 and 2003 to reflect competitive price reductions obtained each year by Ford from its other Tier 1 suppliers. Visteon and Ford agreed on a 3.5% productivity price reduction for 2000 on such products. In March 2002, Visteon and Ford reached agreement regarding disputed North American pricing for 2001 as well as general consensus on issues relating to productivity price adjustments for 2002 and 2003. Subsequently in June 2002, Visteon and Ford reached agreement regarding disputed European pricing for 2001 and 2002, as well as certain other commercial matters.

Under the supply agreement, until May 31, 2003, we have a right of last refusal to meet competitive terms, including price, technology, service and design, on replacement products that (1) we produce in North America, Europe and Mexico (for Mexican production intended for export to the U.S. only) and (2) we supplied to Ford on January 1, 2000. Although the right of last refusal does not apply to Ford's Volvo or Jaguar brand vehicles or to Mazda Motor Corporation's vehicles, Ford has agreed to use reasonable efforts to provide us with similar opportunities to bid for business with respect to these vehicles.

We have the opportunity to bid on the same basis as other suppliers for other new Ford business. Our ability to realize sales on all Ford business, including business awarded pursuant to existing purchase orders, is in all cases subject to a variety of factors, including the volume and option mix of vehicles actually produced by Ford, the timing of that production and our continuing competitiveness.

Master Separation Agreement. Ford provides a number of transitional services to Visteon pursuant to the master separation agreement and related arrangements, including information technology, human resources, accounting, customs, product development technology and real estate services. Visteon agreed to pay Ford amounts which reflect its fully accounted cost for these services, including a reasonable allocation of internal overhead costs, as well as any direct costs incurred from outside suppliers. Except for certain information technology services, Ford's obligation to provide these services pursuant to the master separation agreement expired in June 2002, and Visteon and Ford are in the process of negotiating new arrangements covering many of these services.

Hourly Employee Assignment Agreement. The hourly employee assignment agreement sets forth a number of rights and obligations with respect to the United States hourly employees of Ford who (i) were represented by the UAW, (ii) were covered by the Ford UAW Master Collective Bargaining Agreement dated as of September 30, 1999, (iii) were employed in one of Visteon's facilities as of the date of the spin-off and (iv) after Visteon's spin-off were assigned to work for Visteon.

Under this agreement, Visteon exercises day-to-day supervision over the covered individuals and Ford will continue to provide the same employee benefits generally offered to other hourly employees of Ford who are represented by the UAW. Visteon reimburses Ford for the wage, benefit and other costs incurred by Ford related to these individuals. However, Visteon's reimbursement obligation for profit sharing based on Ford's profits is limited to $50 million per year in each of 2000-2004. After 2004, Visteon will be responsible for reimbursing Ford for the full amount of profit sharing based on Ford's profits. For further information, see "Workforce" set forth below.

Competition

We conduct our business in a complex and highly competitive industry. The global automotive parts industry principally involves the supply of systems, modules, and components to vehicle manufacturers for the manufacture of new vehicles. Additionally, suppliers provide components to other suppliers for use in their product offerings and to the aftermarket for use as replacement or enhancement parts for older vehicles. As the supplier industry continues to consolidate, the overall number of competitors has decreased and the automotive parts industry remains extremely competitive. Vehicle manufacturers rigorously evaluate suppliers on the basis of product quality, price competitiveness, technical expertise and development capability, new product innovation, reliability and timeliness of delivery, product design capability, leanness of facilities, operational flexibility, customer service and overall management. Many of our competitors have lower cost structures, particularly with respect to wages and benefits, than our company.

Our overall product portfolio is extremely broad by industry standards. Very few other Tier 1 suppliers compete across the full range of our product areas. Visteon does have significant competition in each of its market segments; the most significant competitors by segment are listed below.

Automotive Operations. Our principal competitors in the Automotive Operations segment include the following: American Axle & Manufacturing Holdings, Inc., Behr GmbH, Robert Bosch GmbH, Dana Corporation, Delphi Corporation, Denso Corporation, Faurecia Group, Johnson Controls, Inc., Lear Corporation, Magna International, Inc., Siemens VDO, TRW Inc. and Valéo S.A.

Glass Operations. Our principal competitors in the Glass Operations segment include the following: Asahi Glass Company Limited, AFG Industries, Inc., Guardian Industries Corp., Pilkington and PPG Industries, Inc.

International

Financial information about sales and net property by major geographic area can be found on page 74 of this Annual Report on Form 10-K (Note 16, “Segment Information”, of our consolidated financial statements).

Seasonality

Our business is moderately seasonal because our largest North American customers typically halt operations for about two weeks in July for model year changeovers and about one week in December during the winter holidays. In addition, third quarter automotive production traditionally is lower as new models enter production. Accordingly, our third and fourth quarter results may reflect these trends.

Product Research and Development

Visteon’s research and development efforts are intended to maintain our leadership position in the industry and provide us with a competitive edge as we seek additional business with new and existing customers. Total research and development expenditures were approximately $902 million in 2002, $1,037 million in 2001 and $1,115 million in 2000. We realigned resources to focus on our growth businesses and discontinued work on products where revenues and margins were not in line with investments. Visteon also works with technology development partners, including customers, to develop technological capabilities and system enhancements.

Intellectual Property

Visteon owns significant intellectual property, including a large number of patents, copyrights, proprietary tools and technologies, and trade secrets, and is involved in numerous licensing arrangements. Although the company's intellectual property plays an important role in maintaining its competitive position, no single patent, copyright, proprietary tool or technology, trade secret or license, or group of related patents, copyrights, proprietary tools or technologies, trade secrets or licenses, is, in the opinion of management, of such value to Visteon that its business would be materially affected by the expiration or termination thereof. The company's general policy is to apply for patents on an ongoing basis in the United States and appropriate other countries on its significant patentable developments.

Visteon also views its name and mark as significant to its business as a whole. In addition, the company owns a number of other trade names and marks applicable to certain of its businesses and products that it views as important to such businesses and products.

Raw Materials

Raw materials used by Visteon in the manufacture of our products primarily include steel, aluminum, resins, precious metals and urethane chemicals. All of the materials used are generally readily available from numerous sources except precious metals. Precious metals (for catalytic converter production) are purchased from Ford, and Ford assumes the risk of assuring supply and accepts market price risk. We do not anticipate significant interruption in the supply of raw materials that would have a material impact on our business.

Workforce

Visteon's workforce as of December 31, 2002, included approximately 77,000 persons, of which approximately 18,000 were salaried and 59,000 were hourly. Of the hourly workforce, approximately 21,500 are covered under the Ford UAW Master Collective Bargaining Agreement but have been indefinitely assigned to work for Visteon, and another 600 hourly employees are employed by Visteon and work in the same UAW-represented facilities. Under an agreement between Ford and Visteon, we have agreed to reimburse Ford for the cost of the Visteon-assigned Ford-UAW hourly employees. This includes amounts (limited to $50 million per year until after 2004) for profit sharing based on Ford's profits. About $4 million of profit sharing expense was recognized in 2002; no profit sharing expense was recognized in 2001; and the full $50 million was recognized in 2000. We also have agreed with Ford that all new hourly employees hired into our UAW-represented facilities during the term of the current four-year Ford UAW agreement and the terms of the next two master agreements between Ford and the UAW will, for the duration of their employment with and retirement from Visteon, receive wages, benefits and other terms and conditions of employment that closely reflect those required to be provided from time to time by Ford to its UAW-represented employees. The present Ford UAW agreement expires in September 2003. Although we have the right to participate in future negotiations as well as the planning and strategy development concerning the terms of, and issues arising under, the Ford UAW collective bargaining agreements, Ford reserves the right to handle such matters if a joint course of action cannot be agreed upon.

In Europe, all Ford employees (both hourly and salaried) working in Visteon facilities at the time of the spin-off became Visteon employees. In the spin-off agreement with the employee representatives, it was agreed that, during their employment and retirement, Visteon would provide these employees with wages, benefits and other terms of employment that closely reflect those provided by Ford to its employees in the respective countries. The majority of our European employees are members of industrial trade unions and confederations within their respective countries. Many of these organizations operate under collective contracts that are not specific to any one employer. Visteon's national agreement with the British trade unions will expire in November 2004. Visteon's collective agreement with the German trade unions will expire in February 2004.

We constantly work to establish and maintain positive, cooperative relations with our unions around the world and we believe that our relationships with unionized employees to be satisfactory. There have been no significant work stoppages in the past three years.

Environmental Matters

Visteon is subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions, water discharge and waste management. Visteon is also subject to environmental laws requiring the investigation and cleanup of environmental contamination at properties it presently owns or operates and at third party disposal or treatment facilities to which these sites sent or arranged to send hazardous waste. Further, in connection with our spin-off from Ford, Visteon and Ford have generally agreed that we are liable for all future claims relating to the sites that have been transferred to us and our operation of those sites, including off-site disposal. At the time of spin-off, Visteon and Ford also agreed on a division of liability for, and responsibility for management and remediation of, environmental claims existing at that time.

We are aware of contamination at some of our properties and have agreed to an allocation of liability with Ford relating to various third party superfund sites at which Ford has been named as a potentially responsible party. We are in various stages of investigation and cleanup at these sites. At December 31, 2002, Visteon had recorded a reserve of approximately $12 million for this environmental investigation and cleanup. However, estimating liabilities for environmental investigation and cleanup is complex and dependent upon a number of factors beyond our control and which may change dramatically. Accordingly, although we believe our reserves to be adequate based on current information, we cannot assure you that our eventual environmental investigation and cleanup costs and liabilities will not exceed the amount of our current reserve. During 2002, we did not incur any material capital expenditures relating primarily to environmental compliance.

Available Information

Our current and periodic reports filed with the Securities and Exchange Commission, including amendments to those reports, may be obtained through our internet website at www.visteon.com free of charge as soon as reasonably practicable after we file these reports with the SEC.

ITEM 2. PROPERTIES

Our principal executive offices are located in Dearborn, Michigan. We occupy this facility, as well as a number of other facilities, under arrangements with Ford. We also maintain regional headquarters in Cologne, Germany, in Yokohama, Japan and in São Paulo, Brazil.

We and our joint ventures maintain 65 technical facilities/ sales offices and 126 plants in 25 countries throughout the world, of which approximately 96 facilities are owned in fee simple and 95 are leased. The following table shows the approximate total square footage of our principal owned and leased manufacturing facilities by region as of December 31, 2002:

Region	Number of Manufacturing Sites	Total Manufacturing Sites Square Footage
		(in millions)
North America	56	27.7
Europe	41	13.2
South America	7	1.0
Asia-Pacific	22	5.6
Total	126	47.5

In some locations, we have combined a manufacturing facility, technical center and/or customer service center and sales office at a single multi-purpose site. The following table shows the approximate number of various types of facilities by region and segment as of December 31, 2002:

Region	Manufacturing Sites	Technical Centers	Customer Centers and Sales Offices
North America			
Automotive Operations	51	24	5
Glass Operations	5	1	–
Europe			
Automotive Operations	41	10	13
Glass Operations	–	–	–
South America			
Automotive Operations	7	–	1
Glass Operations	–	–	–
Asia-Pacific			
Automotive Operations	22	6	5
Glass Operations	–	–	–
Total Automotive Operations	121	40	24
Total Glass Operations	5	1	–
Total company	126	41	24

We believe that our facilities are suitable and adequate, and have sufficient productive capacity, to meet our present needs. The majority of our facilities are operating at normal levels based on their respective capacities except those facilities that are in the process of being closed or transferred.

ITEM 3. LEGAL PROCEEDINGS

We are involved in routine litigation incidental to the conduct of our business. We do not believe that any litigation to which we are currently a party would, if determined adversely to us, have a material adverse effect on our financial condition, results of operations or cash flows, although such an outcome is possible.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 4A. EXECUTIVE OFFICERS OF VISTEON

The following table shows information about the executive officers of our company. All ages are as of February 1, 2003:

Name	Age	Position
Peter J. Pestillo	64	Chairman of the Board and Chief Executive Officer
Michael F. Johnston	55	Director, President and Chief Operating Officer
Daniel R. Coulson	59	Executive Vice President and Chief Financial Officer
James C. Orchard	52	Executive Vice President and President, North America and Asia
Stacy L. Fox	49	Senior Vice President, General Counsel and Secretary
Robert H. Marcin	57	Senior Vice President, Corporate Relations
Dr. Heinz Pfannschmidt	55	Vice President and President, Europe and South America

Peter J. Pestillo has been the company's Chairman of the Board and Chief Executive Officer since the company's formation in January 2000. Before that, Mr. Pestillo had been the Vice Chairman and Chief of Staff of Ford, and previously Ford's Executive Vice President, Corporate Relations. Mr. Pestillo had been, prior to the Visteon spin-off in June 2000, a Ford employee since 1980. Mr. Pestillo is also a director of Rouge Industries, Inc. and Sentry Insurance.

Michael F. Johnston has been the company's President and Chief Operating Officer since September 2000 and was elected to the company's Board of Directors in May 2002. Before that, Mr. Johnston had been President, e-business for Johnson Controls, Inc., and previously President-North America and Asia of Johnson Control's Automotive Systems Group, and President of its automotive interior systems and battery operations. Mr. Johnston is also a director of Flowserve Corporation.

Daniel R. Coulson has been Executive Vice President and Chief Financial Officer of the company since the company's formation in January 2000. Before that, he was Ford's Director of Accounting. Mr. Coulson had been, prior to the Visteon spin-off in June 2000, a Ford employee since 1965.

James C. Orchard has been Executive Vice President and President, North America and Asia of the company since August 2001. Before that, Mr. Orchard had been Chief Executive Officer, ZF Group North America and South America, and a member of the ZF Board of Management.

Stacy L. Fox has been Senior Vice President, General Counsel and Secretary of the company since the company's formation in January 2000. Before that, she was Group Vice President and General Counsel of the Automotive Systems Group of Johnson Controls, Inc.

Robert H. Marcin has been the company's Senior Vice President, Corporate Relations since January 2003 and, prior to that, he served as the company's Senior Vice President of Human Resources since the company's formation in January 2000. Before that, he was Executive Director — Labor Affairs for Ford and Ford's Director, U.S. Union Affairs. Mr. Marcin had been, prior to the Visteon spin-off in June 2000, an employee of Ford or its subsidiaries since 1973.

Dr. Heinz Pfannschmidt has been Vice President and President, Europe and South America of the company since November 2001. Before that, he was President and Chief Executive Officer of TRW Automotive Electronics Worldwide, and a member of the TRW Executive Committee, since September 1999, and Managing Director of Europe, Inflatable Restraint Systems of TRW Automotive prior thereto.

PART II

ITEM 5. MARKET FOR VISTEON'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Our common stock is listed on the New York Stock Exchange in the United States under the symbol "VC". As of January 31, 2003, Visteon had 129,024,309 shares of its common stock $1.00 par value outstanding, which were owned by 126,418 stockholders of record. The table below shows the high and low sales prices for our common stock as reported by the New York Stock Exchange, and the dividends we paid per share of common stock for each quarterly period for the last two years.

	2002			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Common stock price per share				
High	$16.55	$16.25	$13.58	$8.95
Low	$12.09	$13.64	$ 9.47	$6.57
Dividends per share of common stock	$ 0.06	$ 0.06	$ 0.06	$0.06

	2001			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Common stock price per share				
High	$15.95	$19.52	$21.72	$15.34
Low	$11.63	$14.27	$10.45	$11.72
Dividends per share of common stock	$ 0.06	$ 0.06	$ 0.06	$ 0.06

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data reflect our financial condition, results of operations and cash flows both before and after our spin-off from Ford on June 28, 2000. Selected consolidated financial data for the periods prior to our spin-off reflect the historical financial condition, results of operations and cash flows of the businesses that were considered part of the Visteon business of Ford during each respective period. The historical consolidated statement of income data set forth below for periods prior to our spin-off do not reflect many significant changes that occurred in the operations and funding of our company as a result of our spin-off from Ford.

The selected consolidated financial data should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes included elsewhere in this report. The consolidated statement of income, cash flow and balance sheet data, set forth below, have been derived from our audited financial statements. Certain amounts for prior periods were reclassified to conform with present period presentation.

The following financial information may not reflect what our results of operations, financial condition and cash flows would have been had we operated as a separate, stand-alone entity during the periods presented or what our results of operations, financial condition and cash flows will be in the future.

ITEM 6. SELECTED FINANCIAL DATA — (Continued)

	2002	2001	2000	1999	1998
	(in millions, except per share amounts and percentages)				
Statement of Income Data					
Sales					
Ford and affiliates	$14,779	$14,656	$16,448	$17,105	$16,350
Other customers	3,616	3,187	3,019	2,261	1,412
Total sales	18,395	17,843	19,467	19,366	17,762
Costs and expenses					
Costs of sales	17,588	17,105	18,129	17,380	15,897
Selling, administrative and other expenses	888	855	897	797	731
Total costs and expenses	18,476	17,960	19,026	18,177	16,628
Operating income (loss)	(81)	(117)	441	1,189	1,134
Interest income	23	55	109	79	38
Interest expense	103	131	167	143	82
Net interest expense	(80)	(76)	(58)	(64)	(44)
Equity in net income of affiliated companies	44	24	56	47	26
Income (loss) before income taxes, minority interests and change in accounting	(117)	(169)	439	1,172	1,116
Provision (benefit) for income taxes	(58)	(72)	143	422	416
Income (loss) before minority interests and change in accounting	(59)	(97)	296	750	700
Minority interests in net income of subsidiaries	28	21	26	15	(3)
Income (loss) before change in accounting	(87)	(118)	270	735	703
Cumulative effect of change in accounting, net of tax	(265)	—	—	—	—
Net income (loss)	$ (352)	$ (118)	$ 270	$ 735	$ 703
Earnings (loss) per share:					
Basic and diluted before cumulative effect of change in accounting (based on 130,000,000 shares outstanding for periods prior to our spin-off)	$ (0.68)	$ (0.91)	$ 2.08	$ 5.65	$ 5.41
Cumulative effect of change in accounting	(2.07)	—	—	—	—
Basic and diluted	$ (2.75)	$ (0.91)	$ 2.08	$ 5.65	$ 5.41
Cash dividends per share	$ 0.24	$ 0.24	$ 0.12	—	—
Statement of Cash Flows Data					
Cash provided by (used in) operating activities	$ 1,146	$ 436	$ (526)	$ 2,482	$ 1,376
Cash (used in) investing activities	(607)	(743)	(842)	(1,453)	(940)
Cash (used in) provided by financing activities	(383)	(75)	924	290	(234)
Balance Sheet Data, end of period					
Total assets	$11,170	$11,162	$11,405	$12,542	$ 9,373
Total debt	1,646	1,922	2,019	2,319	1,125
Total equity	2,978	3,291	3,505	1,499	1,655
Other Financial Data					
Depreciation and amortization	$ 631	$ 666	$ 676	$ 651	$ 565
Capital expenditures	723	752	793	876	861
After tax return on:					
Sales	(0.3)%	(0.5)%	1.5%	3.9%	3.9%
Average assets	(0.5)%	(0.9)%	2.5%	6.8%	7.8%

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section summarizes significant factors affecting the company's consolidated operating results, financial condition, and liquidity for the three-year period ended December 31, 2002. This section should be read in conjunction with the company's consolidated financial statements and related notes appearing elsewhere in this report.

Overview

Visteon is a leading global supplier of automotive systems, modules, and components. We sell our products primarily to global vehicle manufacturers, and also sell to the worldwide aftermarket for replacement and vehicle appearance enhancement parts. We operate in two business segments: Automotive Operations and Glass Operations.

Ford established Visteon as a wholly-owned subsidiary in January 2000, and subsequently transferred to Visteon the assets and liabilities comprising Ford's automotive components and systems business. Ford completed its spin-off of Visteon on June 28, 2000.

Visteon's worldwide sales in 2002 were $18.4 billion, up $552 million, or 3%, compared with 2001. For the full year 2002, Visteon reported a net loss of $352 million, or $2.75 per share, including special charges of $407 million after taxes. These special charges include $142 million for restructuring actions, and $265 million for the non-cash write-off of the value of all goodwill reflected in Visteon's financial statements resulting from the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets". Excluding these special charges, Visteon earned $55 million in 2002. Comparatively, in 2001 Visteon reported a net loss of $118 million, or $0.91 per share. The 2001 loss includes special charges of $121 million for restructuring actions; excluding these special charges, Visteon earned $3 million in 2001.

Revenue from Ford and its affiliates totaled 80% of Visteon's sales in 2002 compared with 82% in 2001. Ford's 2002 North American production volume was 3% higher than 2001; sales to Ford increased by $123 million or less than one percent. Non-Ford sales were $3.6 billion, or 20% of total sales, for the full year 2002, an increase of $429 million, or 13%, from 2001.

In 2002, Visteon won more than $1 billion in net non-Ford new business for future production from more than a dozen global automakers located in every region of the world. Almost half of this business was outside of North America. In addition, Visteon won more than $500 million in new business with Ford. This was offset by business returned to Ford or lost during the year.

Our solid financial position was further strengthened during 2002. At December 31, 2002, our cash and marketable securities balance was $1.3 billion and our debt-to-capital ratio was 36%, compared with $1.2 billion and 37%, respectively, at year-end 2001.

Within this discussion, reference is made to certain non-GAAP financial measures including "income before taxes, excluding special charges" and "income, excluding special charges". Visteon's chief operating decision-makers regularly use these non-GAAP measures when deciding how to allocate resources and when assessing performance. These measures exclude charges recorded for accounting changes, restructuring actions, dispositions, and non-cash impairment charges. Exclusion of special charges allows evaluation of the company's performance without these items, and is, in management's opinion, a useful measure of operating performance especially when comparing periods.

Restructuring, Dispositions, and Special Charges

The table below presents special charges related to restructuring initiatives and other actions during the past two years:

	Automotive Operations	Glass Operations	Total Visteon
		(in millions)	
2002			
Special Charges:			
Exit of Markham & other first quarter actions	$ (95)	$ —	$ (95)
U.S. salaried special early retirement program	(66)	(5)	(71)
European Plan for Growth	(40)	—	(40)
Loss on sale of restraint electronics business	(26)	—	(26)
Other restructuring (including adjustments to prior year's expense)	6	3	9
Total 2002 special charges, before taxes and change in accounting	$(221)	$ (2)	$(223)
Total 2002 special charges, after taxes*	$(406)	$ (1)	$(407)
2001			
Special Charges:			
Salaried restructuring	$(132)	$(14)	$(146)
Glass Operations restructuring charges	—	(34)	(34)
European plant consolidations and other	(10)	(2)	(12)
Total 2001 special charges, before taxes	$(142)	$(50)	$(192)
Total 2001 special charges, after taxes	$ (90)	$(31)	$(121)

* Includes a reduction in Automotive results of $265 million for a change in accounting (goodwill).

During 2002, Visteon recorded net pre-tax charges of $223 million related to a number of restructuring and other actions and the sale of the restraint electronics business, as described in Note 13 of our consolidated financial statements, which is incorporated herein by reference. In addition, the company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets". With this change in accounting, Visteon recorded a non-cash write-off for the entire value of goodwill of $363 million before taxes ($265 million after taxes), as described in Note 14 of our consolidated financial statements, which is incorporated herein by reference. Of the $223 million in pre-tax charges described above, $169 million are expected to be settled in cash and $54 million were non-cash related.

During 2001, Visteon recorded net pre-tax charges of $192 million associated primarily with salaried workforce restructuring and the special voluntary retirement and separation program offered to hourly employees located at Visteon's Nashville plant, as described in Note 13 of our consolidated financial statements, which is incorporated herein by reference. Of the $192 million in pre-tax charges recorded in 2001, $187 million are expected to be settled in cash and $5 million were non-cash related.

In December 2000, Visteon recorded a pre-tax, non-cash impairment write-down of $220 million ($138 million after taxes), to reduce the net book value of the assets associated with the Glass Operations segment to their estimated fair value, as described in Note 13 of our consolidated financial statements, which is incorporated herein by reference. Actual cash payments made for restructuring, including those for severance and special pension benefits, were $88 million in 2002, $94 million in 2001, and zero in 2000. The remaining cash payments for these actions are projected to continue over approximately ten years.

In 2003, we anticipate continued implementation of restructuring actions including the continuation of the European Plan for Growth and other actions under consideration. Charges associated with the European Plan for Growth are expected in 2003 and 2004, with total lifetime restructuring charges of up to $150 million. We are constantly evaluating the possibility of partnerships, sales or closings involving under-performing businesses. We are actively reviewing such possibilities specifically relating to our seating and steering column business. However, there can be no assurance that a transaction or other arrangement favorable to Visteon will occur in the near term or at all.

Results of Operations

2002 Compared with 2001

Sales for each of our segments for 2002 and 2001 are summarized in the following table:

	Year Ended December 31,		2002 over/(under) 2001
	2002	2001	
		(in millions)	
Automotive Operations	$17,797	$17,222	$575
Glass Operations	598	621	(23)
Total sales	$18,395	$17,843	$552
Memo: Sales to non-Ford customers			
Amount	$ 3,616	$ 3,187	$429
Percentage of total sales	20%	18%	2 pts

Sales for Automotive Operations were $17.8 billion in 2002, compared with $17.2 billion in 2001, an increase of $575 million or 3%. Sales for Glass Operations were $598 million in 2002, compared with $621 million in 2001, a decrease of $23 million or 4%. Increased sales for Automotive Operations reflect primarily new business and the impact of currency exchange rates, offset partially by price reductions granted to our customers, reduced revenue resulting from the sale of our restraint electronics business effective April 1, 2002, and by precious metals under sourcing arrangements directed by Ford. Reduced sales for Glass Operations reflect lower commercial and aftermarket volume and price reductions, offset partially by stronger Ford North American production volume. Sales to non-Ford customers increased $429 million, or 13%, from 2001 and were 20% of total sales for 2002.

Costs of Sales for 2002 were $17.6 billion, $483 million higher when compared with 2001. Costs of sales primarily includes material, labor, manufacturing overhead, and other costs, such as product development costs. The increase in 2002 reflects primarily costs associated with new business, higher wage rates, restructuring actions taken, and the impact of currency exchange rates, offset partially by net material cost reductions, improved labor efficiencies, and reduced product engineering and recall costs. Lower costs associated with precious metals purchased under sourcing arrangements directed by Ford also were an offset. Special charges included in costs of sales were $200 million in 2002 and $150 million in 2001.

Selling, administrative and other expenses for 2002 were $888 million, compared with $855 million in 2001, an increase of $33 million. The increase reflects several infrastructure actions and supplemental resources to support our cost reduction initiatives, including information technology spending, and higher costs associated with recently renewed insurance policies. As discussed in the subsequent event section of this filing, costs associated with infrastructure actions are expected to result in higher selling, administrative and other expenses in 2003 as well. Special charges were lower in 2002, totaling $23 million in 2002 and $42 million in 2001.

Net interest expense of $80 million in 2002 was up from $76 million in 2001.

Equity in net income of affiliated companies was $44 million in 2002, compared with $24 million in 2001, with the increase related primarily to our affiliates located in Asia.

Income (loss) before income taxes, minority interests and change in accounting, including and excluding special charges, is the primary profitability measure used by our chief operating decision makers, as discussed under "Overview" above. The following table shows income (loss) before income taxes, including and excluding special charges for 2002 and 2001, for each of our segments:

	Year Ended December 31,		2002 over/(under) 2001
	2002	2001	
		(in millions)	
Automotive Operations			
(Loss) before income taxes	$(138)	$(110)	$(28)
Less: pre-tax special charges included above	221	142	79
Automotive Operations, excluding special charges	$ 83	$ 32	$ 51
Glass Operations			
Income (loss) before income taxes	$ 21	$ (59)	$ 80
Less: pre-tax special charges included above	2	50	(48)
Glass Operations, excluding special charges	$ 23	$ (9)	$ 32
Total			
(Loss) before income taxes	$(117)	$(169)	$ 52
Less: pre-tax special charges	223	192	31
Income before taxes, excluding special charges	$ 106	$ 23	$ 83

Excluding special charges, income from Automotive Operations in 2002 was $83 million, compared with income of $32 million for the same period in 2001. The $51 million improvement reflects primarily new business, continued cost savings, and earnings from our Asian joint ventures. Price reductions granted to customers, higher wage rates, increased pension and health care costs, and accruals for compensation payments were partial offsets.

Income before income taxes excluding special charges for Glass Operations was $23 million in 2002, compared with a loss of $9 million for 2001. The improvement reflects primarily savings from restructuring actions and cost reductions, offset partially by price reductions to customers.

Provision (benefit) for income taxes represents an effective tax rate of 36% for 2002, compared with 37% for 2001.

Minority interests in net income of subsidiaries was $28 million in 2002, compared with $21 million in 2001. Minority interest amounts are related primarily to our 70% ownership interest in Halla Climate Control Corporation located in Korea.

Net income (loss) for 2002 and 2001, both including and excluding special charges, as discussed under "Overview" above, are shown in the following table for each of our segments:

	Year Ended December 31,		2002 over/(under) 2001
	2002	2001	
	(in millions)		
Automotive Operations			
Net (loss)	$(367)	$ (83)	$(284)
Less: Changes in accounting (goodwill)	265	—	265
Less: After-tax restructuring charges	141	90	51
Automotive Operations, excluding special charges	$ 39	$ 7	$ 32
Glass Operations			
Net income (loss)	$ 15	$ (35)	$ 50
Less: After-tax restructuring charges	1	31	(30)
Glass Operations, excluding restructuring charges	$ 16	$ (4)	$ 20
Total			
Net (loss)	$(352)	$(118)	$(234)
Less: Change in accounting (goodwill)	265	—	265
Less: After-tax restructuring charges	142	121	21
Income, excluding special charges	$ 55	$ 3	$ 52

Excluding special charges after taxes, Visteon reported total income of $55 million for 2002, compared with income of $3 million for 2001. The $52 million improvement reflects primarily the impact of new business, continued cost savings, savings from special actions, and earnings from our Asian joint ventures, offset partially by price reductions granted to customers, higher wage rates, increased pension and health care costs, and accruals for compensation payments.

2001 Compared with 2000

Sales for each of our segments for 2001 and 2000 are summarized in the following table:

	Year Ended December 31,		2001 over/(under)
	2001	2000	2000
		(in millions)	
Automotive Operations	$17,222	$18,721	$(1,499)
Glass Operations	621	746	(125)
Total sales	$17,843	$19,467	$(1,624)
Memo: Sales to non-Ford customers			
Amount	$ 3,187	$ 3,019	$ 168
Percentage of total sales	18%	16%	2 pts

Sales for Automotive Operations were $17.2 billion in 2001, compared with $18.7 billion in 2000, a decrease of $1.5 million or 8%. Sales for Glass Operations were $621 million in 2001, compared with $746 million in 2000, a decrease of $125 million or 17%. Decreased sales for Automotive Operations reflect primarily the 15% reduction in Ford North American production volume, price reductions granted to our customers, and unfavorable currency fluctuations. The decrease in sales for Glass Operations reflects primarily lower Ford North American customer production volume and price reductions granted to our customers. Sales to non-Ford customers increased $168 million, or 6%, from 2000 and were 18% of total sales for 2001.

Costs of Sales for 2001 were $17.1 billion, $1 billion lower when compared with 2000. Costs of sales primarily includes material, labor, manufacturing overhead, and other costs, such as product development costs. The decrease reflects primarily net material cost reductions, improved labor efficiencies, the reduction in Ford North American production volume, lower accruals for compensation payments, and favorable currency exchange rates, offset partially by higher wage rates. Special charges in 2001 and 2000 were $150 million and $220 million, respectively.

Selling, administrative and other expenses for 2001 were $855 million, compared with $897 million in 2000, a decrease of $42 million. The decrease reflects primarily savings from restructuring actions, offset partially by $42 million of pre-tax special charges for those actions.

Net interest expense of $76 million in 2001 was up from $58 million in 2000.

Equity in net income of affiliated companies was $24 million in 2001, compared with $56 million in 2000, with the decrease related primarily to the sale of Visteon's 49% interest in the Conix Group in October of 2000.

Income (loss) before income taxes and minority interests, including and excluding special charges, is the primary profitability measure used by our chief operating decision makers, as discussed under "Overview" above. The following table shows income (loss) before income taxes, including and excluding special charges for 2001 and 2000, for each of our segments:

	Year Ended December 31,		2001 over/(under) 2000
	2001	2000	
	(in millions)		
Automotive Operations			
Income (loss) before income taxes	$(110)	$ 689	$(799)
Less: pre-tax special charges included above	142	—	142
Automotive Operations, excluding special charges	$ 32	$ 689	$(657)
Glass Operations			
(Loss) before income taxes	$ (59)	$(250)	$ 191
Less: pre-tax special charges included above	50	220	(170)
Glass Operations, excluding special charges	$ (9)	$ (30)	$ 21
Total			
Income (loss) before income taxes	$(169)	$ 439	$(608)
Less: pre-tax special charges	192	220	(28)
Income before taxes, excluding special charges	$ 23	$ 659	$(636)

Excluding special charges, Automotive Operations' 2001 income before taxes was $32 million, compared with $689 million for the same period in 2000. The decrease of $657 million reflects primarily a 15% reduction in Ford's North American production volume, price reductions granted to customers, and unfavorable currency fluctuations. The decrease was offset partially by cost reductions, lower accruals for compensation payments, and cost savings from restructuring actions.

Excluding special charges, Glass Operations' loss before income taxes was $9 million, compared with a $30 million loss, in 2000. The improvement in 2001 reflects improved operating efficiencies, cost savings, and lower depreciation expense resulting from the 2000 Glass Operations asset write-down, offset partially by lower customer production volume and price reductions granted to customers.

Provision (benefit) for income taxes represents an effective tax rate of 37% in both 2001 and 2000.

Minority interests in net income of subsidiaries was $21 million in 2001, compared with $26 million in 2000. Minority interest amounts are related primarily to our 70% ownership interest in Halla Climate Control Corporation located in Korea.

Net income (loss) for 2001 and 2000, both including and excluding special charges, as discussed under "Overview" above, are shown in the following table for each of our segments:

	Year Ended December 31,		2001 over/(under) 2000
	2001	2000	
	(in millions)		
Automotive Operations			
Net income (loss)	$ (83)	$ 426	$(509)
Less: After-tax special charges	90	—	90
Automotive Operations, excluding special charges	$ 7	$ 426	$(419)
Glass Operations			
Net (loss)	$ (35)	$(156)	$ 121
Less: After-tax special charges	31	138	(107)
Glass Operations, excluding special charges	$ (4)	$ (18)	$ 14
Total			
Net income (loss)	$(118)	$ 270	$(388)
Less: After-tax special charges	121	138	(17)
Income, excluding special charges	$ 3	$ 408	$(405)

Excluding special charges after taxes, Visteon reported total income of $3 million for 2001, compared with $408 million for 2000. The $405 million decrease reflects primarily a 15% reduction in Ford's North American production volume, price reductions granted to customers, and unfavorable currency fluctuations, offset partially by cost reductions, lower accruals for compensation payments, and cost savings from restructuring actions. The decline also reflects the non-recurrence of a one-time $20 million gain from the sale of our interest in the Conix Group in 2000.

Recent Factors that May Affect Future Results

The economic outlook for 2003, and its related impact on customer production levels, remains uncertain. Further reductions to customer production levels may adversely affect our results of operations and financial position in 2003. See "Cautionary Statement for Forward-Looking Information" set forth in this report.

Liquidity and Capital Resources

Our balance sheet reflects cash and marketable securities of about $1.3 billion and total debt of about $1.6 billion at December 31, 2002, compared with cash and marketable securities of about $1.2 billion and total debt of about $1.9 billion at December 31, 2001. Our net debt, defined as the amount by which total debt exceeds total cash and marketable securities, was about $370 million at December 31, 2002 and about $740 million at December 31, 2001. The change in our cash and marketable securities and net debt reflects primarily changes in trade working capital, capital expenditures and payments related to restructuring actions. The change in debt reflects primarily lower levels of short-term borrowings in the U.S. and lower borrowing by non-U.S. affiliates.

Our ratio of total debt to total capital, which consists of total debt plus total stockholders' equity, was 36% at December 31, 2002, an improvement of one percentage point from the December 31, 2001 level.

Visteon has financing arrangements providing contractually committed, unsecured revolving credit facilities, with a syndicate of third-party lenders providing for a maximum of $1.8 billion in committed, unsecured credit facilities (the "Credit Facilities"). The terms of the Credit Facilities provide for a 364-day revolving credit line in the amount of $775 million, which expires June 2003, and a five-year revolving credit line in the amount of $775 million, which expires June 2007. The Credit Facilities also provide for a five-year, delayed-draw term loan in the amount of $250 million, which will be used primarily to finance construction of a headquarters facility in Southeast Michigan. Consistent with the prior financing arrangements, any borrowings under the Credit Facilities would bear interest based on a variable interest rate option selected at the time of borrowing. The Credit Facilities contain certain affirmative and negative covenants, including a covenant not to exceed a specified leverage ratio. As of December 31, 2002, Visteon did not have any amounts outstanding under the Credit Facilities. In the opinion of management, Visteon has been in compliance with all covenants since the inception of the revolving credit facilities.

Visteon has a commercial paper program providing up to $1,550 million of borrowing ability. We intend to use the commercial paper program as a source of flexible short-term financing and do not intend to exceed $1,550 million of aggregate borrowing under the commercial paper program and revolving credit lines. As of December 31, 2002, the outstanding balance under our commercial paper program was $166 million. In the event the availability of commercial paper is reduced, our 364-day and five-year revolving credit lines mentioned in the previous paragraph provide a back-up funding source if needed.

In 2000, we completed a public offering of unsecured fixed rate term debt securities totaling $1.2 billion with maturities of five years and ten years. The proceeds of the offering were used to repay an amount previously outstanding under an unsecured, third-party financing arrangement. We have $800 million available under a shelf registration statement on file with the Securities and Exchange Commission through which we are able to issue a variety of debt instruments.

The following table summarizes our expected cash outflows resulting from long-term obligations existing as of December 31, 2002:

	Total	2003	2004-2005	2006-2007	2008 and after
			(in millions)		
Long-term debt	$1,646	$348	$574	$ 9	$715
Operating leases	283	67	77	43	96
Unconditional purchase obligations(a)	91	30	45	16	—
Postretirement					
Pre-funding commitments	945(b)	—	—	945	(b)
Total contractual obligations	$2,965(b)	$445	$696	$1,013	$811(b)

(a) Unconditional purchase obligation amounts are related primarily to information technology agreements and exclude purchase obligations related to inventory, property, plant, and equipment purchases in the ordinary course of business.

(b) Estimated pre-funding amounts are provided through 2007; estimates have not been provided for "2008 and after" because such estimates, in management's opinion, would be highly uncertain. See page 25 for further discussion of our pre-funding commitment in the "Pension and Postretirement Benefits" section of this Item 7.

We have guaranteed about $25 million of borrowings held by unconsolidated joint ventures and have extended loans of about $8 million to unconsolidated joint ventures, as of December 31, 2002. In addition, we have guaranteed Tier 2 suppliers' debt and lease obligations of about $16 million, at December 31, 2002, to ensure the continued supply of essential parts.

Visteon presently has a credit rating of BBB/Baa2. In the event of a downgrade, we believe we would continue to have access to sufficient liquidity. Although our access to the commercial paper market likely would be limited, we believe other sources of raising funds in the capital markets would remain available. For example, we believe that our receivables are of a quality that would allow access to the market for receivable-based instruments and we believe we would have access to long-term debt and equity markets. In addition, use of our committed unsecured revolving credit facilities and cash balances would be an option. In such case, our cost of borrowing would likely increase.

In January 2002, Visteon established a special-purpose/ variable interest entity to build a headquarters facility to be leased to Visteon. From June 30, 2002, the assets, liabilities, results of operations and cash flows of the entity are included in Visteon's consolidated financial statements. This entity, owned by an affiliate of a bank, is consolidated based on an assessment that substantially all of the expected residual risks or rewards of the entity reside with Visteon. This assessment included consideration of the terms of the lease agreement, the amount of the owner's equity investment at risk and that Visteon is the source of the entity's debt financing. Total assets of this entity were about $36 million at December 31, 2002.

Visteon's net interest expense of $80 million for 2002 is $4 million higher than 2001. Lower interest rates in 2002 resulted in both lower interest income and interest expense compared with 2001.

In addition, Visteon has entered into interest rate swaps to manage its interest rate risk. These swaps effectively convert all of the unsecured term debt securities maturing on August 1, 2005 and a portion of debt securities maturing on August 1, 2010 into LIBOR-based variable rate debt. As a result, approximately 30% of the company's borrowings are on a fixed-rate basis while the remainder is subject to changes in short-term interest rates.

Our cash and liquidity needs are impacted by the level, variability, and timing of our customers' worldwide vehicle production, which varies based on economic conditions and market shares in major markets. Our intra-year needs also are impacted by seasonal effects in the industry, such as the shutdown of operations for about two weeks in July, the subsequent ramp-up of new model production and the additional one-week shutdown in December by our primary North American customers. Based on our present assessment of future customer production levels, over a two-year time horizon, we believe we can meet general and seasonal cash needs using cash flows from operations, cash balances, and borrowings, if needed. We also believe we can supplement these sources with access to the capital markets on satisfactory terms and in adequate amounts, if needed, although there can be no assurance that this will be the case.

Pension and Postretirement Benefits

Employees and retirees participate in various pension, health care and life insurance benefit plans sponsored by Visteon and Visteon subsidiaries. Benefit plan liabilities and related asset transfers between Visteon and Ford in connection with our separation from Ford are covered by various employee benefits agreements.

In accordance with the separation-related agreements, in the U.S., Ford retained the pension-related past service obligations for those transferred salaried employees that met certain age and years of service requirements at the date of the separation from Ford. Visteon-assigned Ford-UAW employees participate in the Ford-UAW Retirement Plan, sponsored by Ford. By agreement, Visteon compensates Ford for the pension expense incurred by Ford related to Visteon-assigned Ford-UAW hourly employees. In the U.S., Visteon has a financial obligation for the cost of providing selected health care and life insurance benefits to its employees, as well as Visteon-assigned Ford-UAW employees who retire after July 1, 2000. Ford retained the financial obligation and related prepayments for pension and postretirement health care and life insurance benefits to its employees who retired on or before July 1, 2000.

Also by agreement with Ford, Visteon is required to pre-fund postretirement health care and life insurance benefit obligations related to Visteon-assigned Ford-UAW hourly employees as well as certain salaried employees. The required pre-funding is over a 15 year period beginning in 2006 for the Visteon-assigned Ford-UAW hourly employees, and over a 10 year period beginning in 2011 for those salaried employees. The pre-funding requirement during this period will be determined based upon amortization of the unfunded liability at the beginning of the period, plus annual expense. Based upon estimates of the unfunded liabilities and the related expense, the first required pre-funding payment will be about $465 million in 2006. In addition, benefit payments for related retirees are projected at $80 million in 2006. We expect cash balances, cash flow from operations, borrowings and issuance of securities, if needed, will fund these requirements. In December 2000, the company pre-funded a portion of this obligation by contributing $25 million to a Voluntary Employees' Beneficiary Association (VEBA) trust.

Cash Flows

Operating Activities

Net cash flows provided by operating activities totaled $1,146 million during the year ended December 31, 2002, compared with $436 million in 2001. Cash provided by operating activities in 2002 reflects primarily income before taxes, excluding special charges and depreciation and amortization, along with changes in trade working capital and net accruals, offset partially by payments related to announced restructuring actions. Our trade working capital improvement in 2002 reflects improvements in the collection of receivables, improved inventory turns, and our efforts to standardize payment terms to suppliers. The cash provided by operating activities in 2001 reflects primarily profits from operations before depreciation and amortization, offset partially by changes in working capital and payments related to restructuring actions.

Investing Activities

Cash used in investing activities was $607 million in 2002 and $743 million in 2001. The primary use of cash for investing activities in each year was for capital expenditures.

Our capital expenditures were $723 million in 2002 and $752 million in 2001. Automotive Operations accounted for about $716 million of total 2002 capital expenditures, with the remaining expenditures attributable to Glass Operations. We expect our capital spending in 2003 will be higher than the past few years as we undertake spending to construct a headquarters facility for consolidation of operations and for IT infrastructure. We anticipate that our future headquarters will allow us to centralize customer support functions, research and development and some business operations at less cost than we are spending on those activities today. Visteon had approximately $420 million in outstanding capital commitments as of December 31, 2002. Our capital expenditures are used primarily for machinery and equipment to support our customers' new product programs. Our capital expenditure program promotes our growth-oriented business strategy by investing in core areas, where efficiencies and profitability can be enhanced, and by targeting funds for new innovative technologies, where long-term growth opportunities can be realized. Capital expenditures also will be used for expansion into new markets outside of the United States and the continued implementation of lean manufacturing strategies.

Financing Activities

Cash used in financing activities totaled $383 million and $75 million in 2002 and 2001, respectively. Cash used in financing activities in 2002 and 2001 reflects primarily reduction of debt, payment of dividends, and the purchase of treasury stock.

On January 10, 2003, the Visteon Board of Directors declared a dividend of $0.06 per share on the company's common stock, payable on February 24, 2003 to shareholders of record as of January 31, 2003. The dividend declared by the Visteon Board of Directors on October 9, 2002, was paid on December 2, 2002.

Subsequent Event

Agreement with International Business Machines

Since our separation from Ford, Ford has provided us with and charged us for many of our information technology needs. In January 2003, we entered into a 10-year outsourcing agreement with International Business Machines ("IBM") pursuant to which we will outsource a wide range of IT services on a global basis, including mainframe support services, data centers, customer support centers, application development and maintenance, data network management, desktop support, disaster recovery and web hosting. The service charges under the outsourcing agreement are expected to aggregate about $2 billion during the ten years covered by the agreement, subject to decreases and increases in the service charges based on Visteon's actual consumption of services to meet its then current business needs. The outsourcing agreement may also be terminated for Visteon's business convenience after its second full year for a scheduled termination fee. As part of this agreement, IBM will assist us in transitioning from the use of Ford's IT systems through a one-time, infrastructure replication, application cloning and migration and data warehousing project. We expect additional IT expenditures in 2003 associated with the transition of the outsourcing agreement and the separation from the Ford systems to be in the range of $150 million to $200 million. We anticipate that the result of these actions will be a greater systems separation from Ford, improved flexibility in our overall IT systems and improved global IT services suited to our business.

Critical Accounting Policies

A summary of Visteon's accounting policies is described in Note 2 of our consolidated financial statements, which is incorporated herein by reference. Critical accounting policies are those that are both most important to the portrayal of a company's financial condition and results, and require management's most difficult, subjective or complex judgments. Our critical accounting policies are considered the following:

Revenue Recognition — Sales are recognized when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determinable and collectibility is reasonably assured, generally upon shipment of product to customers and transfer of title under standard commercial terms. Significant retroactive price adjustments are estimated by management based upon an assessment of the ultimate outcome of customer negotiations and are recognized in the period when such amounts become probable. Sales are recognized based on the gross amount billed to a customer for those products in which Visteon's customer has directed the sourcing of certain raw materials or components used in the manufacturer of the final product.

Employee Retirement Benefits — The determination of our obligation and expense for Visteon's pension and other postretirement benefits, such as retiree healthcare and life insurance, is dependent on our selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 7 of our consolidated financial statements, which is incorporated herein by reference, and include, among others, the discount rate, expected long-term rate of return on plan assets and rates of increase in compensation and healthcare costs. The expected long-term rate of return for pension assets has been chosen based on historical returns for the different asset classes held by our trusts and our asset allocation. In 2003, we reduced the U.S. rate of return assumption used to calculate expense from 9.5% to 9.0%. We estimate that this change will increase expense in 2003 by about $3 million. The discount rate is chosen based on market rates for long-term, high-quality corporate bonds (principally Moody's Aa 30 year) at our September 30 measurement date. The U.S. discount rate assumption for year end 2002 was 6.75%, reduced from 7.5% at year end 2001. This change increased our U.S. projected benefit obligation by $97 million, and is estimated to increase 2003 expense by about $10 million. In accordance with accounting principles generally accepted in the United States of America, actual results that differ from our assumptions are accumulated and amortized over future periods and therefore, generally affect our recognized expense and recorded obligation in such future periods. Our market-related value of pension assets reflects changes in the fair value of assets over a five-year period, with a one-third weighting to the most recent year. For postretirement healthcare and life insurance, as shown in Note 7 of our consolidated financial statements, which is incorporated herein by reference, we reduced the discount rate to 6.75% and increased the initial health care cost trend rate to 11.0%. While we believe that our assumptions are appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our pension and other postretirement obligations and our future expense.

In addition, our postretirement healthcare and life insurance obligation includes the financial obligation Visteon has for the cost of providing selected health care and life insurance benefits to Visteon-assigned Ford-UAW hourly employees who retire after July 1, 2000. The health care and pension costs for these employees are calculated using Ford's assumptions. The annual pre-funding requirements related to Visteon-assigned Ford-UAW hourly employees as well as certain salaried employees are discussed further in the section "Liquidity and Capital Resources."

Impairment of Long-Lived Assets and Certain Identifiable Intangibles — Visteon evaluates long-lived assets and long-lived assets to be disposed of for potential impairment at the operating segment level whenever events or changes in business circumstances indicate that the carrying value of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. Visteon considers projected future undiscounted cash flows, trends and other circumstances in making such estimates and evaluations. While we believe that our estimates of future cash flows are reasonable, different assumptions regarding such factors as future automotive production volumes (primarily for Ford), selling price changes, labor cost changes, material cost changes, productivity and other cost savings and capital expenditures could significantly affect our evaluations.

Product Recalls — Product recall accruals are made related to our potential financial participation in our customers' actions to provide remedies related primarily to safety concerns as a result of actual or threatened regulatory or court actions. Our reserves for product recalls include the expected costs to be incurred by Visteon related to these actions. As part of our spin-off from Ford, Visteon and Ford agreed on a division of liabilities including liabilities related to product recalls. Visteon and Ford agreed on a division of responsibility for recall matters as follows: (a) Ford will retain liability for all recall claims that involve parts made or sold by Visteon for 1996 or earlier model year Ford vehicles, (b) Visteon is liable for all recall claims that involve parts made or sold by Visteon for 1997 or later model year Ford vehicles in accordance with Ford's global standard purchase order terms as applied to other Tier 1 suppliers and (c) Visteon has assumed all responsibility for recall claims relating to parts made or sold by Visteon to any non-Ford customers. Visteon accrues for recall claims for products sold based on management estimates, with support from our sales, engineering, quality and legal activities, of the amount that eventually will be required to settle such claims. This accrual, which is reviewed in detail on a regular basis, is based on several factors, including the terms of Visteon's Master Transfer Agreement with Ford, past experience, current claims, industry developments and various other considerations.

Deferred Income Taxes — For financial statement purposes, the tax benefit of net operating loss and tax credit carryforwards is recognized as a deferred tax asset, subject to appropriate valuation allowances when it is determined that recovery of the deferred tax asset is unlikely. The company evaluates the tax benefits of net operating loss and credit carryforwards on an ongoing basis. Such evaluations include a review of historical and projected future operating results, the eligible carryforward period and other circumstances. Any valuation allowance recorded would need to be adjusted in the event future taxable income is materially different than amounts estimated. As more fully described in Note 5 of our consolidated financial statements, which is incorporated herein by reference, at December 31, 2002, Visteon's consolidated balance sheet included a net deferred tax asset of approximately $762 million. Included in this amount is a valuation allowance of $21 million, which was recorded in 2002 for non-U.S. operating loss carryforwards where recovery of these carryforwards is unlikely.

New Accounting Standards and Accounting Changes

Visteon adopted Financial Accounting Standards No. 142 ("SFAS 142") "Goodwill and Other Intangible Assets" effective January 1, 2002. SFAS 142 no longer permits amortization of goodwill and establishes a new method of testing goodwill for impairment by using a fair-value based approach. See Note 14 of our consolidated financial statements, which is incorporated herein by reference, for a further description related to the adoption of SFAS 142.

In April 2002, the FASB issued Financial Accounting Standards No. 145 ("SFAS 145") "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." Under SFAS 145, gains and losses from the extinguishment of debt would no longer be classified as an extraordinary item, as previously required under Financial Accounting Standards No. 4 "Reporting Gains and Losses from Extinguishment of Debt." We do not expect the effect of adopting SFAS 145 on Visteon's results of operations or financial position will be material.

In June 2002, the FASB issued Financial Accounting Standards No. 146 "Accounting for Costs Associated with Exit or Disposal Activities." SFAS 146 requires recognition of costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing or other exit or disposal activity. The provisions of the new standard are effective for restructuring, exit or disposal activities initiated after December 31, 2002. We do not expect the effect of adopting SFAS 146 on Visteon's results of operations or financial position will be material, although SFAS 146 may impact the timing of recognition of costs associated with future restructuring, exit or disposal activities.

In November 2002, the FASB issued Interpretation No. 45 ("FIN 45") "Guarantor's Accounting and Disclosure requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." FIN 45 elaborates on the existing disclosure requirements for most guarantees, including loan guarantees. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee. However, the provisions related to recognizing a liability at inception of the guarantee for the fair value of the guarantor's obligations does not apply to product warranties or to guarantees accounted for as derivatives. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. We have not yet determined the effect of adopting FIN 45 on Visteon's results of operations or financial position.

In December 2002, the FASB issued Financial Accounting Standards No. 148 "Accounting for Stock-Based Compensation — Transition and Disclosure — an amendment of FASB Statement No. 123." This statement amends Financial Accounting Standards No. 123 ("SFAS 123") "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. Beginning in January 2003, Visteon intends to expense the fair value of stock-based awards granted to employees pursuant to SFAS 123. Visteon will adopt this standard on a prospective method basis for stock-based awards granted, modified or settled after December 31, 2002. Current estimates indicate that expensing of stock options will reduce 2003 net income by about $5 million, with the expense increasing to about $15 million over the next three years. Actual compensation expense recognized may vary, as it will be based primarily on the terms of stock-based awards granted and the underlying price of a share of Visteon's common stock on the date of grant.

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46") "Consolidation of Variable Interest Entities." Until this interpretation, a company generally included another entity in its consolidated financial statements only if it controlled the entity through voting interests. FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns. We do not anticipate the effect of adopting FIN 46 on Visteon's results of operations or financial position will be material.

Cautionary Statement regarding Forward-Looking Information

This report contains forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek" and "estimate" signify forward-looking statements. Visteon's forward-looking statements are not guarantees of future results and conditions but rather are subject to risks and uncertainties, including the following:

- Weak economic conditions in the United States, resulting in the current, cyclical decline in the vehicle production rate.

- Changes in the operations (including products, product planning and part sourcing), financial condition, results of operations or market share of Visteon's customers, particularly its largest customer, Ford Motor Company, which is undergoing a comprehensive "revitalization plan."

- Visteon's ability to increase sales to customers other than Ford; to maintain current business with, and to win future business from, Ford; to generate cost savings to offset or exceed agreed upon price reductions or price reductions to win additional business and, in general, to maintain and improve its operating performance; to recover engineering and tooling costs; to streamline and focus its product portfolio; to sustain technological competitiveness; to compete favorably with automotive parts suppliers with lower cost structures and greater ability to rationalize operations; to achieve the benefits of its restructuring activities; and to exit non-performing businesses on satisfactory terms, particularly due to limited flexibility under existing labor agreements.

- Significant changes in the competitive environment in the major markets where Visteon procures materials, components or supplies or where its products are manufactured, distributed or sold, including the implementation of Internet-based purchasing initiatives.

- Legal and administrative proceedings, investigations and claims, including product liability, warranty, environmental and safety claims, and any recalls of products manufactured or sold by Visteon.

- Changes in economic conditions, currency exchange rates or political stability in foreign countries where Visteon procures materials, components or supplies or where its products are manufactured, distributed or sold.

- Shortages of materials or interruptions in transportation systems, labor strikes, work stoppages or other interruptions to or difficulties in the employment of labor in the major markets where Visteon purchases materials, components or supplies to manufacture its products or where its products are manufactured, distributed or sold.

- Changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, domestic and foreign, that may tax or otherwise increase the cost of, or otherwise affect, the manufacture, licensing, distribution, sale, ownership or use of Visteon's products or assets.

- Visteon's access to financial resources sufficient in order to make payments related to pensions and other postretirement employee benefits, retirement of outstanding debt and other contractual commitments, all at the levels and times planned by management.

- Possible terrorist attacks or acts of war, which could exacerbate other risks such as slowed vehicle production, interruptions in the transportation system, or fuel prices and supply.

- Other risks and uncertainties detailed from time to time in Visteon's Securities and Exchange Commission filings.

These risks and uncertainties are not the only ones facing our company. Additional risks and uncertainties not presently known to Visteon or currently believed to be immaterial also may adversely affect Visteon. Any risks and uncertainties that develop into actual events, could have material adverse effects on Visteon's business, financial condition and results of operations. For these reasons, do not place undue reliance on our forward-looking statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Visteon is exposed to market risks from changes in currency exchange rates, interest rates and certain commodity prices. To manage these risks, we use a combination of fixed price contracts with suppliers, cost sourcing arrangements with customers and financial derivatives. We maintain risk management controls to monitor the risks and the related hedging. Derivative positions are examined using analytical techniques such as market value and sensitivity analysis. Derivative instruments are not used for speculative purposes, as per clearly defined risk management policies.

Foreign Currency Risk

Our net cash inflows and outflows exposed to the risk of changes in exchange rates arise from the sale of products in countries other than the manufacturing source, foreign currency denominated supplier payments, debt and other payables, subsidiary dividends and investments in subsidiaries. Our on-going solution is to reduce the exposure through operating actions. We use foreign exchange forward contracts to manage a portion of our exposure.

Our primary foreign exchange exposure includes the euro, the Mexican peso and the British pound. Because of the mix between our costs and our revenues in various regions, we generally are exposed to weakening of the euro and British pound and to strengthening of the Mexican peso. For transactions in these currencies, we utilize a strategy of partial coverage. As of December 31, 2002, our coverage for projected transactions in these currencies was about 50% for 2003.

As of December 31, 2002 and 2001, the net fair value of financial instruments with exposure to currency risk was a loss of $36 million and a gain of $9 million, respectively. The hypothetical pre-tax gain or loss in fair value from a 10% favorable or adverse change in quoted currency exchange rates would be approximately $86 million and $68 million as of December 31, 2002 and 2001, respectively. These estimated changes assume a parallel shift in all currency exchange rates and include the gain or loss on financial instruments used to hedge loans to subsidiaries. Because exchange rates typically do not all move in the same direction, the estimate may overstate the impact of changing exchange rates on the net fair value of our financial derivatives. It is important to note that gains and losses indicated in the sensitivity analysis would be offset by gains and losses on the underlying exposures being hedged.

Interest Rate Risk

As of December 31, 2002 and 2001, the net fair value of interest rate swaps was a positive $39 million and a negative $9 million, respectively. The potential loss in fair value of these swaps from a hypothetical 50 basis point adverse change in interest rates would be approximately $16 million and $7 million as of December 31, 2002 and 2001, respectively. The annual increase in pre-tax interest expense from a hypothetical 50 basis point adverse change in variable interest rates (including the impact of interest rate swaps) would be approximately $6 million for the years ended December 31, 2002 and 2001. This analysis may overstate the adverse impact on net interest expense due to the short-term nature of our interest bearing investments.

Commodity Risk

We have entered into long-term agreements with some of our key suppliers of non-ferrous metals to protect Visteon from changes in market prices. In addition, some products Visteon manufactures and sells to Ford containing non-ferrous metals are price adjusted monthly based on metal content and market price. Precious metals (for catalytic converter production) are purchased through a Ford directed-source; Ford accepts all market price risk. As a result, we presently do not enter into financial derivatives to hedge these potential exposures. The risk to these exposures may be managed with the use of financial derivatives if, in the future, we enter into substantial floating price contracts with our key suppliers.

Natural gas is a commodity Visteon uses in its manufacturing processing, related primarily to glass production, as well as for heating our facilities. Uncertainty in both supply and demand for this commodity has led to price instability over the last two years. As of December 31, 2002, Visteon has locked in pricing on about 65% of its projected usage for 2003, through fixed price contracts and financial derivatives. As of December 31, 2002 and 2001, the net fair value of natural gas derivatives was a positive $7 million and less than $1 million, respectively. The potential loss in fair value of these derivative contracts from a 10% adverse change in quoted prices would be approximately $4 million and less than $1 million at December 31, 2002 and 2001, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements, the accompanying notes and the report of independent accountants that are filed as part of this Report are listed under Item 15, “Exhibits, Financial Statement Schedules, and Reports on Form 8-K”, and are set forth on pages 39 through 75 of this Report.

Selected quarterly financial data for us and our consolidated subsidiaries for 2002 and 2001 are presented in Note 17 of our consolidated financial statements on page 75 of this Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF VISTEON

The information required by Item 10 regarding our directors is incorporated by reference from the information under the captions “Proposals — Election of Directors”, “Board of Directors — Directors Continuing in Office” and “Board of Directors — Section 16(a) Beneficial Ownership Reporting Compliance” in our 2003 Proxy Statement. The information required by Item 10 regarding our executive officers appears as Item 4A under Part I of this Report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the information under the captions “Board of Directors — Director Compensation”, “Executive Compensation — Organization and Compensation Committee Report on Executive Compensation”, “Executive Compensation”, “Appendix C — Executive Compensation” and “Appendix A — Performance Graph” in our 2003 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Except as set forth herein, the information required by Item 12 is incorporated by reference from the information under the caption “Appendix B — Stockholdings” in our 2003 Proxy Statement.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) (1)
Equity compensation plans approved by security holders	7,904,839	$14.78	8,541,301
Equity compensation plans not approved by security holders	—	—	—
Total	7,904,839		8,541,301

(1) Excludes an indefinite number of securities that may be awarded under the Visteon Corporation Restricted Stock Plan for Non-Employee Directors. Such Plan provides for an annual, automatic grant of 3,000 restricted shares or stock units to each non-employee director of Visteon. There is no maximum number of securities that may be issued under this Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 is incorporated by reference from the information under the caption “Board of Directors” in our 2003 Proxy Statement.

ITEM 14. CONTROLS AND PROCEDURES

Within the 90-day period prior to the date of filing this report, we carried out an evaluation, under the supervision and with the participation of Visteon's Disclosure Committee and management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-14 and 15d-14. Based upon, and as of the date of, this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in Visteon's periodic SEC reports is recorded, processed, summarized, and reported as and when required. In addition, they concluded that there were no significant deficiencies in the design or operation of internal controls which could significantly affect our ability to record, process, summarize and report financial data. Except as otherwise discussed herein, subsequent to the date of evaluation, there have been no significant changes in Visteon's internal controls or in other factors that could significantly affect internal controls.

As discussed under "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" above, we have entered into an agreement that will alter our global IT outsourcing arrangements. This outsourcing arrangement and subsequent transition from Ford's IT systems may affect existing business processes and related internal controls within Visteon. As part of the transition, ongoing evaluations of the internal control activity related to these processes will be performed.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

Visteon filed the following Current Reports on Form 8-K during the quarter ended December 31, 2002:

Current Report on Form 8-K dated October 18, 2002, included information relating to Visteon's third quarter 2002 financial results.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, Visteon Corporation has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

VISTEON CORPORATION

By: /s/ PETER J. PESTILLO*

Peter J. Pestillo

Date: February 14, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on February 14, 2003, by the following persons on behalf of Visteon Corporation and in the capacities indicated.

Signature	Title
/s/ PETER J. PESTILLO* Peter J. Pestillo	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
/s/ MICHAEL F. JOHNSTON* Michael F. Johnston	Director, President and Chief Operating Officer
/s/ DANIEL R. COULSON* Daniel R. Coulson	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ PHILIP G. PFEFFERLE* Philip G. Pfefferle	Vice President and Controller (Principal Accounting Officer)
/s/ WILLIAM H. GRAY, III* William H. Gray, III	Director
/s/ STEVEN K. HAMP* Steven K. Hamp	Director
/s/ ROBERT H. JENKINS* Robert H. Jenkins	Director
Karl J. Krapek	Director
/s/ CHARLES L. SCHAFFER* Charles L. Schaffer	Director
/s/ THOMAS T. STALLKAMP* Thomas T. Stallkamp	Director
/s/ ROBERT M. TEETER* Robert M. Teeter	Director
*By: /s/ STACY L. FOX Stacy L. Fox *Attorney-in-Fact*	

CERTIFICATIONS

I, Peter J. Pestillo, certify that:

1. I have reviewed this annual report on Form 10-K of Visteon Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 14, 2003

/s/ PETER J. PESTILLO

Peter J. Pestillo
Chairman and Chief Executive Officer
(Principal Executive Officer)

I, Daniel R. Coulson, certify that:

1. I have reviewed this annual report on Form 10-K of Visteon Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 14, 2003

/s/ DANIEL R. COULSON

Daniel R. Coulson
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders

Visteon Corporation

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) on page 35 present fairly, in all material respects, the financial position of Visteon Corporation and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 14 to the consolidated financial statements, the company changed its method of accounting for goodwill resulting from its adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," effective January 1, 2002.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Detroit, Michigan
January 17, 2003, except for Note 18,
as to which the date is January 27, 2003

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

	For the Years Ended December 31,		
	2002	**2001**	**2000**
		(in millions, except per share amounts)	
Sales (Notes 2 and 11)			
Ford and affiliates	$14,779	$14,656	$16,448
Other customers	3,616	3,187	3,019
Total sales	18,395	17,843	19,467
Costs and expenses (Notes 2, 11 and 13)			
Costs of sales	17,588	17,105	18,129
Selling, administrative and other expenses	888	855	897
Total costs and expenses	18,476	17,960	19,026
Operating income (loss)	(81)	(117)	441
Interest income	23	55	109
Interest expense	103	131	167
Net interest expense	(80)	(76)	(58)
Equity in net income of affiliated companies (Notes 2 and 13)	44	24	56
Income (loss) before income taxes, minority interests and change in accounting	(117)	(169)	439
Provision (benefit) for income taxes (Note 5)	(58)	(72)	143
Income (loss) before minority interests and change in accounting	(59)	(97)	296
Minority interests in net income of subsidiaries	28	21	26
Income (loss) before change in accounting	(87)	(118)	270
Cumulative effect of change in accounting, net of tax (Note 14)	(265)	—	—
Net income (loss)	$ (352)	$ (118)	$ 270
Basic and diluted earnings (loss) per share (Note 2)			
Before cumulative effect of change in accounting	$ (0.68)	$ (0.91)	$ 2.08
Cumulative effect of change in accounting	(2.07)	—	—
Basic and diluted	$ (2.75)	$ (0.91)	$ 2.08
Cash dividends per share	$ 0.24	$ 0.24	$ 0.12

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	December 31,	
	2002	2001
	(in millions)	
Assets		
Cash and cash equivalents	$ 1,204	$ 1,024
Marketable securities	74	157
Total cash and marketable securities	1,278	1,181
Accounts receivable — Ford and affiliates	1,401	1,560
Accounts receivable — other customers	828	834
Total receivables	2,229	2,394
Inventories (Note 3)	878	942
Deferred income taxes	199	167
Prepaid expenses and other current assets	153	153
Total current assets	4,737	4,837
Equity in net assets of affiliated companies	191	158
Net property (Note 4)	5,443	5,329
Deferred income taxes	566	322
Goodwill (Note 14)	—	363
Other assets	233	153
Total assets	$11,170	$11,162
Liabilities and Stockholders' Equity		
Trade payables	$ 2,083	$ 1,915
Accrued liabilities (Note 6)	1,021	945
Income taxes payable	14	30
Debt payable within one year (Note 8)	348	629
Total current liabilities	3,466	3,519
Long-term debt (Note 8)	1,298	1,293
Postretirement benefits other than pensions (Note 7)	2,283	2,079
Other liabilities (Note 6)	1,142	967
Deferred income taxes	3	13
Total liabilities	8,192	7,871
Stockholders' equity		
Capital stock (Note 9)		
Preferred stock, par value $1.00, 50 million shares authorized, none outstanding	—	—
Common stock, par value $1.00, 500 million shares authorized, 131 million shares issued, 129 million and 130 million shares outstanding, respectively	131	131
Capital in excess of par value of stock	3,298	3,311
Accumulated other comprehensive (loss)	(140)	(231)
Other	(33)	(25)
Earnings retained for use in business (accumulated deficit)	(278)	105
Total stockholders' equity	2,978	3,291
Total liabilities and stockholders' equity	$11,170	$11,162

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Years Ended December 31,		
	2002	2001	2000
		(in millions)	
Cash and cash equivalents at January 1	$1,024	$1,412	$ 1,849
Cash flows provided by (used in) operating activities (Note 15)	1,146	436	(526)
Cash flows from investing activities			
Capital expenditures	(723)	(752)	(793)
Acquisitions and investments in joint ventures, net	—	(7)	(28)
Purchases of securities	(508)	(346)	(126)
Sales and maturities of securities	588	260	61
Other (Note 13)	36	102	44
Net cash used in investing activities	(607)	(743)	(842)
Cash flows from financing activities			
Commercial paper (repayments) issuances, net	(194)	8	352
Payments on short-term debt	—	(1)	(1,775)
Proceeds from issuance of short-term debt	—	1	1,374
Proceeds from issuance of other debt	115	114	1,279
Principal payments on other debt	(245)	(144)	(290)
Purchase of treasury stock	(24)	(25)	—
Cash dividends	(31)	(31)	(16)
Other	(4)	3	—
Net cash (used in) provided by financing activities	(383)	(75)	924
Effect of exchange rate changes on cash	24	(6)	7
Net increase (decrease) in cash and cash equivalents	180	(388)	(437)
Cash and cash equivalents at December 31	$1,204	$1,024	$ 1,412

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Capital In Excess of Par Value	Earnings Retained for Use in Business (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Prior Owner's Net Investment	Other		Total
	Shares	Amount					Treasury Stock	Unearned Stock Compensation	
					(in millions)				
Year Ended December 31, 2000									
Beginning balance	—	$ —	$ —	$ —	$ (67)	$ 1,566	$ —	$ —	$1,499
Comprehensive income									
Net income				270					270
Foreign currency translation					(112)				(112)
Comprehensive income									158
Net transfers and settlements of balances with prior owner						1,864			1,864
Capitalization/ reclassification of prior owner's net investment	130	130	3,300			(3,430)			0
Deferred stock-based compensation	1	1	11					(12)	0
Cash dividends				(16)					(16)
Ending balance	131	$131	$3,311	$ 254	$(179)	$ 0	$ —	$(12)	$3,505
Year Ended December 31, 2001									
Beginning balance	131	$131	$3,311	$ 254	$(179)	$ 0	$ —	$(12)	$3,505
Comprehensive income									
Net (loss)				(118)					(118)
Foreign currency translation					(53)				(53)
Realized and unrealized gains/losses on derivatives, net of tax					5				5
Change in unrealized loss on marketable securities, net of tax					(2)				(2)
Minimum pension liability, net of tax					(2)				(2)
Comprehensive (loss)									(170)
Purchase of treasury stock							(25)		(25)
Deferred stock-based compensation							13	(13)	0
Amortization and adjustment of deferred stock-based compensation, net								9	9
Exercise of common stock options							3		3
Cash dividends				(31)					(31)
Ending balance	131	$131	$3,311	$ 105	$(231)	$ 0	$ (9)	$(16)	$3,291
Year Ended December 31, 2002									
Beginning balance	131	$131	$3,311	$ 105	$(231)	$ 0	$ (9)	$(16)	$3,291
Comprehensive income									
Net (loss)				(352)					(352)
Foreign currency translation					170				170
Realized and unrealized gains/losses on derivatives, net of tax					(13)				(13)
Change in unrealized loss on marketable securities, net of tax					1				1
Minimum pension liability, net of tax					(67)				(67)
Comprehensive (loss)									(261)
Purchase of treasury stock							(24)		(24)
Deferred stock-based compensation							16	(16)	0
Amortization and adjustment of deferred stock-based compensation, net			(13)				(1)	17	3
Cash dividends				(31)					(31)
Ending balance	131	$131	$3,298	$(278)	$(140)	$ 0	$(18)	$(15)	$2,978

The accompanying notes are part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. Background and Basis of Presentation

Visteon Corporation ("Visteon") is a leading, global supplier of automotive systems, modules and components. Visteon sells products primarily to global vehicle manufacturers, and also sells to the worldwide aftermarket for replacement and vehicle appearance enhancement parts. Visteon became an independent company when Ford Motor Company ("Ford") established Visteon as a wholly-owned subsidiary in January 2000 and subsequently transferred to Visteon the assets and liabilities comprising Ford's automotive components and systems business. Ford completed its spin-off of Visteon on June 28, 2000 (the "spin-off"). Prior to incorporation, Visteon operated as Ford's automotive components and systems business.

In connection with Visteon's separation from Ford, Visteon and Ford entered into a series of agreements outlining the business relationship between the two companies following the spin-off which are further discussed in Note 11 of our consolidated financial statements.

Basis of Presentation

The consolidated financial statements as of December 31, 2002 and 2001, and for periods subsequent to the spin-off, include the accounts of Visteon and its wholly-owned and majority-owned subsidiaries. The consolidated financial statements of Visteon for periods prior to the spin-off reflect the historical results of operations and cash flows of the businesses that were considered part of the Visteon business of Ford. Certain amounts for prior periods were reclassified to conform with present period presentation.

Operating costs and expenses for periods prior to the spin-off from Ford include allocations of general corporate overhead related to Ford's corporate headquarters and common support activities including information systems, product development, accounting and finance, corporate insurance programs, treasury, facilities, legal and human resources. These costs were assessed to Visteon based on usage or similar allocation methodologies. Although Visteon believes the allocations and charges for such services were reasonable, the costs of these services charged to Visteon are not necessarily indicative of the costs that would have been incurred if Visteon had been a stand-alone entity or what they would be in the future.

NOTE 2. Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the company and its majority-owned subsidiaries. Intra-Visteon transactions have been eliminated in consolidation. Companies that are 20% to 50% owned by Visteon are accounted for on an equity basis. From June 30, 2002, the assets, liabilities, results of operations and cash flows of a special-purpose/ variable interest entity, established to build a headquarters facility to be leased to Visteon, are included in Visteon's consolidated financial statements. This entity, owned by an affiliate of a bank, is consolidated based on an assessment that substantially all of the expected residual risks or rewards of the entity reside with Visteon. This assessment included consideration of the terms of the lease agreement, the amount of the owner's equity investment at risk and that Visteon is the source of the entity's debt financing. Total assets of this entity were about $36 million at December 31, 2002.

NOTE 2. Accounting Policies — (Continued)

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46") "Consolidation of Variable Interest Entities." Until this interpretation, a company generally included another entity in its consolidated financial statements only if it controlled the entity through voting interests. FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns. We do not anticipate the effect of adopting FIN 46 on Visteon's results of operations or financial position will be material.

Use of estimates and assumptions as determined by management are required in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates and assumptions.

Revenue Recognition

Sales are recognized when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determinable and collectibility is reasonably assured, generally upon shipment of product to customers and transfer of title under standard commercial terms. Significant retroactive price adjustments are recognized in the period when such amounts become probable. Sales are recognized based on the gross amount billed to a customer for those products in which Visteon's customer has directed the sourcing of certain raw materials or components used in the manufacturer of the final product.

Guarantees and Product Warranty

In November 2002, the FASB issued Interpretation No. 45 ("FIN 45") "Guarantor's Accounting and Disclosure requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." FIN 45 elaborates on the existing disclosure requirements for most guarantees, including loan guarantees. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee. However, the provisions related to recognizing a liability at inception of the guarantee for the fair value of the guarantor's obligations does not apply to product warranties or to guarantees accounted for as derivatives. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. We have not yet determined the effect of adopting FIN 45 on Visteon's results of operations or financial position.

The company enters into agreements that contain indemnification provisions in the normal course of business for which the risks are considered nominal and impractible to estimate.

NOTE 2. Accounting Policies — (Continued)

Visteon accrues for warranty obligations for products sold based on management estimates, with support from our sales, engineering, quality and legal activities, of the amount that eventually will be required to settle such obligations. This accrual, which is reviewed in detail on a regular basis, is based on several factors, including the terms of Visteon's Master Transfer Agreement with Ford, as discussed in Note 11 of our consolidated financial statements, past experience, current claims, production changes, industry developments and various other considerations. The following table presents a reconciliation of changes in the product warranty liability for the selected periods:

	2002	2001	2000
		(in millions)	
Beginning balance	$ 20	$ 18	$ 23
Accruals for products shipped	16	18	11
Accruals for pre-existing warranties (including change in estimates)	—	4	(4)
Settlements	(19)	(20)	(12)
Ending balance	$ 17	$ 20	$ 18

Separate from product warranty obligations, Visteon from time to time also negotiates financial settlements with its customers in connection with recall campaigns undertaken by such customers.

Other Costs

In June 2002, the FASB issued Financial Accounting Standards No. 146 "Accounting for Costs Associated with Exit or Disposal Activities." SFAS 146 requires recognition of costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing or other exit or disposal activity. The provisions of the new standard are effective for restructuring, exit or disposal activities initiated after December 31, 2002. We do not expect the effect of adopting SFAS 146 on Visteon's results of operations or financial position will be material, although SFAS 146 may impact the timing of recognition of costs associated with future restructuring, exit or disposal activities.

Advertising and sales promotion costs are expensed as incurred. Advertising costs were $17 million in 2002, $19 million in 2001 and $29 million in 2000.

Research and development costs are expensed as incurred and were $902 million in 2002, $1,037 million in 2001 and $1,115 million in 2000.

Pre-production design and development costs relating to long-term supply arrangements are expensed as incurred.

NOTE 2. Accounting Policies — (Continued)

Related Party Transaction

A member of Visteon's Board of Directors is also the Chief Executive Officer of a supplier of contract staffing services to Visteon. Visteon's payments to this supplier were approximately $115 million in 2002. The supplier has indicated that it expects to recognize approximately $20 million of these payments as revenue in 2002, relating to services performed directly by the supplier. The remaining payments to this supplier are related to arrangements in which the supplier serves as a master vendor on the behalf of many other suppliers and are not expected to be recognized as revenue for such supplier.

Income (Loss) Per Share of Common Stock

Basic income per share of common stock is calculated by dividing net income by the average number of shares of common stock outstanding during the applicable period, adjusted for restricted stock. The calculation of diluted income per share takes into account the effect of dilutive potential common stock, such as stock options, and contingently returnable shares, such as restricted stock. For purposes of the earnings per share calculations, 130 million shares of common stock are treated as outstanding for periods prior to the spin-off from Ford. Basic and diluted income per share were calculated using the following numbers of shares:

	2002	2001	2000
		(shares in millions)	
Common shares outstanding	130.3	130.7	130.5
Less: Restricted stock outstanding	(2.6)	(1.4)	(0.5)
Basic shares	127.7	129.3	130.0
Net dilutive effect of restricted stock and stock options	—	—	—
Diluted shares	127.7	129.3	130.0

For the year ended December 31, 2002 and 2001, potential common stock of about 606,000 and 343,000 shares, respectively, are excluded from the calculation of diluted income per share because the effect of including them would have been antidilutive.

Derivative Financial Instruments

Visteon has operations in every major region of the world and is exposed to a variety of market risks, including the effects of changes in foreign currency exchange rates, interest rates and commodity prices. These financial exposures are monitored and managed by the company as an integral part of the company's overall risk management program, which recognizes the unpredictability of financial markets and seeks to reduce the potentially adverse effect on the company's results. The company uses derivative financial instruments, including forward contracts, swaps and options, to manage the exposures in exchange rates, interest rates and commodity prices. All derivative financial instruments are classified as "held for purposes other than trading." Company policy specifically prohibits the use of leveraged derivatives or use of any derivatives for speculative purposes.

NOTE 2. Accounting Policies — (Continued)

Visteon's primary foreign currency exposures, in terms of net corporate exposure, are in the euro, Mexican peso and British pound. The company uses derivative instruments to hedge expected future cash flows in foreign currencies and firm commitments. The company has entered into interest rate swaps to manage its interest rate risk. As a result of these swaps, approximately 30% of the company's borrowings are on a fixed rate basis, with the balance on a variable rate basis, subject to changes in short term interest rates. Visteon's primary commodity-price exposures are aluminum, copper and natural gas, which are managed through derivative financial instruments and fixed-price contracts with suppliers.

The criteria used to determine whether hedge accounting treatment is appropriate are the designation of the hedge to an underlying exposure, reduction of overall risk and correlation between the changes in the value of the derivative instrument and the underlying exposure. Gains and losses on cash flow hedges initially are reported as a component of other comprehensive income (outside earnings) and subsequently reclassified into earnings when the forecasted transaction affects earnings. Gains and losses on interest rate swaps (fair value hedges) are recorded in long-term debt (see Note 12 of our consolidated financial statements). All other derivative gains and losses are recognized in costs of sales. Except for interest rate swaps, these derivatives usually mature in two years or less, consistent with the underlying transactions. The effect of changes in exchange rates, interest rates and commodity prices may not be fully offset by gains or losses on currency derivatives, depending on the extent to which the exposures are hedged.

Foreign Currency Translation

Assets and liabilities of Visteon's non-U.S. businesses generally are translated to U.S. Dollars at end-of-period exchange rates. The effects of this translation for Visteon are reported in other comprehensive income. Remeasurement of assets and liabilities of Visteon's non-U.S. businesses that use the U.S. Dollar as their functional currency are included in income as transaction gains and losses. Income statement elements of Visteon's non-U.S. businesses are translated to U.S. Dollars at average-period exchange rates and are recognized as part of revenues, costs and expenses. Also included in income are gains and losses arising from transactions denominated in a currency other than the functional currency of the business involved. Net transaction gains and losses, as described above, decreased net income $14 million in 2002, and increased net income $6 million and $2 million in 2001 and 2000, respectively. Total foreign currency translation adjustments as a component of accumulated other comprehensive income reduced stockholders' equity by $62 million and $232 million at December 31, 2002 and 2001, respectively.

Cash and Cash Equivalents

Visteon considers all highly liquid investments purchased with a maturity of three months or less, including short-term time deposits and government agency and corporate obligations, to be cash equivalents.

Marketable Securities

Marketable securities are classified as available-for-sale. The fair value of substantially all securities is determined by quoted market prices. The estimated fair value of securities, for which there are no quoted market prices, is based on similar types of securities that are traded in the market. Book value approximates fair value for all securities.

NOTE 2. Accounting Policies — (Continued)

Investments with Affiliates

The following table presents summarized financial data for those affiliates accounted for under the equity method, excluding amounts related to the "Conix Group" which was sold in October 2000 as discussed in Note 13 of our consolidated financial statements. The amounts represent 100% of the assets, liabilities, equity and results of operations of these affiliates. Visteon reports its share of their net assets and net income in the lines "Equity in net assets of affiliated companies" on the Consolidated Balance Sheet and "Equity in net income of affiliated companies" on the Consolidated Statement of Income.

	December 31,	
	2002	2001
	(in millions)	
Current assets	$361	$278
Other assets	318	316
Total assets	$679	$594
Current liabilities	$217	$179
Other liabilities	99	94
Stockholders' equity	363	321
Total liabilities and stockholders' equity	$679	$594

	2002	2001	2000
	(in millions)		
Net sales	$973	$747	$757
Gross profit	217	152	170
Net income	93	63	69

Impairment of Long-Lived Assets and Certain Identifiable Intangibles

Visteon evaluates long-lived assets and long-lived assets to be disposed of for potential impairment at the operating segment level whenever events or changes in business circumstances indicate that the carrying value of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. Visteon considers projected future undiscounted cash flows, trends and other circumstances in making such estimates and evaluations. While we believe that our estimates of future cash flows are reasonable, different assumptions regarding such factors as future automotive production volumes (primarily for Ford), selling price changes, labor cost changes, material cost changes, productivity and other cost savings and capital expenditures could significantly affect our evaluations.

NOTE 2. Accounting Policies — (Continued)

Goodwill

Visteon adopted Financial Accounting Standards No. 142 ("SFAS 142") "Goodwill and Other Intangible Assets" effective January 1, 2002. SFAS 142 no longer permits amortization of goodwill and establishes a new method of testing goodwill for impairment by using a fair-value based approach. See Note 14 of our consolidated financial statements for further description related to this accounting change.

Stock-Based Awards

In December 2002, the FASB issued Financial Accounting Standards No. 148 "Accounting for Stock-Based Compensation — Transition and Disclosure — an amendment of FASB Statement No. 123." This statement amends Financial Accounting Standards No. 123 ("SFAS 123") "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

Visteon measures compensation cost related to stock options and restricted stock awards using the intrinsic value method. If compensation cost had been determined based on the estimated fair value of stock options and the fair value set at the date of grant for the restricted stock awards, in accordance with the provisions of SFAS 123. Visteon's reported net loss, loss per share (on both a basic and diluted basis) and compensation expense would have increased to the pro forma amounts indicated below:

	December 31,	
	2002	2001
	(in millions, except per share amounts)	
As reported		
Net (loss)	$ (352)	$ (118)
(Loss) per share	(2.75)	(0.91)
Compensation expense, net of tax	4	9
Pro forma		
Net (loss)	$ (363)	$ (120)
(Loss) per share	(2.84)	(0.93)
Compensation expense, net of tax	15	11

NOTE 2. Accounting Policies — (Continued)

The following is a summary of the fair values and assumptions used under a Black-Scholes option-pricing model for stock options granted in 2002 and 2001:

	2002	2001
Fair Values		
Average fair value of stock option granted in which the exercise price equaled the market price of the stock on the grant date	$6.27	$6.83
Average fair value of stock option granted in which the exercise price was less than the market price of the stock on the grant date	N/A	$7.94
Weighted Average Assumptions		
Risk-free interest rate	4.8%	4.7%
Expected life (years)	6.0	4.7
Volatility	51.6%	42.8%
Dividend yield	1.8%	1.4%

Beginning in January 2003, Visteon intends to expense the fair value of stock-based awards granted to employees pursuant to SFAS 123. Visteon will adopt this standard on a prospective method basis for stock-based awards granted, modified or settled after December 31, 2002. See Note 9 of our consolidated financial statements for further information related to stock awards.

NOTE 3. Inventories

	December 31,	
	2002	2001
	(in millions)	
Raw materials, work-in-process and supplies	$743	$812
Finished products	135	130
Total inventories	$878	$942
U.S. inventories	$548	$589

Inventories are stated at the lower of cost or market. The cost of most U.S. inventories is determined by the last-in, first-out (“LIFO”) method. The cost of the remaining inventories is determined primarily by the first-in, first-out (“FIFO”) method.

If the FIFO method had been used instead of the LIFO method, inventories would have been higher by $78 million and $86 million at December 31, 2002 and 2001, respectively.

NOTE 4. Net Property, Depreciation and Amortization

	December 31,	
	2002	2001
	(in millions)	
Land	$ 125	$ 117
Buildings and land improvements	1,561	1,495
Machinery, equipment and other	8,631	8,162
Construction in progress	320	306
Total land, plant and equipment	10,637	10,080
Accumulated depreciation	(5,527)	(5,090)
Net land, plant and equipment	5,110	4,990
Special tools, net of amortization	333	339
Net property	$ 5,443	$ 5,329

Property, equipment and special tools are depreciated principally using the straight-line method of depreciation over the estimated useful life of the asset. On average, buildings and land improvements are depreciated based on a 30-year life; machinery and equipment are depreciated based on a 14-year life. Special tools are amortized using the straight-line method over periods of time representing the estimated life of those tools, with the majority of tools amortized over five years.

Depreciation and amortization expenses related to property, equipment and special tools, excluding amortization expense of goodwill and other intangible assets, were as follows:

	2002	2001	2000
		(in millions)	
Depreciation	$551	$562	$585
Amortization	76	79	68
Total	$627	$641	$653

At December 31, 2002, Visteon had the following minimum rental commitments under non-cancelable operating leases (in millions): 2003 — $67; 2004 — $45; 2005 — $32; 2006 — $24; 2007 — $19; thereafter — $96. Rent expense was $90 million in 2002, $106 million in 2001 and $117 million in 2000.

Maintenance, repairs and rearrangement costs are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. Pre-production costs related to new facilities are expensed as incurred. At December 31, 2002, Visteon has recognized about $135 million in unbilled receivables related to tooling costs which are not owned by Visteon for which there is an agreement for contractual reimbursement.

NOTE 5. Income Taxes

Income (loss) before income taxes, minority interests and change in accounting, excluding equity in net income of affiliated companies, was as follows:

	2002	2001	2000
		(in millions)	
U.S.	$(115)	$(343)	$104
Non-U.S.	(46)	150	279
Total income (loss) before income taxes	$(161)	$(193)	$383

The provision (benefit) for income taxes was calculated as follows:

	2002	2001	2000
		(in millions)	
Current tax provision (benefit)			
U.S. federal	$ (1)	$ (6)	$127
Non-U.S.	76	77	91
U.S. state and local	—	—	12
Total current	75	71	230
Deferred tax provision (benefit)			
U.S. federal	(57)	(115)	(91)
Non-U.S.	(72)	(24)	7
U.S. state and local	(4)	(4)	(3)
Total deferred	(133)	(143)	(87)
Total provision (benefit)	$ (58)*	$ (72)	$143

* Excludes effect of change in accounting.

A reconciliation of the provision (benefit) for income taxes compared with amounts at the U.S. statutory tax rate is shown below:

	2002	2001	2000
Tax provision (benefit) at U.S. statutory rate of 35%	(35)%	(35)%	35%
Effect of:			
Tax on non-U.S. income	13	—	—
U.S. state and local income taxes	(2)	(2)	2
Tax credits	(6)	(6)	(3)
Other	(6)	6	3
Provision (benefit) for income taxes	(36)%*	(37)%	37%

* Excludes effect of change in accounting.

Deferred taxes are provided for the net effect of repatriating earnings of non-U.S. subsidiaries. Deferred tax assets and liabilities reflect the estimated tax effect of accumulated temporary differences between assets and liabilities for financial reporting purposes and those amounts as measured by tax laws and regulations.

NOTE 5. Income Taxes — (Continued)

The components of deferred income tax assets and liabilities at December 31 were as follows:

	December 31,	
	2002	2001
	(in millions)	
Deferred tax assets		
Employee benefit plans	$1,059	$ 961
Customer allowances and claims	55	34
Net operating losses and other carryforwards	347	193
All other	210	202
Subtotal	1,671	1,390
Valuation allowance	(21)	—
Total deferred tax assets	1,650	1,390
Deferred tax liabilities		
Depreciation and amortization	779	724
Employee benefit plans	—	10
All other	109	180
Total deferred tax liabilities	888	914
Net deferred tax assets	$ 762	$ 476

The anticipated tax benefit of U.S. net operating loss carryforwards is $155 million at December 31, 2002. These losses will begin to expire in 2021. U.S. general business credit carryforwards are $54 million at December 31, 2002. These credits will begin to expire in 2020. U.S. foreign tax credits and other carryforwards are $57 million at December 31, 2002. These credits and other carryforwards will begin to expire in 2006. The anticipated tax benefit of non-U.S. net operating loss carryforwards is $81 million at December 31, 2002. These losses have carryforward periods ranging from 3 years to indefinite.

For financial statement purposes, the tax benefit of net operating loss and credit carryforwards is recognized as a deferred tax asset, subject to appropriate valuation allowances when it is determined that recovery of the deferred tax asset is unlikely. The company evaluates its net operating loss and credit carryforwards on an ongoing basis. Such evaluations include a review of historical and projected future operating results, the eligible carryforward period and other circumstances. As of December 31, 2002, valuation allowances of $21 million have been recorded against non-U.S. net operating loss carryforwards where recovery of these carryforwards is unlikely.

NOTE 6. Liabilities

Current Liabilities

Included in accrued liabilities at December 31 were the following:

	December 31,	
	2002	2001
	(in millions)	
Salaries, wages and employer taxes	$ 170	$105
Employee benefits, including pensions	384	308
Postretirement benefits other than pensions	92	38
Other	375	494
Total accrued liabilities	$1,021	$945

Noncurrent Liabilities

Included in other noncurrent liabilities at December 31 were the following:

	December 31,	
	2002	2001
	(in millions)	
Employee benefits, including pensions	$ 571	$418
Minority interests in net assets of subsidiaries	129	109
Other	442	440
Total other liabilities	$1,142	$967

Other current and noncurrent liabilities include amounts related to product warranty.

NOTE 7. Employee Retirement Benefits

Employee Retirement Plans

In the U.S., Visteon hourly employees represented by the UAW and other collective bargaining groups earn noncontributory benefits based on employee service. Visteon salaried employees earn similar noncontributory benefits as well as contributory benefits related to pay and service. In accordance with the separation agreements, Ford retained the past service obligations for those transferred salaried employees who were eligible to retire in 2000 as well as those whose combined age and years of service was at least 60 at the date of the separation from Ford. For all other transferred salaried employees, Visteon assumed the pension obligations as well as assets with a fair value at least equal to the related projected benefit obligation but no less than the amount required to be transferred under applicable laws and regulations. Certain of the non-U.S. subsidiaries sponsor separate plans that provide similar types of benefits to their employees. For these non-U.S. plans, Visteon has assumed all plan benefit obligations for Visteon employees as well as assets that approximate the benefit obligations for funded plans.

In general, the company’s plans are funded with the exception of certain supplemental benefit plans for executives and a plan in Germany; in such cases the unfunded liability is recorded. The company’s policy for funded plans is to contribute annually, at a minimum, amounts required by applicable law, regulation or union agreement. Plan assets consist principally of investments in stocks, and government and other fixed income securities.

NOTE 7. Employee Retirement Benefits — (Continued)

Visteon-assigned Ford-UAW employees, comprising about 21,500 people, participate in the Ford-UAW Retirement Plan, sponsored by Ford. By agreement, Visteon compensates Ford for the pension expense incurred by Ford for Visteon-assigned employees. The amount of compensation is disclosed in the table below on the "expense for Visteon-assigned Ford-UAW employees" line, and is calculated by Ford using Ford's pension assumptions, based on Financial Accounting Standards No. 87 "Employers' Accounting for Pensions."

Most U.S. salaried employees are eligible to participate in a defined contribution plan (Visteon Investment Plan) by contributing a portion of their compensation which is partially matched by Visteon. Matching contributions were $31 million in 2001 and were suspended effective January 1, 2002.

Postretirement Health Care and Life Insurance Benefits

In the U.S., Visteon has a financial obligation for the cost of providing selected health care and life insurance benefits to its employees, as well as Visteon-assigned Ford-UAW employees who retire after July 1, 2000. The estimated cost for these benefits is accrued over periods of employee service on an actuarially determined basis. Ford retained the financial obligation and related prepayments for postretirement health care and life insurance benefits to its employees who retired on or before July 1, 2000.

Under the terms of the separation agreements with Ford and in addition to regular benefit payments, Visteon is required to pre-fund postretirement health care and life insurance benefit obligations related to Visteon-assigned Ford-UAW hourly employees as well as certain salaried employees. The required pre-funding is over a 15 year period beginning in 2006 for the Visteon-assigned Ford-UAW hourly employees, and over a 10 year period beginning in 2011 for those salaried employees. The annual pre-funding requirement during this period will be determined based upon amortization of the unfunded liability at the beginning of the period, plus annual expense**.** The unfunded liability at December 31, 2002, of about $1.9 billion is included in our recorded postretirement health care and life insurance benefit liability. Based upon estimates of the unfunded liabilities and the related expense, the first required pre-funding payment will be about $465 million in 2006. In addition, benefit payments for related retirees are projected at $80 million in 2006. In December 2000, the company pre-funded a portion of this obligation by contributing $25 million to a Voluntary Employees' Beneficiary Association ("VEBA") trust.

Effective January 1, 2002, the company revised the eligibility requirement for retiree health insurance coverage for most U.S. employees to 10 years of service after attaining the age of 45.

NOTE 7. Employee Retirement Benefits — (Continued)

The company's expense for retirement benefits was as follows:

	Retirement Plans								
	U.S. Plans			Non-U.S. Plans			Health Care and Life Insurance Benefits		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
	(in millions, except percentages)								
Costs Recognized in Income									
Service cost	$ 47	$ 45	$ 55	$ 27	$ 19	$ 37	$ 28	$ 28	$ 26
Interest cost	55	50	82	40	34	41	56	53	61
Expected return on plan assets	(64)	(64)	(106)	(48)	(49)	(58)	—	—	—
Amortization of:									
Transition (asset) obligation	—	(4)	(7)	1	—	—	—	—	1
Plan amendments	8	8	12	6	6	6	(14)	(1)	—
(Gains) losses and other	(2)	(3)	(9)	(4)	(8)	—	5	2	—
Special termination benefits	(3)	52	—	4	1	7	15	19	—
Curtailments	—	(3)	—	45	1	—	1	—	—
Expense for Visteon-assigned Ford-UAW employees	62	58	74	—	—	—	224	181	170
Net pension/postretirement expense	$ 103	$ 139	$ 101	$ 71	$ 4	$ 33	$ 315	$ 282	$ 258
Discount rate for expense	7.50%	7.75%	7.75%	6.00%	6.25%	6.10%	7.25%	7.50%	7.75%
Assumed long-term rate of return on assets	9.50%	9.50%	9.00%	9.00%	10.00%	9.40%	6.00%	6.00%	6.00%
Initial health care cost trend rate	—	—	—	—	—	—	9.45%	8.97%	7.00%
Ultimate health care cost trend rate	—	—	—	—	—	—	5.00%	5.00%	5.00%
Number of years to ultimate trend rate	—	—	—	—	—	—	6	7	8

During 2000, asset and liability transfers between Ford and Visteon postretirement benefit plans reduced Visteon's net pension and postretirement related liabilities by about $1.6 billion. In addition, Ford retained about $573 million of prepaid health care amounts relating to active employees.

Increasing the assumed health care cost trend rates by one percentage point is estimated to increase the aggregate service and interest cost components of Visteon's net postretirement benefit expense for 2002 by about $56 million and the accumulated postretirement benefit obligation at December 31, 2002, by about $594 million. A decrease of one percentage point would reduce service and interest costs by $43 million and decrease the December 31, 2002, obligation by about $495 million.

NOTE 7. Employee Retirement Benefits — (Continued)

The status of these plans as of their most recent measurement dates was as follows:

	Retirement Plans				Health Care and Life Insurance Benefits	
	U.S. Plans		Non-U.S. Plans			
	2002	2001	2002	2001	2002	2001
	(in millions, except percentages)					
Change in Benefit Obligation						
Benefit obligation — beginning	$ 703	$ 624	$ 641	$ 514	$ 2,707	$ 2,232
Service cost	47	45	27	19	95	87
Interest cost	55	50	40	34	192	166
Amendments/ other	28	9	37	72	(69)	(31)
Actuarial loss	52	6	31	30	645	254
Special termination benefits	—	3	4	3	16	19
Curtailment	—	(3)	28	—	(4)	—
Foreign exchange translation	—	—	70	(22)	—	(1)
Benefits paid	(34)	(31)	(12)	(9)	(45)	(19)
Benefit obligation — ending	$ 851	$ 703	$ 866	$ 641	$ 3,537	$ 2,707
Change in Plan Assets						
Plan assets — beginning	$ 595	$ 680	$ 422	$ 508	$ 26	$ 25
Actual return on plan assets	(27)	(76)	(61)	(111)	—	1
Contributions	30	23	57	40	45	19
Foreign exchange translation	—	—	33	(5)	—	—
Benefits paid/other	(36)	(32)	—	(10)	(45)	(19)
Plan assets — ending	$ 562	$ 595	$ 451	$ 422	$ 26	$ 26
Funded Status of the Plans						
Plan assets in excess of (less than) benefit obligations	$(289)	$(108)	$(415)	$(219)	$(3,511)	$(2,681)
Unrecognized:						
Net (gains) losses	112	(37)	205	41	1,231	599
Prior service cost/other	69	58	136	110	(95)	(35)
Net amount recognized	$(108)	$ (87)	$ (74)	$ (68)	$(2,375)	$(2,117)
Amount Recognized in Balance Sheet						
Prepaid assets	$ 1	$ 8	$ 15	$ 7	$ —	$ —
Accrued liabilities	(257)	(145)	(194)	(121)	(2,375)	(2,117)
Intangible assets	62	49	81	43	—	—
Deferred income taxes	32	1	9	1	—	—
Accumulated other comprehensive income	54	—	15	2	—	—
Net amount recognized	$(108)	$ (87)	$ (74)	$ (68)	$(2,375)	$(2,117)
Assumptions						
Discount rate	6.75%	7.50%	5.75%	6.00%	6.75%	7.25%
Expected rate of return on assets	9.00%	9.50%	8.25%	9.00%	6.00%	6.00%
Rate of increase in compensation	4.00%	4.50%	3.75%	3.75%	—	—
Initial health care cost trend rate	—	—	—	—	11.00%	9.45%
Ultimate health care cost trend rate	—	—	—	—	5.00%	5.00%
Number of years to ultimate trend rate	—	—	—	—	5	6
Measurement date	9/30	9/30	9/30	9/30	12/31	12/31

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for employee retirement plans with accumulated benefit obligations in excess of plan assets were $1,538 million, $1,279 million and $870 million, respectively, for 2002 and $789 million, $720 million and $556 million, respectively, for 2001.

NOTE 7. Employee Retirement Benefits — (Continued)

The change in the U.S. discount rate from 7.50% to 6.75% for the year ended December 31, 2002, resulted in an increase of $97 million to the U.S. retirement plan benefit obligation, which is included in the 2002 actuarial loss in the table above.

NOTE 8. Debt

Debt at December 31 was as follows:

	Maturity	Weighted Average Interest Rate		Book Value	
		2002	2001	2002	2001
				(in millions)	
Debt payable within one year					
Commercial paper		1.7%	3.1%	$ 166	$ 360
Other — short-term		6.0%	5.5%	121	210
Current portion of long-term debt		5.8%	5.8%	61	59
Total debt payable within one year				348	629
Long-term debt					
Unsecured debt securities	2005-2010	6.4%	7.4%	1,239	1,191
Other	2004-2018	7.3%	7.6%	59	102
Total long-term debt				1,298	1,293
Total debt				$1,646	$1,922

On August 3, 2000, Visteon completed a public offering of unsecured fixed-rate term debt securities totaling $1.2 billion with maturities of five years and ten years. The offering included $500 million of securities maturing on August 1, 2005, and $700 million of securities maturing on August 1, 2010. The five and ten year securities were issued at a slight discount to the stated rates of interest of 7.95% and 8.25%, respectively. Interest rate swaps have been entered into for the unsecured term debt securities maturing on August 1, 2005, and a portion of the debt securities maturing on August 1, 2010. These swaps effectively convert the securities from fixed interest rate to variable interest rate instruments, as further described in Note 12 of our consolidated financial statements. The weighted average interest rates as presented include the effects of interest rate swaps. Interest is payable semi-annually on February 1 and August 1. The unsecured term debt securities agreement contains certain restrictions including, among others, a limitation relating to liens and sale lease-back transactions, as defined in the agreement. In the opinion of management, Visteon was in compliance with all of these restrictions.

Under Visteon’s commercial paper program, $166 million and $360 million was outstanding at December 31, 2002 and 2001, respectively, with a weighted average remaining maturity of 12 and 34 days at December 31, 2002 and 2001, respectively.

NOTE 8. Debt — (Continued)

On April 2, 2002, Visteon and Visteon Capital Trust I (the "trust") filed a shelf registration statement with the Securities and Exchange Commission to register $800 million in securities. Under this shelf process, in one or more offerings, Visteon may sell notes, preferred stock, common stock, depositary shares, warrants, stock purchase contracts and stock purchase units; and the trust may sell trust preferred securities representing undivided beneficial interests in the trust. This shelf registration statement replaces the prior shelf registration statement filed on June 23, 2000. The registration statement became effective on April 12, 2002. Each time Visteon sells securities under this shelf registration statement, a prospectus supplement will be provided that will contain specific information about the terms of that offering. Except as may otherwise be determined at the time of sale, the net proceeds would be used for general corporate purposes.

During the second quarter of 2002, Visteon renewed its financing arrangements with third-party lenders that provide contractually committed, unsecured revolving credit facilities. The new financing arrangements are with a syndicate of lenders providing for a maximum of $1.8 billion in committed, unsecured credit facilities (the "Credit Facilities"). The terms of the Credit Facilities provide for a 364-day revolving credit line in the amount of $775 million, which expires June 2003, and a five-year revolving credit line in the amount of $775 million, which expires June 2007. The Credit Facilities also provide for a five-year delayed draw term loan in the amount of $250 million, which will be used primarily to finance construction of a headquarters facility in Southeast Michigan. Consistent with the prior financing arrangements, any borrowings under the Credit Facilities would bear interest based on a variable interest rate option selected at the time of borrowing. The Credit Facilities contain certain affirmative and negative covenants including a covenant not to exceed a specified leverage ratio. As of December 31, 2002, Visteon did not have any amounts outstanding under the Credit Facilities. In the opinion of management, Visteon has been in compliance with all covenants since the inception of the revolving credit facilities.

The company has additional debt arrangements with respect to a number of its non-U.S. operations, a portion of which are payable in non-U.S. currencies.

We have guaranteed about $25 million of borrowings held by unconsolidated joint ventures and have extended loans of about $8 million to unconsolidated joint ventures, as of December 31, 2002. In addition, we have guaranteed Tier 2 suppliers' debt and lease obligations of about $16 million, at December 31, 2002, to ensure the continued supply of essential parts.

Prior to the spin-off from Ford, Visteon had a number of debt and support facility arrangements directly with Ford or its wholly-owned subsidiaries, including a revolving loan arrangement under which Visteon could borrow up to $1,250 million. Interest on this debt was determined quarterly based on Ford's average interest rate on its U.S. Dollar denominated, publicly traded automotive debt. Upon completing the spin-off from Ford, all debt and support facility arrangements with Ford were terminated. During 2000, amounts outstanding under the revolving loan arrangement of about $1,120 million were converted into an equity investment by Ford, and any remaining amounts outstanding under the arrangements were repaid by Visteon to Ford.

Debt at December 31, 2002, included maturities as follows (in millions): 2003 — $348; 2004 — $47; 2005 — $527; 2006 — $5; 2007 — $4; thereafter — $715.

NOTE 9. Capital Stock and Stock Award Plans

Visteon was incorporated in Delaware in January 2000 with an initial capitalization of 10,000 shares of $1.00 par value common stock authorized and 1,000 shares of common stock outstanding. Through an amendment to its certificate of incorporation, the number of common shares authorized and outstanding was increased to 500 million and 130 million, respectively. In addition, 50 million shares of preferred stock, par value $1.00 per share, were authorized, none of which have been issued.

The Visteon Corporation 2000 Incentive Plan ("Incentive Plan"), which is administered by the Compensation Committee of the Board of Directors, provides for the grant of incentive and nonqualified stock options, stock appreciation rights, performance stock rights and stock, and various other rights based on stock. The Visteon Corporation Employees Equity Incentive Plan ("EEIP"), which is administered by an Administrator appointed by the Board of Directors, provides for the grant of nonqualified stock options, stock appreciation rights, performance stock rights and stock, and various other rights based on stock. The Visteon Corporation Restricted Stock Plan for Non-Employee Directors provides for the grant of restricted stock to non-employee directors. The total number of shares of common stock subject to awards under the Incentive Plan and EEIP is 13 million and 6.5 million shares of common stock, respectively. At December 31, 2002, there were 4.5 million and 4 million shares of common stock available for grant under the Incentive Plan and EEIP, respectively. All plans have been approved by shareholders.

Stock options granted under the Incentive Plan or the EEIP have an exercise price equal to the average of the highest and lowest prices at which Visteon common stock was traded on the New York Stock Exchange on the date of grant. Stock options that have been granted become exercisable one-third after one year from the date of grant, an additional one-third after two years and in full after three years, and expire 10 years from the date of grant.

Effective at the date of spin-off and subject to shareholder approval, Visteon granted under the Incentive Plan to some employees about 2 million stock options with an exercise price equal to the average of the highest and lowest prices at which Visteon common stock was traded on the New York Stock Exchange on that date. Shareholder approval was obtained in May 2001 for the grant of these stock options. The difference between the exercise price and the average price of Visteon common stock on the date of shareholder approval will be recognized as compensation expense over the vesting period. Stock option compensation expense before taxes was $3 million and $4 million in 2002 and 2001, respectively.

NOTE 9. Capital Stock and Stock Award Plans — (Continued)

Information concerning stock options is as follows:

	Shares	Weighted Average Exercise Price
	(in thousands)	
Outstanding at December 31, 2000	—	$ —
Granted	5,193	15.60
Exercised	(172)	13.09
Terminated	(89)	15.08
Outstanding at December 31, 2001	4,932	$15.74
Granted	3,491	13.45
Exercised	(24)	11.96
Terminated	(494)	15.10
Outstanding at December 31, 2002	7,905	$14.78
Outstanding but not exercisable at December 31, 2002	5,844	
Exercisable at December 31, 2002	2,061	$15.05

The following is a summary of the range of exercise prices for stock options that are outstanding and exercisable at December 31, 2002:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
	(in thousands)	(in years)		(in thousands)	
$ 7.00 - $12.00	72	9.30	$ 8.64	11	$10.13
12.01 - 17.00	5,150	8.58	13.43	1,155	13.18
17.01 - 22.00	2,683	8.36	17.53	895	17.53
	7,905			2,061	

Under the Incentive Plan, Visteon has granted restricted stock awards to certain employees with a price equal to the average of the highest and lowest prices at which Visteon common stock was traded on the New York Stock Exchange on the grant date. Restricted stock awards vest after a designated period of time, which is generally five years, or upon the achievement of applicable performance goals at the completion of a performance period, which is generally three years. Performance goals are related to return on equity and quality measures. Compensation expense related to performance-based restricted stock awards is recognized over the performance period based upon an estimate of the likelihood of achieving the performance goals and also reflects changes in the price of Visteon common stock. Restricted stock awards issued to the company’s Board of Directors vest on the third anniversary of the date of the grant. Restricted stock compensation expense before taxes was $3 million and $9 million in 2002 and 2001, respectively.

NOTE 9. Capital Stock and Stock Award Plans — (Continued)

Information concerning restricted stock awards is as follows:

	Shares	Weighted Average Price
	(in thousands)	
Outstanding at December 31, 2000	—	$ —
Granted	1,892	17.39
Lapsed	(65)	17.46
Terminated	(178)	17.46
Outstanding at December 31, 2001	1,649	$17.38
Granted	1,345	13.20
Lapsed	(79)	17.46
Terminated	(201)	16.26
Outstanding at December 31, 2002	2,714	$15.39

NOTE 10. Litigation and Claims

Various legal actions, governmental investigations and proceedings and claims are pending or may be instituted or asserted in the future against Visteon, including those arising out of alleged defects in Visteon's products; governmental regulations relating to safety; employment-related matters; customer, supplier and other contractual relationships; intellectual property rights; product warranties; and environmental matters. Some of the foregoing matters involve or may involve compensatory, punitive, or antitrust or other treble damage claims in very large amounts, or demands for recall campaigns, environmental remediation programs, sanctions, or other relief which, if granted, would require very large expenditures.

Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. Reserves have been established by Visteon for matters discussed in the foregoing paragraph where losses are deemed probable; these reserves are adjusted periodically to reflect estimates of ultimate probable outcomes. It is reasonably possible, however, that some of the matters discussed in the foregoing paragraph for which reserves have not been established could be decided unfavorably to Visteon and could require Visteon to pay damages or make other expenditures in amounts, or a range of amounts, that cannot be estimated at December 31, 2002. Visteon does not reasonably expect, based on its analysis, that any adverse outcome from such matters would have a material effect on our financial condition, results of operations or cash flows, although such an outcome is possible.

In July 2002, Visteon entered into an agreement to consolidate the resolution of various pending employment-related claims and litigation relating to allegations made by current and former employees at a Michigan facility. The amounts paid pursuant to this agreement were in line with reserves established in the second quarter of 2002.

NOTE 11. Arrangements with Ford and its Affiliates

Revenues from Ford and its affiliates approximated 80% in 2002, 82% in 2001 and 84% in 2000 of total sales.

In connection with Visteon's separation from Ford, Visteon and Ford entered into a series of agreements outlining the terms of separation and the relationship between Visteon and Ford on an ongoing basis. The following summary of certain of these agreements is qualified in all respects by the actual terms of the respective agreements.

Master Transfer Agreement

The master transfer agreement, effective as of April 1, 2000, provided for Ford to transfer to Visteon and/or its subsidiaries, all assets used exclusively by Visteon, including but not limited to real property interests, personal property and ownership interests in subsidiaries and joint ventures.

In addition, Visteon and Ford agreed to a division of liabilities including liabilities related to product liability, warranty, recall, environmental, intellectual property claims and other general litigation claims. Visteon and Ford agreed on a division of responsibility for product liability, warranty and recall matters as follows: (a) Ford will retain liability for all product liability, warranty or recall claims that involve parts made or sold by Visteon for 1996 or earlier model year Ford vehicles, (b) Visteon is liable for all product liability, warranty or recall claims that involve parts made or sold by Visteon for 1997 or later model year Ford vehicles in accordance with Ford's global standard purchase order terms as applied to other Tier 1 suppliers and (c) Visteon has assumed all responsibility for product liability, warranty or recall claims relating to parts made or sold by Visteon to any non-Ford customers.

Supply Agreement and Pricing Letter Agreement

The supply agreement provides that Visteon's existing purchase orders with Ford as of January 1, 2000, will generally remain in effect at least through the end of 2003, subject to Ford's right to terminate any particular purchase order for quality or other reasons. In addition, the pricing letter required a one-time 5% price reduction on products that Visteon was supplying to Ford as of January 1, 2000, based on a market pricing review conducted by Ford and Visteon. The pricing letter also requires productivity price adjustments in each of 2000, 2001, 2002 and 2003 to reflect competitive price reductions obtained each year by Ford from its other Tier 1 suppliers. Visteon and Ford agreed on a 3.5% productivity price reduction for 2000 on such products. In March 2002, Visteon and Ford reached agreement regarding disputed North American pricing for 2001 as well as general consensus on issues relating to productivity price adjustments for 2002 and 2003. Subsequently in June 2002, Visteon and Ford reached agreement regarding disputed European pricing for 2001 and 2002, as well as certain other commercial matters.

Under the supply agreement, until May 31, 2003, we have a right of last refusal to meet competitive terms, including price, technology, service and design, on replacement products that (1) we produce in North America, Europe and Mexico (for Mexican production intended for export to the U.S. only) and (2) we supplied to Ford on January 1, 2000. Although the right of last refusal does not apply to Ford's Volvo or Jaguar brand vehicles or to Mazda Motor Corporation's vehicles, Ford has agreed to use reasonable efforts to provide us with similar opportunities to bid for business with respect to these vehicles.

NOTE 11. Arrangements with Ford and its Affiliates — (Continued)

We have the opportunity to bid on the same basis as other suppliers for other new Ford business. Our ability to realize sales on all Ford business, including business awarded pursuant to existing purchase orders, is in all cases subject to a variety of factors, including the volume and option mix of vehicles actually produced by Ford, the timing of that production and our continuing competitiveness.

Master Separation Agreement

Ford provides a number of transitional services to Visteon pursuant to the master separation agreement and related arrangements, including information technology, human resources, accounting, customs, product development technology and real estate services. Visteon agreed to pay Ford amounts which reflect its fully accounted cost for these services, including a reasonable allocation of internal overhead costs, as well as any direct costs incurred from outside suppliers. Except for certain information technology services, Ford's obligation to provide these services pursuant to the master separation agreement expired in June 2002, and Visteon and Ford are in the process of negotiating new arrangements covering many of these services. For periods prior to and including our spin-off, assessments for these services totaled approximately $179 million in 2000.

Hourly Employee Assignment Agreement

The hourly employee assignment agreement sets forth a number of rights and obligations with respect to the United States hourly employees of Ford who (i) were represented by the UAW, (ii) were covered by the Ford UAW Master Collective Bargaining Agreement dated as of September 30, 1999, (iii) were employed in one of Visteon's facilities as of the date of the spin-off and (iv) after Visteon's spin-off were assigned to work for Visteon.

Under this agreement, Visteon exercises day-to-day supervision over the covered individuals and Ford will continue to provide the same employee benefits generally offered to other hourly employees of Ford who are represented by the UAW. Visteon reimburses Ford for the wage, benefit and other costs incurred by Ford related to these individuals. However, Visteon's reimbursement obligation for profit sharing based on Ford's profits is limited to $50 million per year in each of 2000-2004. After 2004, Visteon will be responsible to reimburse Ford for the full amount of profit sharing based on Ford's profits.

NOTE 12. Financial Instruments

Fair Value of Financial Instruments

Estimated fair value amounts have been determined using available market information and various valuation methods depending on the type of instrument. In evaluating the fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and/or different valuation techniques may have a material effect on the estimated fair value amounts. Further, it should be noted that fair value at a particular point in time gives no indication of future gain or loss, or what the dimensions of that gain or loss are likely to be.

NOTE 12. Financial Instruments — (Continued)

The fair value of debt was $1,698 million at December 31, 2002, based on quoted market prices or current rates for similar debt with the same remaining maturities, compared with book value of $1,646 million. The fair value of debt approximated $1,954 million at December 31, 2001. The notional amount of interest rate swaps was $790 million and $500 million, respectively, at December 31, 2002 and 2001. The fair market value of the interest rate swaps was an asset of $39 million and a liability of $9 million at December 31, 2002 and 2001, respectively, with an offsetting amount recorded in long-term debt.

The fair value of foreign currency instruments was estimated using current market rates provided by outside quotation services. The notional amount of foreign currency instruments in equivalent U.S. dollars was $1,007 million and $949 million at December 31, 2002 and 2001, respectively. The notional amount represents the contract amount, not the amount at risk. The fair value of the company's foreign currency instruments was a liability of $36 million and an asset of $9 million at December 31, 2002 and 2001, respectively.

The notional amount of commodity derivatives was $29 million and $4 million at December 31, 2002 and 2001, respectively. The fair market value of commodity derivatives was an asset of $7 million and less than $1 million at December 31, 2002 and 2001, respectively.

Total realized and unrealized gains and losses on derivatives, net of tax, as a component of accumulated other comprehensive income reduced stockholders' equity by $8 million at December 31, 2002 and increased stockholders' equity by $5 million at December 31, 2001. It is anticipated that approximately $10 million of deferred net losses, net of tax, will be reclassified from accumulated other comprehensive income to earnings over the next 12 months as the anticipated underlying transactions occur.

Concentration of Credit Risk

Financial instruments, including cash equivalents, marketable securities, derivative contracts and accounts receivable, expose us to counterparty credit risk for non-performance. Our counterparties for cash equivalents, marketable securities and derivative contracts are banks and financial institutions that meet our requirement of high credit standing. Our counterparties for derivative contracts are substantial investment and commercial banks with significant experience using such derivatives. We manage our credit risk through policies requiring minimum credit standing and limiting credit exposure to any one counterparty, and through monitoring counterparty credit risks. Our concentration of credit risk related to derivative contracts at December 31, 2002, was not significant.

With the exception of accounts receivable from Ford and its affiliates, the company has no significant concentration of credit risk with any individual customer. Management periodically performs credit evaluations of its customers and generally does not require collateral.

NOTE 13. Acquisitions, Dispositions and Special Charges

2002 Actions

Visteon recorded total costs of $223 million of pre-tax charges, with $200 million in costs of sales and $23 million in selling, administrative and other expenses, as summarized below:

	2002	
	Pre-tax	After-tax
	(in millions)	
Restructuring and other charges:		
2002 actions*	$209	$134
Adjustments to prior year's expenses	(12)	(8)
Total restructuring and other charges	197	126
Loss related to sale of restraint electronics business	26	16
Total special charges	$223	$142

* 2002 amount includes $5 million related to the write-down of inventory.

In the first quarter of 2002, Visteon recorded pre-tax charges of $95 million related to the separation of 820 employees at Markham, Ontario, as a result of the company's decision to move nearly all of the non-restraint electronics business to facilities in Mexico, the elimination of about 215 engineering positions in the United States to reduce research and development costs, the closure of our Visteon Technologies facility in California and the related discontinuation of support for our aftermarket navigation systems product line, the closure of our Leatherworks facility in Michigan and the elimination of about 240 manufacturing positions in Mexico. Included in the $95 million pre-tax change is $12 million of non-cash charges related to the write-down of equipment to be disposed of and the write-down of aftermarket navigation systems inventory. The engineering-related and Mexican manufacturing-related separations, and the closure of Visteon Technologies, were completed in the first quarter of 2002. The Leatherworks facility was closed in the third quarter of 2002. As of December 31, 2002, Visteon completed moving all of the non-restraint electronics business to other facilities and has separated substantially all Markham employees.

Effective April 1, 2002, Visteon completed the sale of its restraint electronics business to Autoliv, Inc. for $25 million, resulting in a pre-tax charge in the first quarter of 2002 of $26 million ($16 million after-tax) recorded in costs of sales. The sale includes Visteon's North American and European order book of approximately $150 million in annual sales to Ford Motor Company and its affiliates, and associated manufacturing operations in Markham, Ontario, as well as related assets and liabilities. As part of the sale, approximately 280 employees from Markham and about 95 engineers from Dearborn, Michigan, transferred to Autoliv.

During the third quarter of 2002, Visteon recorded a pre-tax charge in costs of sales of $26 million ($17 million after-tax) related to restructuring manufacturing operations in the UK, Germany and France. Of this charge, $10 million is related to the separation of about 138 hourly employees located at Visteon's plants in Germany through a special voluntary retirement and separation program. The remaining $16 million is a non-cash impairment charge related to a group of machinery and equipment in Europe for which production activities will be discontinued and the future undiscounted cash flows are less than the carrying value of the assets held for use. Visteon measured the impairment loss by comparing the carrying value of these fixed assets to the expected proceeds from disposal of the assets after completion of remaining production commitments.

NOTE 13. Acquisitions, Dispositions and Special Charges — (Continued)

In the fourth quarter of 2002, Visteon recorded pre-tax charges of $88 million ($56 million after-tax), with $65 million in costs of sales and $23 million in selling, administrative and other expenses costs, related to restructuring actions. Of this charge, $71 million is related to the separation of about 308 U.S. salaried employees through a special voluntary early retirement and separation program and $14 million related to the separation of about 200 hourly employees located at Visteon's plants in Europe through a continuation of a special voluntary retirement and separation program started in the third quarter of 2002. The remaining balance of the charge is related to the elimination of about 189 manufacturing positions in Brazil and other minor actions. The separation of the 308 U.S. salaried employees will take place at various times during 2003.

Accrued restructuring liabilities relating to prior year restructuring plans of $5 million ($3 million after-tax) and $7 million ($5 million after-tax) were credited to costs of sales in the first and fourth quarters of 2002, respectively, reflecting a change in estimated costs to complete these activities.

2001 Actions

During the second quarter of 2001, Visteon recorded pre-tax charges of $158 million ($100 million after-tax), of which $146 million related to the elimination of more than 2,000 salaried positions, mainly in the United States, and $12 million related to the closure of two European facilities, ZEM in Poland and Wickford in the U.K., and other actions. Of the total pre-tax charges, $42 million is recorded in selling, administrative and other expenses and $116 million is recorded in costs of sales.

During the third quarter of 2001, Visteon recorded a pre-tax charge of $34 million ($21 million after-tax) in costs of sales related to special voluntary retirement and separation programs offered to hourly employees located at Visteon's Nashville Glass plant. This action resulted in the separation of about 245 employees during the third quarter of 2001.

2000 Actions

Visteon recorded a pre-tax charge of approximately $13 million ($8 million after-tax) and $5 million ($3 million after-tax) in the second and third quarters of 2000, respectively, for Visteon employees that were part of special voluntary retirement and separation programs.

In December 2000, Visteon recorded a pre-tax, non-cash impairment write-down of $220 million ($138 million after-tax) in costs of sales to reduce the net book value of the assets associated with the Glass Operations segment to estimated fair value. The write-down was related to property and equipment located primarily at Visteon's Nashville and Tulsa plants, and was determined on a "held for use" basis. The write-down reflects revised operating projections following the end of discussions regarding a joint venture involving the business, which considered factors including the reduction in estimates of automotive production due to softening market conditions, increased natural gas costs and failure to obtain new business and achieve operational cost savings included in earlier projections.

NOTE 13. Acquisitions, Dispositions and Special Charges — (Continued)

In October 2000, the sale of Visteon's 49% interest in the "Conix Group," comprised of Conix Corporation, Conix Canada Inc., Conix Belgium N.V. and Conix U.K. Limited, to Decoma International, Inc., was completed. The sale price for the Visteon interest was $140 million, which was satisfied by a cash payment of $50 million and $90 million of 9.5% subordinated Decoma debentures due in 2003, resulting in an after-tax gain of about $20 million, which is included in equity in net income of affiliated companies on the Consolidated Statement of Income. Visteon received payment of the 9.5% subordinated Decoma debentures in 2001. Cash proceeds received from the sale of the "Conix Group" in 2000 and 2001 are classified as cash flows from investing activities on the accompanying Consolidated Statement of Cash Flows.

Reserve Activity

Reserve balances of $37 million and $23 million at December 31, 2002 and 2001, respectively, are included in current accrued liabilities on the accompanying balance sheets. The December 31, 2002, reserve balance of $37 million includes $3 million related to 2001 restructuring activities. The company currently anticipates that the restructuring activities to which all of the above charges relate will be substantially completed by the end of 2003.

	Automotive Operations		Glass Operations	
	Employee-Related	Other	Employee-Related	Total
		(in millions)		
December 31, 2000 reserve balances	$ —	$ —	$ —	$ —
Second quarter 2001 actions	137	5	16	158
Third quarter 2001 actions	—	—	34	34
Total net expense	137	5	50	192
Utilization	(120)	(5)	(44)	(169)
December 31, 2001 reserve balances	17	—	6	23
First quarter 2002 actions	81	14	—	95
Third quarter 2002 actions	10	16	—	26
Fourth quarter 2002 actions	83	—	5	88
Adjustments to prior year's expenses	(9)	—	(3)	(12)
Total net expense	165	30	2	197
Utilization	(147)	(30)	(7)	(184)
Foreign exchange translation	1	—	—	1
December 31, 2002 reserve balances	$ 36	$ —	$ 1	$ 37

Utilization for 2001 of $169 million includes $94 million of cash payments mainly for severance pay, $70 million incurred related to special pension and other postretirement benefits and $5 million related to the non-cash write-down of certain plant assets. Utilization for 2002 of $184 million includes $111 million incurred related to special pension and other postretirement benefits, $43 million of cash payments mainly for severance pay, $28 million related to the non-cash write-down of certain plant assets and inventory and $2 million of cash payments for other exit costs.

NOTE 14. Accounting Change

Effective January 1, 2002, Visteon adopted Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets." SFAS 142 no longer permits amortization of goodwill and establishes a new method of testing goodwill for impairment by using a fair-value based approach. Under previous accounting standards, Visteon evaluated goodwill for possible impairment by comparing operating income before amortization of goodwill to the amortization recorded for each of the acquired operations to which the goodwill related. Goodwill is related primarily to the acquisition of the interiors division of Compagnie Plastic Omnium and the increase of Visteon's ownership in Halla Climate Corporation to 70% by purchasing an additional 35%, both of which occurred in 1999.

SFAS 142 requires goodwill to be evaluated for possible impairment as of January 1, 2002, and periodically thereafter, using a fair-value approach. An initial test for goodwill impairment using a fair-value approach was performed for the Automotive Operations reporting unit by comparing the estimated fair value of our Automotive Operations reporting unit to its net book value. Visteon's stock market capitalization, as well as market multiples and other factors, were used as the basis for determining the fair value of the Automotive Operations reporting unit. Because the fair value of the Automotive Operations reporting unit was considered less than its net book value, Visteon recorded an impairment loss on goodwill of $363 million ($265 million after-tax) as a cumulative effect of change in accounting principle in the first quarter of 2002. The pre-tax impairment loss consists of $357 million of net goodwill as of December 31, 2001, and $6 million reclassified to goodwill related to certain acquired intangible assets, as required by SFAS 142.

The following presents net income and earnings per share, adjusted to reflect the adoption of the non-amortization provisions of SFAS 142, as of the beginning of the periods presented:

	2002	2001	2000
		(in millions, except per share amounts)	
Net Income (Loss)			
Reported net income (loss)	$ (352)	$ (118)	$ 270
Goodwill amortization, net of tax	—	17	18
Adjusted net income (loss)	$ (352)	$ (101)	$ 288
Earnings (Loss) Per Share — Basic and Diluted			
Reported earnings (loss) per share	$(2.75)	$(0.91)	$2.08
Goodwill amortization, net of tax	—	0.13	0.14
Adjusted earnings (loss) per share	$(2.75)	$(0.78)	$2.22

NOTE 15. Cash Flows

The reconciliation of net income to cash flows provided by (used in) operating activities is as follows:

	2002	2001	2000
		(in millions)	
Net income (loss)	$ (352)	$(118)	$ 270
Adjustment to reconcile net income (loss) to cash flows from operating activities:			
Cumulative effect of change in accounting, net of tax	265	—	—
Depreciation and amortization	631	666	676
Asset impairment charge related to Glass Operations segment	—	—	220
Loss (gain) on divestitures	26	—	(21)
Earnings of affiliated companies in excess of dividends remitted	(28)	(12)	(18)
Provision for deferred income taxes	(142)	(143)	(87)
Sale of receivables	10	—	—
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable and other current assets	276	(197)	(85)
Decrease (increase) in inventory	85	86	(205)
Increase (decrease) in accounts payable, accrued and other liabilities	94	(185)	(1,690)
Increase in postretirement benefits other than pensions	258	256	243
Other	23	83	171
Cash flows provided by (used in) operating activities	$1,146	$ 436	$ (526)

Cash paid for interest and income taxes was as follows:

	2002	2001	2000
		(in millions)	
Interest	$120	$131	$138
Income taxes	80	44	243

NOTE 16. Segment Information

Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information," establishes standards for reporting information about operating segments in annual financial statements and requires reporting selected information about operating segments in interim financial reports. It also establishes standards for related disclosures about products and services and geographic operations.

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-makers, or a decision-making group, in deciding how to allocate resources and in assessing performance. Visteon's chief operating decision-making group is the Strategy Council, which is comprised of the Chairman and Chief Executive Officer and several other senior executives.

Visteon's organization is focused on customer business groups, and supported by centralized product development, manufacturing and administrative functions. Consistent with this organization, Visteon's reportable operating segments are Automotive Operations and Glass Operations. Automotive Operations provides various automotive systems and components mainly to OEM customers; Glass Operations supplies architectural and flat glass to a broad customer base, including OEMs.

The accounting policies for the operating segments are the same as those described in Note 2, "Accounting Policies," of our consolidated financial statements. Visteon evaluates the performance of its operating segments based primarily on sales, income before taxes and net income.

NOTE 16. Segment Information — (Continued)

Financial information for the reportable operating segments is summarized as follows:

	Automotive Operations	Glass Operations	Total Visteon
		(in millions)	
2002			
Sales	$17,797	$ 598	$18,395
Income (loss) before income taxes	(138)	21	(117)
Cumulative effect of change in accounting, net of tax	265	—	265
Net income (loss)	(367)	15	(352)
Depreciation/ amortization	625	6	631
Capital expenditures	716	7	723
Unconsolidated affiliates:			
Equity in net income	39	5	44
Investments in	171	20	191
Total assets, end of period	10,908	262	11,170
2001			
Sales	$17,222	$ 621	$17,843
(Loss) before income taxes	(110)	(59)	(169)
Net (loss)	(83)	(35)	(118)
Depreciation/ amortization	661	5	666
Capital expenditures	744	8	752
Unconsolidated affiliates:			
Equity in net income	19	5	24
Investments in	140	18	158
Goodwill, end of period	363	—	363
Total assets, end of period	10,853	309	11,162
2000			
Sales	$18,721	$ 746	$19,467
Income (loss) before income taxes	689	(250)	439
Net income (loss)	426	(156)	270
Depreciation/ amortization	641	35	676
Capital expenditures	771	22	793
Unconsolidated affiliates:			
Equity in net income	50	6	56
Investments in	122	20	142
Goodwill, end of period	394	—	394
Total assets, end of period	11,116	289	11,405

NOTE 16. Segment Information — (Continued)

Visteon's major geographic areas are the United States and Europe. Other geographic areas (primarily Canada, Mexico, South America and Asia Pacific) individually are not material. Financial information segregated by geographic area is as follows:

Geographic Areas	United States	Europe	All Other	Total Visteon
		(in millions)		
2002				
Sales	$13,093	$2,878	$2,424	$18,395
Net property	3,196	1,404	843	5,443
2001				
Sales	$12,677	$2,781	$2,385	$17,843
Net property	3,179	1,249	901	5,329
2000				
Sales	$14,374	$2,560	$2,533	$19,467
Net property	3,253	1,339	905	5,497

Visteon's sales by group of similar products is as follows:

Product Groups	2002	2001
	(in millions)	
Automotive Operations		
Chassis Products & Systems	$ 4,544	$ 4,584
Interior Products & Systems	3,982	3,507
Climate Control Products & Systems	3,786	3,443
Powertrain Products & Systems	3,320	3,246
Electronic Products & Systems	2,233	2,198
Exterior Products & Systems	814	744
Eliminations	(882)	(500)
Total Automotive Operations	17,797	17,222
Glass Operations	598	621
Total Visteon	$18,395	$17,843

NOTE 17. Summary Quarterly Financial Data (Unaudited)

	2002				2001			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share amounts)							
Sales	$4,469	$5,039	$4,344	$4,543	$4,723	$4,905	$3,722	$4,493
Operating income (loss)	(89)	127	(75)	(44)	68	(42)	(131)	(12)
Income (loss) before income taxes	(107)	117	(78)	(49)	55	(57)	(146)	(21)
Net income (loss)	(338)	72	(52)	(34)	31	(40)	(95)	(14)
Earnings (loss) per share	$ (2.63)	$ 0.56	$ (0.40)	$ (0.27)	$ 0.24	$ (0.31)	$ (0.74)	$ (0.11)

As discussed further in Note 13 of our consolidated financial statements, Visteon recorded pre-tax charges of $116 million, $26 million and $81 million in the first quarter, third quarter and fourth quarter of 2002, respectively, related to various special charges from restructuring actions and the sale of the restraint electronics business. As discussed further in Note 14 of our consolidated financial statements, results for the first quarter of 2002 include an impairment loss on goodwill of $363 million ($265 million after-tax) as a cumulative effect of change in accounting principle.

Results for the fourth quarter of 2001 include approximately $40 million of pre-tax income related to adjustments made to estimated provisions for various employee fringe benefit accruals recorded during the first nine months of 2001.

As discussed further in Note 13 of our consolidated financial statements, Visteon recorded a pre-tax charge of $158 million in the second quarter of 2001 related to the elimination of more than 2,000 salaried positions worldwide and the closure of two European facilities and other actions. In addition, Visteon recorded a pre-tax charge of $34 million in the third quarter of 2001 for special voluntary retirement and separation programs.

Note 18. Subsequent Event

Since our separation from Ford, Ford has provided us with and charged us for many of our information technology needs. In January 2003, we entered into a 10-year outsourcing agreement with International Business Machines (“IBM”) pursuant to which we will outsource a wide range of IT services on a global basis, including mainframe support services, data centers, customer support centers, application development and maintenance, data network management, desktop support, disaster recovery and web hosting. The service charges under the outsourcing agreement are expected to aggregate about $2 billion during the ten years covered by the agreement, subject to decreases and increases in the service charges based on Visteon’s actual consumption of services to meet its then current business needs. The outsourcing agreement may also be terminated for Visteon’s business convenience after its second full year for a scheduled termination fee. As part of this agreement, IBM will assist us in transitioning from the use of Ford’s IT systems through a one-time, infrastructure replication, application cloning and migration and data warehousing project. We expect additional IT expenditures in 2003 associated with the transition of the outsourcing agreement and the separation from the Ford systems to be in the range of $150 million to $200 million. We anticipate that the result of these actions will be a greater systems separation from Ford, improved flexibility in our overall IT systems and improved global IT services suited to our business.

EXHIBIT INDEX

Exhibit Number	Exhibit Name
3.1	Amended and Restated Certificate of Incorporation of Visteon Corporation ("Visteon") is incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q of Visteon dated July 24, 2000.
3.2	Amended and Restated By-laws of Visteon as in effect on the date hereof is incorporated herein by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q of Visteon dated November 14, 2001.
4.1	Indenture dated as of June 23, 2000 between Visteon and Bank One Trust Company, N.A., as Trustee, is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of Visteon dated July 31, 2000 (filed August 16, 2000).
4.2	Form of Common Stock Certificate of Visteon is incorporated herein by reference to Exhibit 4.1 to Amendment No. 1 to the Registration Statement on Form 10 of Visteon dated May 19, 2000.
10.1	Master Transfer Agreement dated as of March 30, 2000 between Visteon and Ford Motor Company ("Ford") is incorporated herein by reference to Exhibit 10.2 to the Registration Statement on Form S-1 of Visteon dated June 2, 2000 (File No. 333-38388).
10.2	Purchase and Supply Agreement dated as of January 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.3 to the Registration Statement on Form S-1 of Visteon dated June 2, 2000 (File No. 333-38388).
10.3	Letter Relating to Price Reductions dated March 31, 2000 from Ford is incorporated herein by reference to Exhibit 10.3.1 to the Registration Statement on Form S-1 of Visteon dated June 2, 2000 (File No. 333-38388).
10.4	Master Separation Agreement dated as of June 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.4 to Amendment No. 1 to the Registration Statement on Form S-1 of Visteon dated June 6, 2000 (File No. 333-38388).
10.5	Aftermarket Relationship Agreement dated as of January 1, 2000 between Visteon and the Automotive Consumer Services Group of Ford is incorporated herein by reference to Exhibit 10.5 to Amendment No. 1 to the Registration Statement on Form 10 of Visteon dated May 19, 2000.
10.6	Hourly Employee Assignment Agreement dated as of April 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.6 to Amendment No. 1 to the Registration Statement on Form 10 of Visteon dated May 19, 2000.
10.7	Employee Transition Agreement dated as of April 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.7 to Amendment No. 1 to the Registration Statement on Form 10 of Visteon dated May 19, 2000.
10.8	Tax Sharing Agreement dated as of June 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.8 to the Registration Statement on Form S-1 of Visteon dated June 2, 2000 (File No. 333-38388).
10.9	Visteon Corporation 2000 Incentive Plan is incorporated herein by reference to Appendix E to the Proxy Statement of Visteon dated March 26, 2001.*
10.10	Form of Revised Change in Control Agreement is incorporated herein by reference to Exhibit 10.10 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2000.*

Exhibit Number	Exhibit Name
10.10.1	Schedule identifying substantially identical agreements to Revised Change in Control Agreement constituting Exhibit 10.10 hereto entered into by Visteon with Messrs. Pestillo, Johnston, Coulson, Orchard and Marcin, and Ms. Fox.*
10.11	Issuing and Paying Agency Agreement dated as of June 5, 2000 between Visteon and The Chase Manhattan Bank is incorporated herein by reference to Exhibit 10.11 to the Quarterly Report on Form 10-Q of Visteon dated July 24, 2000.
10.12	Corporate Commercial Paper — Master Note dated June 1, 2000 is incorporated herein by reference to Exhibit 10.12 to the Quarterly Report on Form 10-Q of Visteon dated July 24, 2000.
10.13	Letter Loan Agreement dated as of June 12, 2000 from The Chase Manhattan Bank is incorporated herein by reference to Exhibit 10.13 to the Quarterly Report on Form 10-Q of Visteon dated July 24, 2000.
10.14	Visteon Corporation Deferred Compensation Plan for Non-Employee Directors is incorporated herein by reference to Exhibit 10.14 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2000.*
10.15	Visteon Corporation Restricted Stock Plan for Non-Employee Directors is incorporated herein by reference to Appendix F to the Proxy Statement of Visteon dated March 26, 2001.*
10.16	Visteon Corporation Deferred Compensation Plan, as amended.*
10.17	Visteon Corporation Savings Parity Plan.*
10.18	Visteon Corporation Pension Parity Plan.*
10.19	Visteon Corporation Supplemental Executive Retirement Plan.*
10.20	Executive Employment Agreement dated as of September 15, 2000 between Visteon and Michael F. Johnston is incorporated herein by reference to Exhibit 10.20 to the Annual Report on Form 10-K for the period ended December 31, 2001.*
10.21	Service Agreement dated as of November 1, 2001 between Visteon International Business Development, Inc., a wholly-owned subsidiary of Visteon, and Dr. Heinz Pfannschmidt.*
10.22	Visteon Corporation Executive Separation Allowance Plan.*
10.23	Trust Agreement dated as of February 7, 2003 between Visteon and The Northern Trust Company establishing a grantor trust for purposes of paying amounts to certain executive officers under the plans constituting Exhibits 10.14, 10.16, 10.17, 10.18, 10.19 and 10.22 hereto.*
10.24	Five-Year Revolving Loan Credit Agreement dated as of June 20, 2002 among Visteon, the several banks and other financial institutions or entities from time to time parties to the agreement, JPMorgan Chase Bank, as administrative agent, and Bank of America N.A., as syndication agent.
10.25	364-Day/ 1-Year Term-Out Credit Agreement dated as of June 20, 2002 among Visteon, the several banks and other financial institutions or entities from time to time parties to the agreement, JPMorgan Chase Bank, as administrative agent, and Bank of America N.A., as syndication agent.
10.26	Five-Year Term Loan Credit Agreement dated as of June 25, 2002 among Visteon, the several banks and other financial institutions or entities from time to time parties to the agreement, JPMorgan Chase Bank, as administrative agent, and Bank of America N.A., as syndication agent.
12.1	Statement re: Computation of Ratios.

Exhibit Number	Exhibit Name
21.1	Subsidiaries of Visteon.
23.1	Consent of Independent Accountants, PricewaterhouseCoopers LLP.
24.1	Powers of Attorney relating to execution of this Annual Report on Form 10-K.
99.1	Risk Factors.
99.2	Written Statement of Chief Executive Officer dated February 14, 2003.
99.3	Written Statement of Chief Financial Officer dated February 14, 2003.

* Indicates that exhibit is a management contract or compensatory plan or arrangement.

In lieu of filing certain instruments with respect to long-term debt of the kind described in Item 601(b)(4) of Regulation S-K, Visteon agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.

EXHIBIT 10.10.1

Schedule identifying substantially identical agreements, between Visteon Corporation ("Visteon") and each of the persons named below, to the Revised Change in Control Agreement constituting Exhibit 10.10 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2002.

Name
Peter J. Pestillo
Michael F. Johnston
Daniel R. Coulson
James C. Orchard
Stacy L. Fox
Robert H. Marcin

EXHIBIT 10.16

VISTEON CORPORATION
DEFERRED COMPENSATION PLAN

Effective July 1, 2000
(Together With All Amendments Through December 11, 2002)

VISTEON CORPORATION
DEFERRED COMPENSATION PLAN

The Visteon Corporation Deferred Compensation Plan (the "Plan") has been adopted to promote the best interests of Visteon Corporation (the "Company") and the stockholders of the Company by attracting and retaining key management employees possessing a strong interest in the successful operation of the Company and its subsidiaries or affiliates and encouraging their continued loyalty, service and counsel to the Company and its subsidiaries or affiliates. The Plan is adopted effective July 1, 2000.

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

The following terms have the meanings indicated below unless the context in which the term is used clearly indicates otherwise:

(a) Account: The record keeping account maintained to record the interest of each Participant under the Plan. An Account is established for record keeping purposes only and not to reflect the physical segregation of assets on the Participant's behalf, and may consist of such subaccounts or balances as the Committee may determine to be necessary or appropriate.

(b) Beneficiary: The person or entity designated by a Participant to be his beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of Beneficiary shall be valid and in effect only if a properly executed designation, in such form as the Committee shall prescribe, is filed and received by the Committee or its delegate prior to the Participant's death. If a Participant designates his or her spouse as Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of Beneficiary is not in effect at the time of the Participant's death, the estate of the Participant is deemed to be the sole Beneficiary. If multiple beneficiaries have been designated and one or more of the Beneficiaries predecease the Participant, then upon the Participant's death, payment shall be made exclusively to the surviving Beneficiary or Beneficiaries unless the Participant's designation specifies an alternate method of distribution. Further, in the event that the Committee is uncertain as to the identity of the Participant's Beneficiary, the Committee may deem the estate of the Participant to be the sole Beneficiary. Beneficiary designations shall be in writing (or in such other form as authorized by the Committee for this purpose, which may include on-line designations), shall be filed with the Committee or its delegate, and shall be in such form as the Committee may prescribe for this purpose.

(c) Board: The Board of Directors of the Company.

(d) Code: The Internal Revenue Code of 1986, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of the Code shall be deemed to include reference to any successor provision thereto.

(e) Committee: The Organization and Compensation Committee of the Board.

(f) Company: Visteon Corporation, or any successor thereto.

(g) Covered Employment Classification: The employment positions classified by the Company (or by a Participating Affiliate with the consent of the Company) as Leadership Levels One, Two, Three, Four, Five, Corporate Officer, Executive Leader, Senior Leader, or Senior Manager/Senior Specialist.

(h) Deferrals: An amount credited, in accordance with a Participant's election under Article III or as directed by the Committee, to the Participant's Account in lieu of the payment of an equal amount of cash compensation to the Participant.

(i) Employee: A person who is (i) classified by a Participating Employer as a common law employee enrolled on the active employment rolls of the Participating Employer, and (ii) regularly employed by the Participating Employer on a salaried basis (as distinguished from an individual receiving a pension, retirement allowance, severance pay, retainer, commission, fee under a contract or other arrangement, or hourly, piecework or other wage).

(j) ERISA: The Employee Retirement Income Security Act of 1974, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of ERISA shall be deemed to include reference to any successor provision thereto.

(k) Exchange Act: The Securities Exchange Act of 1934, as interpreted by regulations and rules issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of the Exchange Act shall be deemed to include reference to any successor provision thereto.

(l) Ford Common Stock: The common stock of Ford Motor Company.

(m) Ford Stock Units: The hypothetical stock units having a value based primarily on the value of Ford Common Stock.

(n) Incentive Plan: The Visteon Corporation 2000 Incentive Plan, as amended (including for this purpose any predecessor or transitional short-term or long-term incentive compensation program in effect for periods prior to January 1, 2001), or any other incentive plan or plans that is subsequently adopted by the Company as a successor thereto. Investment Options: Subject to Section 4.04, the hypothetical investment accounts that the Committee may from time to time establish, which may, but need not, be based upon one or more of the investment options available under the Visteon Investment Plan. The Committee may determine to discontinue any previously established Investment Option, may make an Investment Option available only for reallocations or transfer of Account balances out of it, and may determine the timing for any applicable "sunset" period.

(o) Participant: An Employee who satisfies the participation requirements of Section 2.01 and, where the context so requires, a former Employee entitled to receive a benefit hereunder.

(p) Participating Employer: The Company, Visteon Systems LLC, Visteon Global Technologies, Inc., and each other subsidiary a majority of the voting stock of which is owned directly or indirectly by the Company, or a limited liability company a majority of the membership interest of which is owned directly or indirectly by the Company, that with the consent of the Committee, participates in the Plan for the benefit of one or more Participants in its employ.

(q) Plan: The Visteon Corporation Deferred Compensation Plan, as amended and in effect from time to time.

(r) Visteon Common Stock: The common stock of the Company.

(s) Visteon Common Stock Fund: The Visteon Common Stock Fund that is an available investment option under the Visteon Investment Plan.

(t) Visteon Investment Plan: The Visteon Investment Plan, as amended and in effect from time to time.

(u) Visteon Stock Units: The hypothetical stock units having a value based primarily on the value of Visteon Common Stock. To the extent that a cash dividend would have been payable with respect to the Visteon Stock Units had the Units been actual shares of Visteon Common Stock, the amount of the cash dividend shall be converted to Visteon Stock Units and credited to the Participant's Account as such.

Section 1.02. Construction and Applicable Law.

(a) Wherever any words are used in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are use in the singular or the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply. Titles of articles and sections are for general information only, and the Plan is not to be construed by reference to such items.

(b) This Plan is intended to be a plan of deferred compensation maintained for a select group of management or highly compensated employees as that term is used in ERISA, and shall be interpreted so as to comply with the applicable requirements thereof. In all other respects, the Plan is to be construed and its validity determined according to the laws of the State of Michigan to the extent such laws are not preempted by federal law. In case any provision of the Plan is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, but the Plan shall, to the extent possible, be construed and enforced as if the illegal or invalid provision had never been inserted.

ARTICLE II. PARTICIPATION

Section 2.01. Eligibility.

(a) An Employee who is employed in a Covered Employment Classification, and any other Employee who has been specifically designated for participation by the Committee, shall be eligible to participate in the Plan.

(b) Notwithstanding anything is subsection (a) to the contrary, participation in the Plan is limited to United States citizens (whether residing in or outside of the United States) or citizens of another country permanently assigned to and residing in the United States, such that citizens of other countries who are not permanently assigned to the United States, regardless of whether or not they are on the United States payroll, are not eligible to participate in the Plan.

Section 2.02. Certain Transfers of Employment.

If directed by the Committee, a Participant whose employment is transferred to a corporation or other entity (the "Transferee Employer") that is not a Participating Employer, but in which the Company or an affiliate of the Company holds an ownership interest, then until the earliest to occur of (a) the date on which the Participant ceases to be employed by such Transferee Employer, (b) the date on which the Company or an affiliate of the Company no longer holds an ownership interest in the Transferee Employer, or (c) such other date determined by the Committee, the Participant shall be treated as if he or she were still actively employed by a Participating Employer. The foregoing rule shall apply only for the purpose of determining whether the Participant has terminated employment for purposes of the distribution provisions of Article V; it shall not apply, and the Participant shall not be entitled to make additional Deferrals and/or receive additional benefits with respect to remuneration attributable to services rendered with the Transferee Employer (other than deemed investment gain or loss in accordance with Section 4.03). The Committee may promulgate such additional rules as may be necessary or desirable in connection with any such transfer of employment.

ARTICLE III. DEFERRALS AND MATCHING CONTRIBUTION CREDITS

Section 3.01. Participant Deferrals.

In accordance with rules prescribed by the Committee, a Participant may elect to make Deferrals in accordance with this Article III.

Section 3.02. Base Salary Deferrals.

(a) In accordance with rules prescribed by the Committee, a Participant who is employed in the United States and who is eligible to participate in the Incentive Plan and who is actively employed by a Participating Employer in a Covered Employment Classification at the time of the election to defer and at the time the deferral will be made is eligible to defer payment of from 1% to 50% of base salary, or such other percentage specified by the Committee, in 1% increments. Notwithstanding the foregoing, the Committee may impose such additional rules, restrictions or limitations on Deferrals as it deems appropriate in its sole discretion.

(b) A Participant's Deferral election shall be submitted in the manner prescribed by the Committee and shall become effective with respect to base salary earned by the Participant in the calendar year following the calendar year in which the Participant's Deferral election is received by or on behalf of the Committee, or as soon thereafter as practicable, or as otherwise specified by the Committee. A Participant's Deferral election, once effective, shall remain in effect until the end of the calendar year unless it is revoked in accordance with Plan rules.

Section 3.03. Deferrals of Incentive Plan Awards.

(a) In accordance with rules prescribed by the Committee, a Participant who is employed in the United States and who is eligible to participate in the Incentive Plan, may elect to defer a cash or stock award made under the Incentive Plan. An eligible Participant may elect to defer payment under the Plan from 1% to 100%, or such other percentage specified by the Committee, in 1% increments, of the cash portion of an award, net of applicable taxes, but not less than $1,000, provided that such Participant is actively employed in a Covered Employment Classification at the time of the election to defer. An eligible Participant may elect to defer payment of a specified whole number of shares up to 100% of such shares net of applicable

taxes, or such other percentage specified by the Committee, but not less than a whole number of shares with a value of at least $1,000 at the time the deferral election is made; and provided that such Participant is actively employed in a Covered Employment Classification at the time of the election to defer. A deferral election with respect to Restricted Stock Awards must be made during the election period prior to the beginning of the performance period and issuance of the restricted shares, rather than prior to the lapse of restrictions. A Participant's election to defer an Incentive Plan award shall be effective only for the performance period to which the election relates, and a Participant's election does not carry over from performance period to performance period.

(b) The Committee shall determine the required timing for Participants to make elections to defer payment of Incentive Plan awards.

(c) Without limiting the Committee's authority under this Section 3.03, the Committee may impose additional restrictions on the number of Participants who are eligible to defer Incentive Plan awards, and/or impose additional requirements with respect to the deemed investment of stock awards.

Section 3.04. Deferral of New Hire Payments.

(a) In accordance with rules prescribed by the Committee, a Participant who is employed in the United States, who is eligible to participate in the Incentive Plan, and who received an employment offer from the Company that included a new hire payment in cash is eligible to defer from 1% to 100%, or such other percentage specified by the Committee, in 1% increments, of such new hire payment net of applicable taxes, but not less than $1,000, provided that such Participant is actively employed in a Covered Employment Classification at the time the new hire payment would otherwise be payable in the absence of such Deferral.

(b) A Participant's election to defer payment of a new hire payment must be made no later than the day the payment would otherwise be made.

Section 3.05. Deferrals Directed by the Committee.

As part of any award made under the Incentive Plan, the Committee may determine the extent to which payment of the award will be deferred without regard to any election made the Participant; to the extent that the Committee directs that any such award be mandatorily deferred, the Deferral will be credited under this Plan.

Section 3.06. Revocation of Deferral Elections.

(a) A Participant's Deferral election shall be automatically revoked upon the Participant's termination of employment from the Participating Employers, unless the Committee determines otherwise. In addition, the Committee may revoke a Participant's deferral election and take such other action as the Committee deems necessary or appropriate if the Committee determines that the Participant is no longer eligible to participate in the Plan or that revocation of a Participant's eligibility is necessary or desirable in order for the Plan to qualify under ERISA as a plan of deferred compensation for a select group of management or highly compensated employees.

(b) The Committee at any time may rescind or correct any Deferrals or credits to any Account made in error or that jeopardize the intended tax status or legal compliance of the Plan.

ARTICLE IV. ACCOUNTING AND HYPOTHETICAL INVESTMENT

Section 4.01. Accounting.

A Participant Account balance at any point in time shall be equal to:

(a) the bookkeeping amount (if any) credited to the Participant as of June 30, 2000 under the Ford Motor Company Deferred Compensation Plan and transferred in book entry form to this Plan; plus

(b) any Deferrals credited to the Participant's Account on or after July 1, 2000 in accordance with Article III, plus (or minus)

(c) increases (or decreases) in value, as the case may be, to reflect deemed investment gain or loss that would have occurred had the Participant's Account been invested in accordance with Sections 4.02, 4.03 and 4.04 below; minus

(d) any distributions from the Account.

Section 4.02. Hypothetical Investment of Participant Accounts.

(a) Investment Designation. In accordance with rules prescribed by the Committee, each Participant shall designate, in writing or in such other manner as the Committee may prescribe, how Deferrals made while the designation is in effect are credited among the Investment Options. When selecting more than one Investment Option, the Participant shall designate, in whole multiples of 1% or such other percentage determined by the Committee, the percentage of his or her Deferrals to be credited to each Investment Option. A Participant's election shall become effective beginning with the first payroll period commencing on or after the date on which the election is received and accepted by the Committee, or as soon thereafter as is practicable, and shall remain in effect unless and until modified by a subsequent election that becomes effective in accordance with the rules of this subsection.

(b) Reallocation of Account. In accordance with rules prescribed by the Committee, each Participant (or the Beneficiary of a deceased Participant) may elect to reallocate his or her Account among the Investment Options. When selecting more than one Investment Option, the

Participant shall designate, in whole multiples of 1% or such other percentage determined by the Committee, the percentage of his or her Account that is deemed to be invested in each Investment Option after the investment reallocation is given effect. A Participant's reallocation election, once effective, shall remain in effect unless and until modified by a subsequent election that becomes effective in accordance with the rules of this subsection. Other than a reallocation of a Participant's Account pursuant to a revised investment election submitted by the Participant, the deemed investment allocation of a Participant will not be adjusted on account of differences in the investment return realized by the various Investment Options that the Participant has designated.

(c) Limitations. Unless otherwise determined by the Committee, Deferrals of awards of Visteon Common Stock shall be converted into Visteon Stock Units such that the investment designation and reallocation rules set forth in subsections (a) and (b) above shall not apply to such Deferral.

Section 4.03. Deemed Investment Gain or Loss.

On a daily basis or such other basis as the Committee may prescribe, the Account of each Participant will be credited (or charged) based upon the investment gain (or loss) that the Participant would have realized with respect to his or her Account had the Account been invested in accordance with the terms of the Plan and any investment reallocation elections made by the Participant. Unless otherwise determined by the Committee, where an Investment Option is also an available investment option under the Visteon Investment Plan, the methodology for valuing the Investment Option under this Plan and for calculating amounts to be credited or debited or other adjustments to any Account with respect to that Investment Option shall be the same as the methodology used for valuing the corresponding investment option under the Visteon Investment Plan.

Section 4.04. Special Rules With Respect to Ford Stock Units.

(a) The bookkeeping account accrued by certain Participants under the Ford Motor Company Deferred Compensation Plan was transferred to this Plan. One of the hypothetical investment options available under the Ford Motor Company Deferred Compensation Plan was

an investment in Ford Stock Units. In addition to the Investment Options otherwise established by the Committee, the Plan shall have a Ford Stock Unit fund with respect to amounts transferred in book entry form from the Ford Motor Company Deferred Compensation Plan that were deemed to be invested in the Ford Stock Unit fund at the time of transfer. However, the Ford Stock Unit fund shall be a "sell only" fund that is not available for the deemed investment of new Deferrals under Section 4.02(a) above or the reallocation of Deferrals from other Investment Options in accordance with Section 4.02(b) above; provided that to the extent that a cash dividend would have been payable with respect to the Ford Stock Units had the Units been actual shares of Ford Common Stock, the amount of the cash dividend shall be converted to Ford Stock Units and credited to the Participant's Account as such.

(b) In the event of any merger, share exchange, reorganization, consolidation, recapitalization, stock dividend, stock split or other change in corporate structure of the Ford Motor Company affecting Ford Common Stock, the Committee may make appropriate equitable adjustments with respect to the Ford Stock Units (if any) credited to the Account of each Participant, including without limitation, adjusting the number of such Units or the date as of which such units are valued and/or distributed, as the Committee determines is necessary or desirable to prevent the dilution or enlargement of the benefits intended to be provided under the Plan.

Section 4.05. Accounts are For Record Keeping Purposes Only.

Plan Accounts and the record keeping procedures described herein serve solely as a device for determining the amount of benefits accumulated by a Participant under the Plan, and shall not constitute or imply an obligation on the part of a Participating Employer to fund such benefits. In any event, a Participating Employer may, in its discretion, set aside assets equal to part or all of such account balances and invest such assets in Visteon Common Stock, life insurance or any other investment deemed appropriate. Any such assets shall be and remain the sole property of the Participating Employer, and a Participant shall have no proprietary rights of any nature whatsoever with respect to such assets.

ARTICLE V. DISTRIBUTIONS

Section 5.01. Distribution of Account.

(a) Subject to subsection (b) below, each Participant shall make a distribution election with respect to each Deferral to this Plan. With respect to Deferrals originally made to the Ford Motor Company Deferred Compensation Plan that were transferred to this Plan, the Plan will honor, subject to subsection (b) below, a Participant's distribution election made under the Ford Motor Company Deferred Compensation Plan; provided that a Participant, on or before March 31, 2001, may make a one-time election to revoke the Participant's prior election with respect to the form and time of distribution of any such Deferral and make a new election with respect to such Deferral. The Participant's most recent election in effect on March 31, 2001 with respect to a particular Ford Motor Company Deferral, including, if applicable, an election under the Ford Motor Company Deferred Compensation Plan that has not been superceded by a revised election, shall be irrevocable.

(b) Except as otherwise provided in Section 5.02 or 7.07, or as otherwise determined by the Committee, distribution of the portion of the Participant's Account that is attributable to a Deferral shall be made on or before (i) March 15 of the year selected by the Participant for distribution with respect to the particular Deferral if the Participant is an active employee of the Participating Employer on the distribution date, (ii) the March 15 following death or termination for reasons other than retirement on or after age 55 with ten or more years of service, or at any age with 30 or more years or service, notwithstanding any prior selection by the Participant of a subsequent year for distribution, (iii) the March 15 following retirement if the Participant selected distribution upon retirement with respect to the particular Deferral and a lump sum distribution was selected, or if the Participant selected a particular year for distribution with respect to the particular Deferral but retired prior to the year selected, or (iv) the March 15 following retirement with respect to the first annual installment and with subsequent installments on or before March 15 of each subsequent year as necessary in order to complete the number of annual installments (not to exceed ten) as were selected by the Participant with respect to the particular Deferral.

(c) If installment distributions are payable, the amount of the first installment will be an amount determined by dividing the value of the Participant's Account or part thereof relating to a particular Deferral, as of the applicable valuation date as determined below, by the number of installments selected by the Participant. Each subsequent distribution will be an amount determined by dividing the value of the Participant's Account or part thereof relating to a particular Deferral, as of the applicable valuation date as determined below, by the number of remaining installment payments under the method selected by the Participant. Except for installment distributions under clause (iv) of subsection (b) above, all distributions shall be in the form of a lump sum payment. Unless otherwise determined by the Committee, the Account or part thereof relating to a particular Deferral shall be valued, for purposes of the distribution, as of the following applicable date or as soon thereafter as practicable: in the case of a lump sum payment or the final installment of an installment distribution, on the valuation date immediately prior to the date of payment, and in the case of any other distribution, on March 1 of the year of distribution or the next preceding day for which valuation information is available.

Section 5.02. Hardship Distributions.

At the written request of a Participant, the Committee, in its sole discretion, may authorize the cessation of Deferrals under the Plan by such Participant and distribution of all or any part of the Participant's Account prior to his or her scheduled distribution date or dates, or accelerate payment of any installment payable with respect to any Deferral, upon a showing of unforeseeable emergency by the Participant. For purposes of this Section, "unforeseeable emergency" shall mean severe financial hardship resulting from extraordinary and unforeseeable circumstances arising as a result of one or more recent events beyond the control of the Participant. In any event, payment shall not be made to the extent such emergency is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship and (iii) by cessation of Deferrals under the Plan. Withdrawals of amounts because of unforeseeable emergency shall only be permitted to the extent reasonably necessary to satisfy the emergency. Examples of what are not considered to be unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home. The Committee shall determine the applicable distribution date and the date as of which

the amount to be distributed shall be valued with respect to any financial hardship withdrawal or distribution. Any Participant whose Deferrals have ceased under the Plan pursuant to this Section may not elect to recommence Deferrals until the next calendar year.

ARTICLE VI. RULES WITH RESPECT TO VISTEON COMMON STOCK AND VISTEON STOCK UNITS

Section 6.01. Transactions Affecting Visteon Common Stock.

In the event of any merger, share exchange, reorganization, consolidation, recapitalization, stock dividend, stock split or other change in corporate structure of the Company affecting Visteon Common Stock, the Committee may make appropriate equitable adjustments with respect to the Visteon Stock Units (if any) credited to the Account of each Participant, including without limitation, adjusting the number of such Units or the date as of which such units are valued and/or distributed, as the Committee determines is necessary or desirable to prevent the dilution or enlargement of the benefits intended to be provided under the Plan.

Section 6.02. No Shareholder Rights With Respect to Visteon Stock Units.

Participants shall have no rights as a stockholder pertaining to Visteon Stock Units credited to their Accounts.

ARTICLE VII. GENERAL PROVISIONS

Section 7.01. Administration.

(a) Subject to subsection (b) below, the Committee shall administer and interpret the Plan. To the extent necessary to comply with applicable conditions of Rule 16b-3, the Committee shall consist of not less than two members of the Board, each of whom is also a director of the Company and qualifies as a "non-employee director" for purposes of Rule 16b-3. If at any time the Committee shall not be in existence or not be composed of members of the Board who qualify as "non-employee directors", then all determinations affecting Participants who are subject to Section 16 of the Exchange Act shall be made by the full Board, and all determinations affecting other Participants shall be made by the Board or an officer appointed by the Board.

(b) Subject to such limits as the Committee may from time to time prescribe or such additional or contrary delegations of authority as the Committee may prescribe, the Company's Director of Compensation and Benefits may exercise any of the authority and discretion granted to the Committee hereunder, provided that (i) the Director of Compensation and Benefits shall not be authorized to amend the Plan, (ii) the Director of Compensation and Benefits shall not exercise authority and responsibility with respect to non-ministerial functions that relate to the participation by Participants who are subject to Section 16 of the Exchange Act at the time any such delegated authority or responsibility otherwise would be exercised, or that relates to the participation in the Plan by the Director of Compensation and Benefits. To the extent that the Director of Compensation and Benefits is authorized to act on behalf of the Committee, any references herein to the Committee shall be also be deemed references to the Director of Compensation and Benefits.

(c) The Committee (or where applicable in accordance with subsection (b) above, the Director of Compensation and Benefits) may adopt and modify rules and regulations relating to the Plan as it deems necessary or advisable for the administration of the Plan. The Committee (or where applicable in accordance with subsection (b) above, the Director of Compensation and Benefits) shall have the discretionary authority to interpret and construe the Plan, to make benefit determinations under the Plan, and to take all other actions that may be necessary or appropriate

for the administration of the Plan. Each determination, interpretation or other action made or taken pursuant to the provisions of the Plan by the Committee shall be final and shall be binding and conclusive for all purposes and upon all persons, including, but without limitation thereto, the Company, its stockholders, the Participating Employers, the directors, officers, and employees of the Company or a Participating Employer, the Plan participants, and their respective successors in interest.

Section 7.02. Restrictions to Comply with Applicable Law.

Notwithstanding any other provision of the Plan, the Company shall have no liability to make any payment under the Plan unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity. In addition, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 under the Exchange Act. The Committee may take such action as the Committee deems appropriate so that transactions under the Plan will be exempt from Section 16 of the Exchange Act, and shall have the right to restrict or prohibit any transaction to the extent it deems such action necessary or desirable for such exemption to be met.

Section 7.03. Claims Procedures.

(a) Claim for Benefits. Any Participant or Beneficiary (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. The written decision shall be within 90 days of receipt of the claim by the Committee (or 180 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to commencement of the extension). If the claim is denied in whole or in part, the claimant shall be furnished with a written notice of such denial containing (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional

material or information which is necessary for the claimant to submit or perfect an appeal of his or her claim, and (v) an explanation of the Participant's or Beneficiary's right to bring suit under ERISA following an adverse determination upon appeal.

(b) Appeal. If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 90 days of receiving notice of the claim denial. In order that the Committee may expeditiously decide such an appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to the commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 7.04. Participant Rights Unsecured.

(a) Unsecured Claim. The right of a Participant or his Beneficiary to receive a distribution hereunder shall be an unsecured claim, and neither the Participant nor any Beneficiary shall have any rights in or against any amount credited to his Account or any other specific assets of a Participating Employer. The right of a Participant or Beneficiary to the payment of benefits under this Plan shall not be assigned, encumbered, or transferred, except by will or the laws of descent and distribution. The rights of a Participant hereunder are exercisable during the Participant's lifetime only by him or his guardian or legal representative.

(b) Contractual Obligation. The Company may authorize the creation of a trust or other arrangements to assist it in meeting the obligations created under the Plan. However, any liability to any person with respect to the Plan shall be based solely upon any contractual

obligations that may be created pursuant to the Plan. No obligation of a Participating Employer shall be deemed to be secured by any pledge of, or other encumbrance on, any property of a Participating Employer. Nothing contained in this Plan and no action taken pursuant to its terms shall create or be construed to create a trust of any kind, or a fiduciary relationship between a Participating Employer and any Participant or Beneficiary, or any other person.

Section 7.05. Income Tax Withholding.

The Company shall withhold from any benefit payment amounts required to be withheld for Federal and State income and other applicable taxes.

Section 7.06. Amendment or Termination of Plan.

(a) There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President - Human Resources, may at any time or for any reason amend or terminate the Plan; provided, that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President - Human Resources by more than a de minimis amount. No amendment or termination may reduce or eliminate any Account balance accrued to the date of such amendment or termination (except as such Account balance may be reduced as a result of investment losses allocable to such Account).

(b) In the event that the Internal Revenue Service publishes rules, regulations or other guidance (whether in proposed, temporary or final form) governing the administration and operation of deferred compensation plans, including, without limitation, rules or guidance regarding Participant elections and the distribution of benefits, the Company's Director of Compensation and Benefits may adopt one or more amendments to the Plan that the Director of Compensation and Benefits determines to be necessary or desirable taking into account the rules, regulations or other guidance published by the Internal Revenue Service.

Section 7.07. Deduction from Distributions.

Anything contained in the Plan notwithstanding, a Participating Employer may deduct from any distribution hereunder all amounts owed to the Company or a Participating

Employer by the Participant for any reason, and all taxes required by law or government regulations to be deducted or withheld.

Section 7.08. No Assignment of Benefits.

No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment (except for the designation of beneficiaries pursuant to subsection (c) of Section 1.01), nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her Beneficiary.

Section 7.09. Administrative Expenses.

Costs of establishing and administering the Plan will be paid by the Participating Employers.

Section 7.10. Successors and Assigns.

This Plan shall be binding upon and inure to the benefit of the Participating Employers, their successors and assigns and the Participants and their heirs, executors, administrators, and legal representatives.

VISTEON CORPORATION

/s/ Robert H. Marcin

ROBERT H. MARCIN
SENIOR VICE PRESIDENT - HUMAN RESOURCES

EXHIBIT 10.17

VISTEON CORPORATION
SAVINGS PARITY PLAN

Effective July 1, 2000
(as amended through December 11, 2002)

VISTEON CORPORATION
SAVINGS PARITY PLAN

The Visteon Corporation Savings Parity Plan (the "Plan") has been adopted to promote the best interests of Visteon Corporation (the "Company") and the stockholders of the Company by attracting and retaining key management employees possessing a strong interest in the successful operation of the Company and its subsidiaries or affiliates and encouraging their continued loyalty, service and counsel to the Company and its subsidiaries or affiliates. The Plan is adopted effective July 1, 2000.

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

The following terms have the meanings indicated below unless the context in which the term is used clearly indicates otherwise:

(a) Account: The record keeping account maintained to record the interest of each Participant under the Plan. An Account is established for record keeping purposes only and not to reflect the physical segregation of assets on the Participant's behalf, and may consist of such subaccounts or balances as the Committee may determine to be necessary or appropriate.

(b) Beneficiary: The person or entity designated by a Participant to be his beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of Beneficiary shall be valid and in effect only if a properly executed designation, in such form as the Committee shall prescribe, is filed and received by the Committee or its delegate prior to the Participant's death. If a Participant designates his or her spouse as Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of Beneficiary is not in effect at the time of the Participant's death, the estate of the Participant is deemed to be the sole Beneficiary. If multiple beneficiaries have been designated and one or more of the Beneficiaries predecease the Participant, then upon the Participant's death, payment shall be made exclusively to the surviving Beneficiary or Beneficiaries unless the Participant's designation specifies an alternate method of distribution. Further, in the event that the Committee is uncertain as to the identity of the Participant's Beneficiary, the Committee may deem the estate of the Participant to be the sole Beneficiary. Beneficiary designations shall be in writing (or in such other form as authorized by the Committee for this purpose, which may include on-line designations), shall be filed with the Committee or its delegate, and shall be in such form as the Committee may prescribe for this purpose.

(c) Board: The Board of Directors of the Company.

(d) Code: The Internal Revenue Code of 1986, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of the Code shall be deemed to include reference to any successor provision thereto.

(e) Committee: The Organization and Compensation Committee of the Board.

(f) Company: Visteon Corporation, or any successor thereto.

(g) Employee: A person who is (i) classified by a Participating Employer as a common law employee enrolled on the active employment rolls of the Participating Employer, and (ii) regularly employed by the Participating Employer on a salaried basis (as distinguished from an individual receiving a pension, retirement allowance, severance pay, retainer, commission, fee under a contract or other arrangement, or hourly, piecework or other wage).

(h) ERISA: The Employee Retirement Income Security Act of 1974, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of ERISA shall be deemed to include reference to any successor provision thereto.

(i) Exchange Act: The Securities Exchange Act of 1934, as interpreted by regulations and rules issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of the Exchange Act shall be deemed to include reference to any successor provision thereto.

(j) Investment Options: The hypothetical investment accounts that the Committee may from time to time establish, which may, but need not, be based upon one or more of the investment options available under the Visteon Investment Plan. The Committee may determine to discontinue any previously established Investment Option, may make an Investment Option available only for reallocations or transfer of Account balances out of it, and may determine the timing for any applicable "sunset" period.

(k) Limitations: The limitations on benefits and/or contributions imposed on qualified plans by Section 415 and Section 401(a)(17) of the Code.

(l) Matching Contribution Credits: Amounts credited to a Participant's Account pursuant to Article III.

(m) Participant: An Employee who satisfies the participation requirements of Section 2.01 and, where the context so requires, a former Employee entitled to receive a benefit hereunder.

(n) Participating Employer: The Company, Visteon Systems LLC, isteon Global Technologies, Inc., and each other subsidiary a majority of the voting stock of which is owned directly or indirectly by the Company, or a limited liability company a majority of the membership interest of which is owned directly or indirectly by the Company, that with the consent of the Committee, participates in the Plan for the benefit of one or more Participants in its employ.

(o) Plan: The Visteon Corporation Savings Parity Plan, as amended and in effect from time to time.

(p) Visteon Common Stock: The common stock of the Company.

(q) Visteon Common Stock Fund: The Visteon Common Stock Fund that is an available investment option under the Visteon Investment Plan.

(r) Visteon Investment Plan: The Visteon Investment Plan, as amended and in effect from time to time.

(s) Visteon Stock Units: The hypothetical stock units having a value based primarily on the value of Visteon Common Stock. To the extent that a cash dividend would have been payable with respect to the Visteon Stock Units had the units been actual shares of Visteon Common Stock, the amount of the cash dividend shall be converted to Visteon Stock Units and credited to the Participant's Account as such.

Section 1.02. Construction and Applicable Law.

(a) Wherever any words are used in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are use in the singular or the plural, they shall be construed as though they were used in the

plural or the singular, as the case may be, in all cases where they would so apply. Titles of articles and sections are for general information only, and the Plan is not to be construed by reference to such items.

(b) This Plan is intended to be a plan of deferred compensation maintained for a select group of management or highly compensated employees as that term is used in ERISA, and shall be interpreted so as to comply with the applicable requirements thereof. In all other respects, the Plan is to be construed and its validity determined according to the laws of the State of Michigan to the extent such laws are not preempted by federal law. In case any provision of the Plan is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, but the Plan shall, to the extent possible, be construed and enforced as if the illegal or invalid provision had never been inserted.

ARTICLE II. PARTICIPATION

Section 2.01. Eligibility.

(a) An Employee who participates in the Visteon Investment Plan, has made a Contribution Spillover Election pursuant to Article IV of the Visteon Investment Plan, and whose benefit thereunder is restricted by the Limitations shall be eligible to participate in the Plan; provided, however, that the Committee may restrict eligibility as it deems necessary to ensure that the Plan continues to be maintained for a select group of management or highly compensated employees as that term is used in ERISA.

(b) Notwithstanding anything is subsection (a) to the contrary, participation in the Plan is limited to United States citizens (whether residing in or outside of the United States) or citizens of another country permanently assigned to and residing in the United States, such that citizens of other countries who are not permanently assigned to the United States, regardless of whether or not they are on the United States payroll, are not eligible to participate in the Plan.

Section 2.02. Certain Transfers of Employment.

If directed by the Committee, a Participant whose employment is transferred to a corporation or other entity (the "Transferee Employer") that is not a Participating Employer, but in which the Company or an affiliate of the Company holds an ownership interest, then until the earliest to occur of (a) the date on which the Participant ceases to be employed by such Transferee Employer, (b) the date on which the Company or an affiliate of the Company no longer holds an ownership interest in the Transferee Employer, or (c) such other date determined by the Committee, the Participant shall be treated as if he or she were still actively employed by a Participating Employer. The foregoing rule shall apply only for the purpose of determining whether the Participant has terminated employment for purposes of the distribution provisions of Section 4.04; it shall not apply, and the Participant shall not be entitled to receive additional benefits with respect to remuneration attributable to services rendered with the Transferee Employer (other than deemed investment gain or loss in accordance with Section 4.03). The Committee may promulgate such additional rules as may be necessary or desirable in connection with any such transfer of employment.

ARTICLE III. MATCHING CONTRIBUTION CREDITS

Section 3.01. Matching Contribution Credits.

If contributions by or on behalf of a Participant under the Visteon Investment Plan, and the related Company matching contributions under the Visteon Investment Plan, for any plan year beginning on or after July 1, 2000, are restricted in order to comply with the Limitations, there shall be credited to the Participant's Account an amount equal to the difference between (i) the matching contribution which would have been made under the Visteon Investment Plan based upon the Participant's actual elections under that plan had the Participant's elections been applied without regard to the Limitations, and (ii) the matching contribution actually allocated to the Participant's account under the Visteon Investment Plan for the plan year.

ARTICLE IV. ACCOUNTING, HYPOTHETICAL INVESTMENT AND DISTRIBUTION

Section 4.01. Accounting.

A Participant Account balance at any point in time shall be equal to:

(a) the bookkeeping amount (if any) credited to the Participant as of June 30, 2000 under the Ford Motor Company Benefit Equalization Plan (defined contribution component) and transferred in book entry form to this Plan; plus

(b) any amounts credited to the Participant's Account on or after July 1, 2000 under the terms of this Plan, plus (or minus)

(c) increases (or decreases) in value, as the case may be, to reflect deemed investment gain or loss that would have occurred had the Participant's Account been invested in accordance with Sections 4.02 and 4.03 below; minus

(d) any withdrawals or distributions from the Account.

Section 4.02. Hypothetical Investment of Participant Accounts.

(a) Deemed Investment of Matching Contribution Credits. Subject to a Participant's right to reallocate the deemed investment of his Account in accordance with subsection (b) below, all Matching Contribution Credits under Section 3.01 (the "Convertible Amount") shall be treated as if they were invested in the Visteon Common Stock Fund. Accordingly, the Convertible Amount shall be converted, for record keeping purposes, into whole and fractional Visteon Stock Units in accordance with the rules applicable to the purchase of units under the Visteon Common Stock Fund. Likewise, any dividends that would have been payable on the Visteon Stock Units credited to a Participant's Account had such Units been actual shares of Visteon Common Stock shall be converted, for record keeping purposes, into whole and fractional Visteon Stock Units in accordance with the rules applicable to the purchase of units under the Visteon Common Stock Fund.

(b) Reallocation of Account. In accordance with rules prescribed by the Committee, each Participant, other than a Participant who is subject to Section 16 of the Exchange Act, may elect to reallocate his or her Account among the Investment Options. When selecting more than one Investment Option, the Participant shall designate, in whole multiples of 1% or such other percentage determined by the Committee, the percentage of his or her Account that is deemed to be invested in each Investment Option after the investment reallocation is given effect. A Participant's reallocation election, once effective, shall remain in effect unless and until modified by a subsequent election that becomes effective in accordance with the rules of this subsection. Other than a reallocation of a Participant's Account pursuant to a revised investment election submitted by the Participant, the deemed investment allocation of a Participant will not be adjusted to reflect differences in the relative deemed investment return realized by the various Investment Options that the Participant has designated.

Section 4.03. Deemed Investment Gain or Loss.

On a daily basis or such other basis as the Committee may prescribe, the Account of each Participant will be credited (or charged) based upon the investment gain (or loss) that the Participant would have realized with respect to his or her Account had the Account been invested in accordance with the terms of the Plan and any investment reallocation elections made by the Participant. Unless otherwise determined by the Committee, where an Investment Option is also an available investment option under the Visteon Investment Plan, the methodology for valuing the Investment Option under this Plan and for calculating amounts to be credited or debited or other adjustments to any Account with respect to that Investment Option shall be the same as the methodology used for valuing the corresponding investment option under the Visteon Investment Plan.

Section 4.04. Distribution.

The balance in a Participant's Account shall be paid, in cash, by the Participating Employer to the Participant, or if the Participant is deceased, to the Participant's Beneficiary. Payment shall be made as soon as practicable after the Participant's death, retirement or other termination of employment. The amount of the payment shall be equal to the amount credited to the Participant's Account at the time of distribution as determined under this Article IV.

Section 4.05. Accounts are For Record Keeping Purposes Only.

Plan Accounts and the record keeping procedures described herein serve solely as a device for determining the amount of benefits accumulated by a Participant under the Plan, and shall not constitute or imply an obligation on the part of a Participating Employer to fund such benefits. In any event, a Participating Employer may, in its discretion, set aside assets equal to part or all of such account balances and invest such assets in Visteon Common Stock, life insurance or any other investment deemed appropriate. Any such assets shall be and remain the sole property of the Participating Employer, and a Participant shall have no proprietary rights of any nature whatsoever with respect to such assets.

ARTICLE V. RULES WITH RESPECT TO VISTEON COMMON STOCK AND VISTEON STOCK UNITS

Section 5.01. Transactions Affecting Visteon Common Stock.

In the event of any merger, share exchange, reorganization, consolidation, recapitalization, stock dividend, stock split or other change in corporate structure of the Company affecting Visteon Common Stock, the Committee may make appropriate equitable adjustments with respect to the Visteon Stock Units (if any) credited to the Account of each Participant, including without limitation, adjusting the number of such Units or the date as of which such units are valued and/or distributed, as the Committee determines is necessary or desirable to prevent the dilution or enlargement of the benefits intended to be provided under the Plan.

Section 5.02. No Shareholder Rights With Respect to Visteon Stock Units.

Participants shall have no rights as a stockholder pertaining to Visteon Stock Units credited to their Accounts.

ARTICLE VI. GENERAL PROVISIONS

Section 6.01. Administration.

(a) Subject to subsection (b) below, the Committee shall administer and interpret the Plan. To the extent necessary to comply with applicable conditions of Rule 16b-3, the Committee shall consist of not less than two members of the Board, each of whom is also a director of the Company and qualifies as a "non-employee director" for purposes of Rule 16b-3. If at any time the Committee shall not be in existence or not be composed of members of the Board who qualify as "non-employee directors", then all determinations affecting Participants who are subject to Section 16 of the Exchange Act shall be made by the full Board, and all determinations affecting other Participants shall be made by the Board or an officer appointed by the Board.

(b) Subject to such limits as the Committee may from time to time prescribe or such additional or contrary delegations of authority as the Committee may prescribe, the Company's Director of Compensation and Benefits may exercise any of the authority and discretion granted to the Committee hereunder, provided that (i) the Director of Compensation and Benefits shall not be authorized to amend the Plan, (ii) the Director of Compensation and Benefits shall not exercise authority and responsibility with respect to non-ministerial functions that relate to the participation by Participants who are subject to Section 16 of the Exchange Act at the time any such delegated authority or responsibility otherwise would be exercised, that relates to the participation in the Plan by the Director of Compensation and Benefits. To the extent that the Director of Compensation and Benefits is authorized to act on behalf of the Committee, any references herein to the Committee shall be also be deemed references to the Director of Compensation and Benefits.

(c) The Committee (or where applicable in accordance with subsection (b) above, the Director of Compensation and Benefits) may adopt and modify rules and regulations relating to the Plan as it deems necessary or advisable for the administration of the Plan. The Committee (or where applicable in accordance with subsection (b) above, the Director of Compensation and Benefits) shall have the discretionary authority to interpret and construe the Plan, to make benefit determinations under the Plan, and to take all other actions that may be necessary or appropriate

for the administration of the Plan. Each determination, interpretation or other action made or taken pursuant to the provisions of the Plan by the Committee shall be final and shall be binding and conclusive for all purposes and upon all persons, including, but without limitation thereto, the Company, its stockholders, the Participating Employers, the directors, officers, and employees of the Company or a Participating Employer, the Plan participants, and their respective successors in interest.

Section 6.02. Restrictions to Comply with Applicable Law.

Notwithstanding any other provision of the Plan, the Company shall have no liability to make any payment under the Plan unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity. In addition, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 under the Exchange Act. The Committee shall administer the Plan so that transactions under the Plan will be exempt from Section 16 of the Exchange Act, and shall have the right to restrict or prohibit any transaction to the extent it deems such action necessary or desirable for such exemption to be met.

Section 6.03. Claims Procedures.

(a) Claim for Benefits. Any Participant or Beneficiary (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. The written decision shall be within 90 days of receipt of the claim by the Committee (or 180 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to commencement of the extension). If the claim is denied in whole or in part, the claimant shall be furnished with a written notice of such denial containing (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional material

or information which is necessary for the claimant to submit or perfect an appeal of his or her claim, and (v) an explanation of the Participant's or Beneficiary's right to bring suit under ERISA following an adverse determination upon appeal.

(b) Appeal. If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 90 days of receiving notice of the claim denial. In order that the Committee may expeditiously decide such an appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to the commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 6.04. Participant Rights Unsecured.

(a) Unsecured Claim. The right of a Participant or his Beneficiary to receive a distribution hereunder shall be an unsecured claim, and neither the Participant nor any Beneficiary shall have any rights in or against any amount credited to his Account or any other specific assets of a Participating Employer. The right of a Participant or Beneficiary to the payment of benefits under this Plan shall not be assigned, encumbered, or transferred, except by will or the laws of descent and distribution. The rights of a Participant hereunder are exercisable during the Participant's lifetime only by him or his guardian or legal representative.

(b) Contractual Obligation. The Company may authorize the creation of a trust or other arrangements to assist it in meeting the obligations created under the Plan. However, any liability to any person with respect to the Plan shall be based solely upon any contractual

obligations that may be created pursuant to the Plan. No obligation of a Participating Employer shall be deemed to be secured by any pledge of, or other encumbrance on, any property of a Participating Employer. Nothing contained in this Plan and no action taken pursuant to its terms shall create or be construed to create a trust of any kind, or a fiduciary relationship between a Participating Employer and any Participant or Beneficiary, or any other person.

Section 6.05. Income Tax Withholding.

The Company shall withhold from any benefit payment amounts required to be withheld for Federal and State income and other applicable taxes.

Section 6.06. Amendment or Termination of Plan.

There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President - Human Resources, may at any time and for any reason, amend or terminate the Plan; provided that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President - Human Resources by more than a de minimis amount. Any Plan amendment or termination may reduce or eliminate a Participant's benefit under the Plan, including, without limitation, an amendment to eliminate future benefit payments for some or all Participants, whether or not in pay status at the time such action is taken.

Section 6.07. Effect of Inimical Conduct.

Anything contained in the Plan notwithstanding, all rights of a Participant under the Plan to receive distribution of all or any part of his or her Account shall cease on and as of the date on which it has been determined by the Committee that such Participant at any time (whether before or subsequent to termination of such Participant's employment) acted in a manner inimical to the best interests of the Company or a subsidiary or affiliate thereof.

Section 6.08. No Assignment of Benefits.

No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment (except for the designation of beneficiaries pursuant

to subsection (b) of Section 1.01), nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her Beneficiary.

Section 6.09. Administrative Expenses.

Costs of establishing and administering the Plan will be paid by the Participating Employers.

Section 6.10. Successors and Assigns.

This Plan shall be binding upon and inure to the benefit of the Participating Employers, their successors and assigns and the Participants and their heirs, executors, administrators, and legal representatives.

VISTEON CORPORATION

/s/ Robert H. Marcin

ROBERT H. MARCIN
SENIOR VICE PRESIDENT-HUMAN RESOURCES

EXHIBIT 10.18

VISTEON CORPORATION
PENSION PARITY PLAN

Effective July 1, 2000
(as amended through December 11, 2002)

VISTEON CORPORATION
PENSION PARITY PLAN

The Visteon Corporation Pension Parity Plan (the "Plan") has been adopted to promote the best interests of Visteon Corporation (the "Company") and the stockholders of the Company by attracting and retaining key management employees possessing a strong interest in the successful operation of the Company and its subsidiaries or affiliates and encouraging their continued loyalty, service and counsel to the Company and its subsidiaries or affiliates. The Plan is adopted effective July 1, 2000.

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

The following terms have the meanings indicated below unless the context in which the term is used clearly indicates otherwise:

(a) Board: The Board of Directors of the Company.

(b) Beneficiary: The person or entity designated by a Participant to be his beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of Beneficiary shall be valid and in effect only if a properly executed designation, in such form as the Committee shall prescribe, is filed and received by the Committee or its delegate prior to the Participant's death. If a Participant designates his or her spouse as Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of Beneficiary is not in effect at the time of the Participant's death, the estate of the Participant is deemed to be the sole Beneficiary. If multiple beneficiaries have been designated and one or more of the Beneficiaries predecease the Participant, then upon the Participant's death, payment shall be made exclusively to the surviving Beneficiary or Beneficiaries unless the Participant's designation specifies an alternate method of distribution. Further, in the event that the Committee is uncertain as to the identity of the Participant's Beneficiary, the Committee may deem the estate of the Participant to be the sole Beneficiary. Beneficiary designations shall be in writing (or in such other form as authorized by the Committee for this purpose, which may include on-line designations), shall be filed with the Committee or its delegate, and shall be in such form as the Committee may prescribe for this purpose.

(c) Code: The Internal Revenue Code of 1986, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of the Code shall be deemed to include reference to any successor provision thereto.

(d) Committee: The Organization and Compensation Committee of the Board.

(e) Company: Visteon Corporation, or any successor thereto.

(f) Employee: A person who is (i) classified by a Participating Employer as a common law employee enrolled on the active employment rolls of the Participating Employer, and (ii) regularly employed by the Participating Employer on a salaried basis (as distinguished from an individual receiving a pension, retirement allowance, severance pay, retainer, commission, fee under a contract or other arrangement, or hourly, piecework or other wage).

(g) ERISA: The Employee Retirement Income Security Act of 1974, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of ERISA shall be deemed to include reference to any successor provision thereto.

(h) Limitations: The limitations on benefits and/or contributions imposed on qualified plan by Section 415 and Section 401(a)(17) of the Code.

(i) Participant: An Employee who satisfies the participation requirements of Section 2.01 and, where the context so requires, a former Employee entitled to receive a benefit hereunder.

(j) Participating Employer: The Company, Visteon Systems LLC, Visteon Global Technologies, Inc., and each other subsidiary a majority of the voting stock of which is owned directly or indirectly by the Company, or a limited liability company a majority of the membership interest of which is owned directly or indirectly by the Company, that with the consent of the Committee, participates in the Plan for the benefit of one or more Participants in its employ.

(k) Plan: The Visteon Corporation Pension Parity Plan, as amended and in effect from time to time.

(l) Retirement Plan: The Visteon Pension Plan (including both the contributory plan and Balance Plus), the Salaried Retirement Plan of Visteon Systems, LLC, or such other qualified defined benefit retirement plans as the Committee may designate.

Section 1.02. Construction and Applicable Law.

(a) Wherever any words are used in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are use in the singular or the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply. Titles of articles and sections are for general information only, and the Plan is not to be construed by reference to such items.

(b) This Plan is intended to be a plan of deferred compensation maintained for a select group of management or highly compensated employees as that term is used in ERISA, and shall be interpreted so as to comply with the applicable requirements thereof. In all other respects, the Plan is to be construed and its validity determined according to the laws of the State of Michigan to the extent such laws are not preempted by federal law. In case any provision of the Plan is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, but the Plan shall, to the extent possible, be construed and enforced as if the illegal or invalid provision had never been inserted.

ARTICLE II. PARTICIPATION

Section 2.01. Eligibility.

(a) An Employee who participates in a Retirement Plan and whose benefit thereunder is restricted by the Limitations shall be eligible to participate in the Plan; provided, however, that the Committee may restrict eligibility as it deems necessary to ensure that the Plan continues to be maintained for a select group of management or highly compensated employees as that term is used in ERISA.

(b) Notwithstanding anything is subsection (a) to the contrary, participation in the Plan is limited to United States citizens (whether residing in or outside of the United States) or citizens of another country permanently assigned to and residing in the United States, such that citizens of other countries who are not permanently assigned to the United States, regardless of whether or not they are on the United States payroll, are not eligible to participate in the Plan.

Section 2.02. Certain Transfers of Employment.

If directed by the Committee, a Participant whose employment is transferred to a corporation or other entity (the "Transferee Employer") that is not a Participating Employer, but in which the Company or an affiliate of the Company holds an ownership interest, then until the earliest to occur of (a) the date on which the Participant ceases to be employed by such Transferee Employer, (b) the date on which the Company or an affiliate of the Company no longer holds an ownership interest in the Transferee Employer, or (c) such other date determined by the Committee, the Participant shall be treated as if he or she were still actively employed by a Participating Employer. The foregoing rule shall apply only for the purpose of determining whether the Participant has terminated employment for purposes of determining the Participant's distribution commencement date; it shall not apply, and the Participant shall not be entitled to receive additional benefits with respect to remuneration attributable to services rendered with the Transferee Employer. The Committee may promulgate such additional rules as may be necessary or desirable in connection with any such transfer of employment.

ARTICLE III. PENSION PARITY BENEFIT

Section 3.01. Calculation and Payment of Pension Parity Benefit.

(a) The Pension Parity Benefit shall be a periodic benefit equal in amount to the difference between (i) the benefit that is payable to or on behalf of a Participant under the Retirement Plan, and (ii) the corresponding benefit that would be payable under the Retirement Plan if such benefit were calculated without regard to the Limitations.

(b) The Pension Parity Benefit shall be paid by the Participating Employer in the same form and for the same period as is paid the corresponding benefit under the Retirement Plan. Accordingly, the Pension Parity Benefit shall be paid to the person receiving payment of the corresponding benefit under the Retirement Plan with each payment being made, as nearly as practicable, at the same time as the corresponding benefit from the Retirement Plan.

Section 3.02. Optional Distribution Method.

(a) As an alternative to the periodic Pension Parity Benefit described in Section 3.02 above, the Participant who is eligible for the Pension Parity Benefit and the applicable Participating Employer may agree on a lump sum payment that is the actuarial equivalent of the periodic Pension Parity Benefit described in Section 3.02 above, subject to the following conditions and such other conditions as may be determined by the Committee:

(i) The actuarial equivalent lump sum payment shall be determined on the basis of the interest rates and mortality tables which would be used by the Pension Benefit Guaranty Corporation for determining the present value of liability for pensioners' benefits in the case of a terminated retirement plan under Title IV of ERISA and which are in effect in the month prior to the month when the Participant's Pension Parity Benefit is scheduled to begin.

(ii) The agreement must be entered into (A) prior to the year in which the Participant's retirement occurs and (B) not later than six months before the actual retirement date.

(iii) The agreement, once entered, is irrevocable.

(iv) Evidence of good health at the time of the agreement will be required.

(b) Payment of the lump sum benefit shall be made by the Company as soon as practicable after payment of the Participant's benefit under the Retirement Plan begins.

Section 3.03. Pension Parity Calculation Is For Record Keeping Purposes Only.

The Pension Parity Benefit, and the record keeping procedures described herein serve solely as a device for determining the amount of benefits accumulated by a Participant under the Plan, and shall not constitute or imply an obligation on the part of a Participating Employer to fund such benefits. In any event, a Participating Employer may, in its discretion, set aside assets equal to part or all of such benefit and invest such assets in Visteon common stock, life insurance or any other investment deemed appropriate. Any such assets shall be and remain the sole property of the Participating Employer, and a Participant shall have no proprietary rights of any nature whatsoever with respect to such assets.

ARTICLE IV. GENERAL PROVISIONS

Section 4.01. Administration.

(a) Subject to subsection (b) below, the Committee shall administer and interpret the Plan. To the extent necessary to comply with applicable conditions of Rule 16b-3, the Committee shall consist of not less than two members of the Board, each of whom is also a director of the Company and qualifies as a "non-employee director" for purposes of Rule 16b-3. If at any time the Committee shall not be in existence or not be composed of members of the Board who qualify as "non-employee directors", then all determinations affecting Participants who are subject to Section 16 of the Exchange Act shall be made by the full Board, and all determinations affecting other Participants shall be made by the Board or an officer appointed by the Board.

(b) Subject to such limits as the Committee may from time to time prescribe or such additional or contrary delegations of authority as the Committee may prescribe, the Company's Director of Compensation and Benefits may exercise any of the authority and discretion granted to the Committee hereunder, provided that (i) the Director of Compensation and Benefits shall not be authorized to amend the Plan, (ii) the Director of Compensation and Benefits shall not exercise authority and responsibility with respect to non-ministerial functions that relate to the participation by Participants who are subject to Section 16 of the Exchange Act at the time any such delegated authority or responsibility otherwise would be exercised, that relates to the participation in the Plan by the Director of Compensation and Benefits. To the extent that the Director of Compensation and Benefits is authorized to act on behalf of the Committee, any references herein to the Committee shall be also be deemed references to the Director of Compensation and Benefits.

(c) The Committee (or where applicable in accordance with subsection (b) above, the Director of Compensation and Benefits) may adopt and modify rules and regulations relating to the Plan as it deems necessary or advisable for the administration of the Plan. The Committee (or where applicable in accordance with subsection (b) above, the Director of Compensation and Benefits) shall have the discretionary authority to interpret and construe the Plan, to make benefit determinations under the Plan, and to take all other actions that may be necessary or appropriate

for the administration of the Plan. Each determination, interpretation or other action made or taken pursuant to the provisions of the Plan by the Committee shall be final and shall be binding and conclusive for all purposes and upon all persons, including, but without limitation thereto, the Company, its stockholders, the Participating Employers, the directors, officers, and employees of the Company or a Participating Employer, the Plan participants, and their respective successors in interest.

Section 4.02. Restrictions to Comply with Applicable Law.

Notwithstanding any other provision of the Plan, the Company shall have no liability to make any payment under the Plan unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

Section 4.03. Claims Procedures.

(a) Claim for Benefits. Any Participant or Beneficiary (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. The written decision shall be within 90 days of receipt of the claim by the Committee (or 180 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to commencement of the extension). If the claim is denied in whole or in part, the claimant shall be furnished with a written notice of such denial containing (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional material or information which is necessary for the claimant to submit or perfect an appeal of his or her claim, and (v) an explanation of the Participant's or Beneficiary's right to bring suit under ERISA following an adverse determination upon appeal.

(b) Appeal. If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 90 days of receiving notice of the claim denial. In order that the Committee may expeditiously decide such an appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to the commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 4.04. Participant Rights Unsecured.

(a) Unsecured Claim. The right of a Participant or his beneficiary to receive a distribution hereunder shall be an unsecured claim, and neither the Participant nor any beneficiary shall have any rights in or against any specific assets of a Participating Employer. The right of a Participant or beneficiary to the payment of benefits under this Plan shall not be assigned, encumbered, or transferred, except by will or the laws of descent and distribution. The rights of a Participant hereunder are exercisable during the Participant's lifetime only by him or his guardian or legal representative.

(b) Contractual Obligation. The Company may authorize the creation of a trust or other arrangements to assist it in meeting the obligations created under the Plan. However, any liability to any person with respect to the Plan shall be based solely upon any contractual obligations that may be created pursuant to the Plan. No obligation of a Participating Employer shall be deemed to be secured by any pledge of, or other encumbrance on, any property of a Participating Employer. Nothing contained in this Plan and no action taken pursuant to its terms

shall create or be construed to create a trust of any kind, or a fiduciary relationship between a Participating Employer and any Participant or beneficiary, or any other person.

Section 4.05. Income Tax Withholding.

The Company shall withhold from any benefit payment amounts required to be withheld for Federal and State income and other applicable taxes.

Section 4.06. Amendment or Termination of Plan.

There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President - Human Resources, may at any time and for any reason, amend or terminate the Plan; provided that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President - Human Resources by more than a de minimis amount. Any Plan amendment or termination may reduce or eliminate a Participant's benefit under the Plan, including, without limitation, an amendment to eliminate future benefit payments for some or all Participants, whether or not in pay status at the time such action is taken.

Section 4.07. Effect of Inimical Conduct.

Anything contained in the Plan notwithstanding, all rights of a Participant under the Plan to receive distribution of all or any part of his or her benefit shall cease on and as of the date on which it has been determined by the Committee that such Participant at any time (whether before or subsequent to termination of such Participant's employment) acted in a manner inimical to the best interests of the Company or a subsidiary or affiliate thereof.

Section 4.08. No Assignment of Benefits.

No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her beneficiary.

Section 4.09. Administrative Expenses.

Costs of establishing and administering the Plan will be paid by the Participating Employers.

Section 4.10. Successors and Assigns.

This Plan shall be binding upon and inure to the benefit of the Participating Employers, their successors and assigns and the Participants and their heirs, executors, administrators, and legal representatives.

VISTEON CORPORATION

/s/ Robert H. Marcin

ROBERT H. MARCIN
SENIOR VICE PRESIDENT-HUMAN RESOURCES

EXHIBIT 10.19

VISTEON CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Effective July 1, 2000, Together With All Amendments
Adopted Through December 11, 2002

VISTEON CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

The Visteon Corporation Supplemental Executive Retirement Plan (the "Plan") has been adopted to promote the best interests of Visteon Corporation (the "Company") and the stockholders of the Company by attracting and retaining key management employees possessing a strong interest in the successful operation of the Company and its subsidiaries or affiliates and encouraging their continued loyalty, service and counsel to the Company and its subsidiaries or affiliates. The Plan is adopted effective July 1, 2000.

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. The following terms have the meanings indicated below unless the context in which the term is used clearly indicates otherwise.

(a) Balance Plus Program: The Balance Plus component of the Visteon Pension Plan.

(b) Beneficiary: The person or entity designated by a Participant to be his or her beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of beneficiary shall be valid and in effect only if a properly executed designation, in such form as the Committee shall prescribe, is filed and received by the Committee or its delegate prior to the Participant's death. If a Participant designates his or her spouse as beneficiary, such beneficiary designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of beneficiary is not in effect at the time of the Participant's death, the estate of the Participant is deemed to be the sole beneficiary. If multiple beneficiaries have been designated and one or more of the beneficiaries predecease the Participant, then upon the Participant's death, payment shall be made exclusively to the surviving beneficiary or beneficiaries unless the Participant's designation specifies an alternate method of distribution. Further, in the event that the Committee is uncertain as to the identity of the Participant's beneficiary, the Committee may deem the estate of the Participant to be the sole beneficiary. Beneficiary designations shall be in writing (or in such other form as authorized by the Committee for this purpose, which may include on-line designations), shall be filed with the Committee or its delegate, and shall be in such form as the Committee may prescribe for this purpose.

(c) Board: The Board of Directors of the Company.

(d) Code: The Internal Revenue Code of 1986, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of the Code shall be deemed to include reference to any successor provision thereto.

(e) Committee: The Organization and Compensation Committee of the Board.

(f) Company: Visteon Corporation, or any successor thereto.

(g) Covered Employment Classification: The employment positions classified by the Company (or by a Participating Employer with the consent of the Company) as Leadership Level One, Leadership Level Two, Leadership Level Three, Leadership Level Four, Corporate Officer, Executive Leader or Senior Leader.

(h) Credited Service: The years and any fractional year of credited service at retirement, without duplication and not exceeding one year for any calendar year, of the Participant under all the Retirement Plans; provided, that solely for purposes of this Plan as applied to a Participant who is a Transferred Group I or II Employee as defined under the Visteon Pension Plan, and subject to Section 2.03, the Participant's credited service under all of the Retirement Plans shall be deemed to include, to the extent not otherwise considered under the Retirement Plans, the Participant's credited service recognized under the General Retirement Plan of Ford Motor Company for employment through June 30, 2000.

(i) Eligibility Service: Subject to Section 2.05, service with a Participating Employer while employed in a Covered Employment Classification; provided, that in the case of a Participant who was covered under the Ford Motor Company Supplemental Executive Retirement Plan on June 30, 2000, Eligibility Service recognized for such Participant under the Ford Motor Company Supplemental Executive Retirement Plan as of June 30, 2000 shall be recognized as Eligibility Service under this Plan.

(j) Employee: A person who is (i) classified by a Participating Employer as a common law employee enrolled on the active employment rolls of the Participating Employer, and (ii) regularly employed by a Participating Employer on a salaried basis (as distinguished from a pension, retirement allowance, severance pay, retainer, commission, fee under a contract or other arrangement, or hourly, piecework or other wage).

(k) ERISA: The Employee Retirement Income Security Act of 1974, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to

time. Any reference to a specific provision of ERISA shall be deemed to include reference to any successor provision thereto.

(l) Participant: Subject to Section 2.05, an Employee who is employed in a Covered Employment Classification, and where the context so requires, a former Employee entitled to receive a benefit hereunder.

(m) Participating Employer: The Company, Visteon Systems, LLC, Visteon Global Technologies, Inc., and each other subsidiary a majority of the voting stock of which is owned directly or indirectly by the Company or a limited liability company a majority of the membership interest of which is owned directly or indirectly by the Company, that with the consent of the Committee, participates in the Plan for the benefit of one or more Participants in its employ.

(n) Plan: The Visteon Corporation Supplemental Executive Retirement Plan, as amended and in effect from time to time.

(o) Retirement Plans: The Visteon Pension Plan (other than the Balance Plus Program) and the Salaried Retirement Plan of Visteon Systems, LLC, as amended and in effect from time to time.

Section 1.02. Construction and Applicable Law.

(a) Wherever any words are used in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are use in the singular or the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply. Titles of articles and sections are for general information only, and the Plan is not to be construed by reference to such items.

(b) This Plan is intended to be a plan of deferred compensation maintained for a select group of management or highly compensated employees as that term is used in ERISA, and shall be interpreted so as to comply with the applicable requirements thereof. In all other respects, the Plan is to be construed and its validity determined according to the laws of the State of Michigan to the extent such laws are not preempted by federal law. In case any provision of

the Plan is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, but the Plan shall, to the extent possible, be construed and enforced as if the illegal or invalid provision had never been inserted.

ARTICLE II. SUPPLEMENTAL BENEFITS FOR PARTICIPANTS OTHER THAN PARTICIPANTS COVERED UNDER THE BALANCE PLUS PROGRAM

Section 2.01. Eligibility. Subject to Section 2.05, a Participant shall be eligible to receive a supplemental benefit as provided in this Article II if the Participant:

(a) retires directly from employment with a Participating Employer (i) on normal or disability retirement under the Retirement Plan, or (ii) with the approval of the Participating Employer at or after age 55 on early retirement under the Retirement Plan;

(b) will receive a monthly normal, disability or early retirement benefit under one or more Retirement Plans (other than the Balance Plus Program);

(c) has at least ten (10) years of Credited Service, without duplication, under all Retirement Plans;

(d) has at least five continuous years of Eligibility Service immediately preceding retirement, unless the eligibility condition set forth in this subsection (d) is waived by the Chairman of the Board or the President of the Company; and

(e) is not covered by the Balance Plus Program.

Section 2.02. Additional Definitions. For purposes of this Article II, the following terms have the meanings indicated below:

(a) Final Five Year Average Base Salary: The average of the Participant's Monthly Base Salary for the five December 31 measurement dates coincident with or immediately preceding the Participant's retirement.

(b) Monthly Base Salary: Subject to Section 2.05, the monthly base salary paid to a Participant while employed in a Covered Employment Classification on December 31, prior to giving effect to any salary reduction agreement to which Section 125 or Section 402(a)(8) of the Code applies, but not including any other kind of extra or additional compensation. For purposes of this subsection, base salary paid by Ford Motor Company prior to July 1, 2000 shall be treated as if paid by the Company.

Section 2.03. Amount of Supplemental Benefit.

(a) Subject to Section 2.05, any reductions pursuant to subsections (b) and (c) below and to any limitations and reductions pursuant to other provisions of the Plan, the monthly supplemental benefit shall be an amount equal to the Participant's Final Five Year Average Base Salary multiplied by the Participant's years of Credited Service at retirement, and further multiplied by the Applicable Percentage based on the Covered Employment Classification in which the Participant served immediately prior to his or her retirement, as follows:

Covered Employment Classification Immediately Prior to Retirement	Applicable Percentage
- Chairman	0.90%
President	0.80%
Executive Vice President	0.80%
Senior Vice President	0.75%
Vice President	0.70%
Executive Leader or Leadership Level Two	0.40%
Senior Leader, Leadership Level Three, or Leadership Level Four	0.20%

(b) For a Participant who is a Transferred Group I or II Employee as defined under the Visteon Pension Plan and who is entitled to a benefit under the Ford Motor Company Supplemental Executive Retirement Plan, the monthly supplement benefit payable hereunder shall be reduced by the amount of the supplemental benefit to which the Participant is entitled under the Ford Motor Company Supplemental Executive Retirement Plan (or to which the Participant would have been entitled under such plan except for any forfeiture of benefits attributable to the Participant's conduct). In addition, the Committee may further adjust the monthly supplemental benefit payable to a Participant who is a Transferred Group I or II Employee if such action is necessary or desirable as a result of changes in the Ford Motor Company Supplemental Executive Retirement Plan or if such action is otherwise necessary or desirable in order to avoid duplicative benefits or to ensure that the Participant's aggregate

benefit from this Plan and from the Ford Motor Company Supplemental Executive Retirement Plan, and the allocation of benefits between such plans, is consistent with the Employee Transition Agreement dated April 1, 2000 by and between the Company and Ford Motor Company, and any amendments thereto.

(c) For a Participant who shall retire before age 62, the monthly supplemental benefit payable hereunder shall equal the amount calculated in accordance with subsections (a) and (b) immediately above, reduced by 5/18 of 1% multiplied by the number of months from the later of the date the supplemental benefit commences, or age 55 in the case of earlier receipt by reason of disability retirement, to the first day of the month after the Participant would attain age 62.

Section 2.04. Payments. Subject to the earning-out conditions set forth in Article VI, supplemental benefits, in the amount determined under Section 2.03, shall be payable out of the Company's general funds monthly beginning with a payment for the month for which the Participant's retirement benefit under any Retirement Plan or under the Company's Executive Separation Allowance Plan begins. Payments to a Participant hereunder shall cease at the end of the month in which the Participant dies. There is no pre-retirement or post-retirement death benefit payable this Article II following the death of the Participant.

Section 2.05. Special Rules for Certain Employees Affected by 2001 Work Force Restructuring Program. The following rules shall apply to an Employee who (i) was employed in a Covered Employment Classification immediately prior to the Company's 2001 Work Force Restructuring (the "Restructuring"), and (ii) continued to be employed by a Participating Employer following the Restructuring but, as a result of the Restructuring, ceased to be employed in a Covered Employment Classification:

(a) The Employee will continue as a Participant in the Plan notwithstanding the Employee's transfer to a non-Covered Employment Classification.

(b) The Employee will continue to accumulate Eligibility Service for employment with a Participating Employer following the Restructuring, and such employment shall be treated, for purposes of Section 1.01(j), 2.01(d) and 2.02(b), as if it were employment in an Eligible Employment Classification.

(c) The amount of the Employee's supplemental benefit under Section 2.03 shall be based on the Covered Employment Classification in which the Employee was employed immediately prior to the Restructuring.

ARTICLE III. SUPPLEMENTAL BENEFITS FOR PARTICIPANTS IN THE BALANCE PLUS PROGRAM

Section 3.01. Eligibility. A Participant shall be eligible to receive a supplemental benefit as provided in this Article III if the Participant:

(a) is covered under and will receive a monthly annuity benefit from the Balance Plus Program;

(b) is employed in a Covered Employment Classification at termination of employment; and

(c) terminates employment after his or her SERP Eligibility Date with the approval of the Participating Employer.

Section 3.02. Additional Definitions. For purposes of this Article III, the following terms have the meanings indicated below:

(a) Annual Incentive: The portion of the Visteon Incentive Plan, or any successor plan, that provides for incentive compensation that is awarded in the form of a cash bonus and that is based on a performance period of 12 months or less.

(b) Compensation: The Participant's compensation as defined in the Balance Plus Program for purposes of determining cash balance accruals, plus for any month after the Participant's SERP Eligibility Date, any Annual Incentive amounts actually paid to the Participant (or that would have been paid to the Participant except for the Participant's election to defer all or a portion of such payment), all as determined without regard to the compensation limitation of Code Section 401(a)(17).

(c) Final Average Compensation: The final average compensation that would be determined for the Participant under the Balance Plus Program for purposes of determining pension equity accruals if such final average compensation were determined without regard to the compensation limitation of Code Section 401(a)(17), plus the average of the three highest consecutive Annual Incentive amounts paid to the Participant (or that would have been paid to the Participant except for the Participant's election to defer all or a portion of such payment)

during the 120 month period immediately preceding the Participant's termination of employment.

(d) SERP Eligibility Date: The date on which the Participant has, for each of at least five years of Eligibility Service prior to the Participant's termination of the employment with a Participating Employer, been selected to participate in the Company's Annual Incentive program and has been granted a target bonus under such program of at least 40% of the Participant's annual base salary rate in effect on the date the target bonus amount is established.

Section 3.03. Amount of Supplemental Benefit.

(a) Subject to any limitations and reductions pursuant to other provisions of the Plan, the monthly supplemental benefit shall be an amount equal to:

(i) The monthly annuity benefit that the Participant would have received under the Balance Plus Program if the Participant's benefit under such program had been calculated in accordance with the modifications described in subsection (b) below; minus

(ii) The monthly annuity benefit to which the Participant is actually entitled under the Balance Plus Program; minus

(iii) The monthly annuity benefit to which the Participant is actually entitled under the Visteon Corporation Pension Parity Plan (or the monthly annuity benefit to which the Participant would have been entitled under the Visteon Corporation Pension Parity Plan except for the Participant's election of a single sum payment).

(b) The monthly annuity benefit for purposes of subsection (a)(i) above is the monthly annuity benefit to which the Participant would have been entitled under the Balance Plus Program if the Participant's benefit under such program were calculated consistent with the following modifications:

(i) Both for purposes of calculating the Participant's cash balance benefit and for purposes of calculating the Participant's pension equity benefit, o the limitations of Code Section 415 are disregarded;

(ii) For purposes of calculating a Participant's cash balance benefit, the benefit is calculated by applying the definition of Compensation set forth in Section 3.02(b) above in lieu of the definition set forth in the Balance Plus Program; and

(iii) For purposes of calculating a Participant's pension equity benefit:

(A) The benefit is calculated by applying a benefit multiplier of 15% in lieu of the 12.5% benefit multiplier specified in the Balance Plus Program;

(B) The benefit is calculated by applying the definition of Final Average Compensation set forth in Section 3.02(c) above in lieu of the definition set forth in the Balance Plus Program; and

(C) The benefit is calculated by applying the following early commencement reduction factors in lieu of the early commencement factors set forth in the Balance Plus Program:

Applicable Period Preceding Participant's Normal Retirement Date Reduction --	First 5 Years 1.25% Per Year*	Years in Excess of 5 But Not More Than 20 3.75% Per Year*	Years in Excess of 20 Actuarially Equivalent Reduction*

* The reduction will be prorated for portions of a year, by multiplying the applicable reduction for a full year by a fraction, the numerator of which is the number of full months in such partial year, and the denominator of which is 12. In addition, the reduction is cumulative, e.g., if the Applicable Period is 23 years prior to the Participant's Normal Retirement Date, the reduction is 1.25% for each of years one through five, 3.75% for each of years six through 20, and an Actuarially Equivalent reduction for years 21 through 23.

(c) A Participant who becomes disabled while actively employed will continue to accrue benefits under this Article III during the period of disability to the same extent that the Participant accrues benefits under the Balance Plus Program during the period of such disability.

Section 3.04. Payment of Supplemental Benefit. The Participant's monthly supplemental benefit shall be paid by the Participating Employer in the same form and for the same period the corresponding benefit under the Balance Plus Program is paid. Accordingly, except as provided in Section 3.05, the supplemental benefit shall be paid to the person receiving payment of the corresponding benefit under payable at the same time and in the same form as paid the Participant's benefit under the Balance Plus Program with each payment being made, as nearly as practicable, at the same time as the corresponding benefit from the Balance Plus Plan. The interest rates, mortality factors, annuity conversion factors, early commencement reductions, assumptions for converting from one form of benefit to another, and all other actuarial conversion and adjustment factors, shall be the same as those applicable in calculating the Participant's actual annuity benefit under the Balance Plus Program.

Section 3.05. Death Benefits.

(a) If the Participant dies on or after the date on which payment of the Participant's supplemental benefit has commenced, the only death benefits payable shall be those (if any) that are payable under the form of annuity benefit applicable to the Participant.

(b) If the Participant dies prior to the Participant's SERP Eligibility Date, no benefits are payable following the Participant's death.

(c) If the Participant dies after the Participant's SERP Eligibility Date but prior to the date on which payment of the Participant's supplemental benefit has commenced, a single sum death benefit shall be paid to the Participant's Beneficiary. The amount of the death benefit will be equal to the actuarially equivalent single sum value of the monthly annuity benefit that otherwise would have been payable under Section 3.03. Actuarial equivalence shall be determined by using the interest rate and mortality table applicable under the Balance Plus Program.

ARTICLE IV. CONDITIONAL ANNUITIES

Section 4.01. Eligibility. The Committee, in its discretion, may award to a Participant who is a Corporate Officer or an employee in Leadership Level One additional retirement income in the form of a Conditional Annuity, which shall become payable if the Participant shall retire directly from employment with a Participating Employer either (i) on normal or disability retirement or (ii) with the approval of the Participating Employer at or after age 55 on early retirement. This Article III shall only apply to a Participant whose original date of hire is prior to January 1, 2002.

Section 4.02. Amount of Conditional Annuity.

(a) In determining the amount of any Conditional Annuity to be awarded to an eligible Participant for any year, the Committee shall consider the Company's profit performance and the amount of supplemental compensation that is awarded to such Participant for such year. Awards shall be made only for years in which the Committee has decided, for reasons other than individual or corporate performance or termination of employment, to award supplemental compensation to an eligible Participant in an amount which is less than would have been awarded if the historical relationship to awards to other executives had been followed (including, for this purpose, the historical relationship to awards made by Ford Motor Company with respect to periods prior to July 1, 2000, during which time the Company was a wholly-owned subsidiary or division of Ford Motor Company).

(b) The aggregate annual amount payable under the Conditional Annuities awarded to any eligible Participant and the annual amount payable to an eligible Participant as a conditional annuity under the Ford Motor Company Supplemental Executive Retirement Plan, shall not exceed an amount equal to the Applicable Percentage of such Participant's Final Three Year Average Base Salary, determined in accordance with the following table:

Number of Years for Which a Conditional Chairman Eligible Annuity is Awarded	Applicable Percentage for All Other Corporate Officers - And President
1	30%
2	35
3	40
4	45
5 or more	50

The percentage shall be reduced pro rata to the extent that Credited Service at retirement is less than 30 years.

(c) "Final Three Year Average Base Salary" means the average of the Participant's Monthly Base Salary (as defined in Section 2.02) for the three December 31 measurement dates coincident with or immediately preceding the Participant's retirement.

Section 4.03. Payments.

(a) Subject to the earning-out conditions set forth in Article IV, Conditional Annuities, in the amount determined under Section 4.02, shall be payable out of the Company's general funds monthly beginning on the first day of the month when the Participant's retirement benefit under any Retirement Plan or under the Company's Executive Separation Allowance Plan begins. Except as provided in Section 4.04, payments with respect to a Participant hereunder shall cease at the end of the month in which such Participant dies.

(b) For a Participant who retires before age 65, the monthly payment under any Conditional Annuity awarded to such Participant shall equal the actuarial equivalent (based on factors determined by the Company's independent consulting actuary) of the monthly amount payable for retirement at age 65.

Section 4.04. Death Benefits. Upon death before retirement but at or after age 55, the Participant's Beneficiary shall be paid a lump sum equal to 30 times (representing 30 months) the aggregate monthly amount payable under such Participant's Conditional Annuities if the

Participant had been age 55 at death, increased by one-third of one month for each full month by which the Participant's age at death shall exceed age 55. If death occurs within 120 months following retirement, the monthly payments under the Conditional Annuity shall be continued to the Participant's Beneficiary for the remaining balance of the 120 month period following retirement.

ARTICLE V. ADDITIONAL BENEFITS

Section 5.01. Retirement Plan Supplement for Certain Transferred Employees. A Participant who retired on June 30, 2000 from Ford Motor Company, and who was employed by the Company as a Corporate Officer on July 1, 2000, shall, upon retirement from the Company, receive the additional monthly retirement benefits described in this Section.

(a) An eligible Participant shall receive a monthly retirement benefit equal to the difference between (i) and (ii) below, where:

(i) is the aggregate monthly retirement benefit to which the Participant would have been entitled under the General Retirement Plan of Ford Motor Company and the defined benefit component of the Ford Motor Company Benefit Equalization Plan (collectively, the "Ford Pension Plans") if the Participant's employment with the Company on and after July 1, 2000, and the compensation attributable to such employment, had instead been employment with, and compensation from, Ford Motor Company; and

(ii) is the aggregate monthly retirement benefit under the Ford Pension Plans, the Retirement Plans, and the Visteon Corporation Pension Parity Plan, to which the Participant is actually entitled.

(b) In addition, an eligible Participant shall receive a monthly retirement benefit equal to the difference between (i) and (ii) below, where:

(i) is the monthly retirement benefit to which the Participant would have been entitled under the Ford Motor Company Supplemental Executive Retirement Plan if the Participant's employment with the Company on and after July 1, 2000, and the compensation attributable to such employment, had instead been employment with, and compensation from, Ford Motor Company; and

(ii) is the aggregate monthly retirement benefit under the Ford Motor Company Supplemental Executive Retirement Plan and under Article II of

this Plan, to which the Participant is actually entitled; provided that any reduction in the Participant's benefit under the Ford Motor Company Supplemental Executive Retirement Plan for early benefit commencement shall be taken into account only to the extent that such reduction would apply if the Participant's benefit under the Ford Motor Company Supplemental Executive Retirement Plan commenced on the same date as the Participant's benefit under Article II of this Plan commence.

(c) The supplemental benefit under subsection (a) above shall be paid beginning with a payment for the month following the month in which occurs the Participant's retirement from the Company and all subsidiaries or affiliates, and shall be paid in the same form and for the same duration as is paid the Participant's benefit under the General Retirement Plan of Ford Motor Company. The supplemental benefit under subsection (b) above shall be paid in accordance with Article II of this Plan as if the benefit had been initially calculated under that Article.

(d) The monthly retirement benefits calculated under subsections (a)(i) and (b)(I) shall be determined based upon the terms of the applicable Ford Motor Company plan as in effect on June 30, 2000. The Committee has full authority and discretion to adjust (including to reduce) the benefit amounts calculated above to reflect changes in the design of the applicable Ford Motor Company plan or to take into account such other factors as the Committee, in its sole discretion, deems relevant.

(e) The Committee may adjust the benefit otherwise payable under this Section 5.01 if such action is necessary or desirable on account of differences in the form or time of payment under the plans and arrangements described in this Section 5.01 or on account of such other factors identified by the Committee as making an adjustment necessary or desirable.

Section 5.02. Additional Benefits for the Chief Operating Officer.

(a) This Section applies to a Participant who was the Company's Chief Operating Officer on January 1, 2002. Such Participant shall be entitled to an additional benefit equal to the Participant's basic retirement benefit under the Visteon Pension Plan and Visteon

Corporation Pension Parity Plan. For this purpose, the term "basic retirement benefit" means the Participant's retirement benefit exclusive of any early retirement supplements, interim supplements or temporary benefits.

(b) The additional benefit shall be paid at the same time and in the same form as the Participant's benefit under the Visteon Pension Plan and the Visteon Corporation Pension Parity Plan is paid, and shall be subject to all of the other terms of the conditions of such plans as if the additional benefit were actually accrued under such plans.

ARTICLE VI. EARNING OUT CONDITIONS

Section 6.01. Conditions Applicable to Continued Payment of Award.

(a) Anything herein contained to the contrary notwithstanding, the right of any Participant to receive benefit payments hereunder for any month shall accrue only if, during the entire period from the date of retirement to the end of such month, the Participant shall have earned out such payment by refraining from engaging in any activity that is directly or indirectly in competition with any activity of the Company or any subsidiary or affiliate thereof. The Committee shall have the sole and absolute discretion to determine whether a Participant's activities constitute competition with the Company, and the Committee may promulgate such rules and regulations in this regard as it deems appropriate.

(b) In the event of a Participant's nonfulfillment of the condition set forth in the immediately preceding paragraph, no further payment shall be made to the Participant or the Beneficiary; provided, however, that the nonfulfillment of such condition may at any time (whether before, at the time of or subsequent to termination of employment) be waived in the following manner:

(i) with respect to any such Participant who at any time shall have been a member of the Board of Directors, the President, an Executive Vice President, a Senior Vice President, a Vice President, the Treasurer, the Controller or the Secretary of the Company, such waiver may be granted by the Committee upon its determination that in its sole judgment there shall not have been and will not be any substantial adverse effect upon the Company or any subsidiary or affiliate thereof by reason of the nonfulfillment of such condition; and

(ii) with respect to any other such Participant, such waiver may be granted by the Retirement Committee designated under the Visteon Pension Plan upon its determination that in its sole judgment there shall not have been and will not be any such substantial adverse effect.

(c) Anything herein contained to the contrary notwithstanding, benefit payments shall not be paid to or with respect to any person as to whom it has been determined that such person at any time (whether before or subsequent to termination of employment) acted in a manner detrimental to the best interests of the Company. Any such determination shall be made by (i) the Committee with respect to any Participant who at any time shall have been a member of the Board of Directors, an Executive Vice President, a Senior Vice President, a Vice President, the Treasurer, the Controller or the Secretary of the Company, and (ii) the Retirement Committee designated under the Visteon Pension Plan with respect to any other Participant, and shall apply to any amounts payable after the date of the applicable committee's action hereunder, regardless of whether the Participant has commenced receiving benefit payments hereunder. Conduct which constitutes engaging in an activity that is directly or indirectly in competition with any activity of the Company or any subsidiary or affiliate thereof shall be governed by subsections (a) and (b) above and shall not be subject to any determination under this subsection (c).

ARTICLE VII. GENERAL PROVISIONS

Section 7.01. Administration and Interpretation.

(a) Subject to subsection (b) below, the Committee shall administer and interpret the Plan.

(b) Subject to such limits as the Committee may from time to time prescribe or such additional or contrary delegations of authority as the Committee may prescribe, the Company's Director of Compensation and Benefits may exercise any of the authority and discretion granted to the Committee hereunder, provided that (i) the Director of Compensation and Benefits shall not be authorized to amend the Plan, and (ii) the Director of Compensation and Benefits shall not exercise any authority and responsibility with respect to non-ministerial matters affecting the participation in the Plan by the Director of Compensation and Benefits. To the extent that the Director of Compensation and Benefits is authorized to act on behalf of the Committee, any references herein to the Committee shall be also be deemed references to the Director of Compensation and Benefits.

(c) The Committee may adopt and modify rules and regulations relating to the Plan as it deems necessary or advisable for the administration of the Plan. The Committee shall have the discretionary authority to interpret and construe the Plan, to make benefit determination (and benefit adjustments) under the Plan, and to take all other actions that may be necessary or appropriate for the administration of the Plan. Each determination, interpretation or other action made or taken pursuant to the provisions of the Plan by the Committee shall be final and shall be binding and conclusive for all purposes and upon all persons, including, but without limitation thereto, the Company, its stockholders, the Participating Employers, the directors, officers, and employees of the Company or a Participating Employer, the Plan participants, and their respective successors in interest.

Section 7.02. Restrictions to Comply with Applicable Law. Notwithstanding any other provision of the Plan, the Company shall have no liability to make any payment under the Plan unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

Section 7.03. Deductions. Anything contained in the Plan notwithstanding, a Participating Employer may deduct from any distribution hereunder all amounts owed to the Company or a Participating Employer by the Participant for any reason, and all taxes required by law or government regulation to be deducted or withheld.

Section 7.04. Claims Procedure.

(a) Claim for Benefits. Any Participant or Beneficiary (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. The written decision shall be within 90 days of receipt of the claim by the Committee (or 180 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to commencement of the extension). If the claim is denied in whole or in part, the claimant shall be furnished with a written notice of such denial containing (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional material or information which is necessary for the claimant to submit or perfect an appeal of his or her claim and (v) an explanation of the Participant's or Beneficiary's right to bring suit under ERISA following an adverse determination upon appeal.

(b) Appeal. If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 90 days of receiving notice of the claim denial. In order that the Committee may expeditiously decide such appeal, the written notice of appeal should contain (i) a statement of the ground(s) for the appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60

days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefore and the expected date of determination prior to commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 7.05. Participant Rights Unsecured.

(a) Unsecured Claim. The right of a Participant or his or her Beneficiary to receive a distribution hereunder shall be an unsecured claim, and neither the Participant nor any Beneficiary shall have any rights in or against any amount credited to his or her Account or any other specific assets of a Participating Employer. The right of a Participant or Beneficiary to the payment of benefits under this Plan shall not be assigned, encumbered, or transferred, except by will or the laws of descent and distribution. The rights of a Participant hereunder are exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

(b) Contractual Obligation. The Company may authorize the creation of a trust or other arrangements to assist it in meeting the obligations created under the Plan. However, any liability to any person with respect to the Plan shall be based solely upon any contractual obligations that may be created pursuant to the Plan. No obligation of a Participating Employer shall be deemed to be secured by any pledge of, or other encumbrance on, any property of a Participating Employer. Nothing contained in this Plan and no action taken pursuant to its terms shall create or be construed to create a trust of any kind, or a fiduciary relationship between a Participating Employer and any Participant or Beneficiary, or any other person.

Section 7.06. No Contract of Employment. The Plan is an expression of the Company's present policy with respect to Company executives who meet the eligibility requirements set forth herein. The Plan is not a contract of employment, nor does it provide any Participant with a right to continue in the employment of the Company or any other entity. No Participant,

Beneficiary or other person shall have any legal or other right to any benefit payments except in accordance with the terms of the Plan, and then only while the Plan is in effect and subject to the Company's right to amend or terminate the Plan as provided in Section 7.07 below.

Section 7.07. Amendment or Termination. There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President - Human Resources, may at any time and for any reason, amend or terminate the Plan; provided that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President - Human Resources by more than a de minimis amount. Any Plan amendment or termination may reduce or eliminate a Participant's benefit under the Plan, including, without limitation, an amendment to eliminate future benefit payments for some or all Participants, whether or not in pay status at the time such action is taken.

Section 7.08. Administrative Expenses. Costs of establishing and administering the Plan will be paid by the Participating Employers.

Section 7.09. No Assignment of Benefits. No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment (except for the designation of beneficiaries pursuant to subsection (b) of Section 1.01), nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her Beneficiary.

Section 7.10. Successors and Assigns. This Plan shall be binding upon and inure to the benefit of the Participating Employers, their successors and assigns and the Participants and their heirs, executors, administrators, and legal representatives.

VISTEON CORPORATION

/s/ Robert H. Marcin

ROBERT H. MARCIN
SENIOR VICE PRESIDENT-HUMAN RESOURCES

EXHIBIT 10.21

SERVICE AGREEMENT

between

Visteon International Business Development, Inc.
728 PARKLANE TOWERS EAST
DEARBORN, MI 48126

- hereinafter referred to as the "Company" -

and

Dr. Heinz Pfannschmidt

- hereinafter referred to as the "Director" -

- jointly hereinafter referred to as "Parties" -

GENERAL

By resolution of the Board of Directors of Visteon Corporation of Sept. 20, 2001 Dr. Heinz Pfannschmidt has been appointed an officer of Visteon Corporation. The appointment will become effective on November 1, 2001. With regard to the advisory services that Dr. Pfannschmidt will render to the Company, the Parties enter into the following

Service Agreement.

SECTION 1 POSITION OF THE DIRECTOR

(1) The Director has been assigned the title and function of the "President Europe and South America". He shall be appointed to the Board of Directors and be a statutory representative of the Company.

(2) The Director will be assigned to Visteon Holdings GmbH, Cologne and will render comprehensive management services and other advisory services related to the business operations and the entities of Visteon Corporation in Europe and South America. He shall render his services in accordance with applicable law, the Articles of Incorporation and By-laws of the Company and this Advisory Services Agreement, all as applicable from time to time.

The Company may request the Director to assume specific functions and positions in entities affiliated with the Company that are incorporated in Europe or South America.

(3) The Director shall always safeguard the interests of the Company. Any business relations with suppliers, clients or other business partners of the Company must not be used for the personal benefit of the Director.

(4) The Director declares that he is not bound by obligations to provide services outside the Visteon group of companies, nor that he is subject to non-competition obligations.

SECTION 2 DUTIES AND RESPONSIBILITIES

The Director shall conduct the business with the diligence of a conscientious businessman and shall conscientiously fulfill the services pursuant to Section 1 (2) of this Service Agreement.

SECTION 3 FREE DETERMINATION OF WORK PLACE AND TIME AND ADDITIONAL ACTIVITIES

(1) The Director shall be free to determine where and when he conducts the work underlying the services. The place and time for the performance of the actual advice shall be agreed among the Parties.

(2) The Company and the Director can agree that the Director shall, without additional compensation, also assume assignments to the Board of Directors, the Supervisory Board or similar functions in affiliated companies. The same shall apply to honorary functions in associations and similar organizations in which the Company participates or is a member.

(3) The assumption of any other paid or unpaid additional activity or honorary position including appointments to supervisory boards etc. require the prior written approval of the Board of Directors of the Company. The approval can be revoked at any time, whereby any provisions as to notice periods for termination of an assumed office must be taken into consideration.

SECTION 4 SALARY AND FULL COMPENSATION

(1) The annual base salary shall amount to

DM 950,000 gross
(in words: Deutsche Mark nine hundred fifty thousand).

(2) The annual base salary shall be paid in thirteen equal installments. The 13th monthly salary shall be paid together with the salary for the month of November. When joining or leaving during the course of the calendar year, the 13th monthly salary shall be paid pro rata temporis. This compensation shall cover holiday pay, Christmas bonus and the like, as well as any overtime worked. The salary is payable at the end of each respective month and shall be transferred to the checking account indicated by the Director.

(3) The base salary and the other compensation and benefits agreed in this Service Agreement shall constitute the full and entire compensation of the Director for the services rendered under this Agreement.

SECTION 5 VARIABLE COMPENSATION

The Director will be entitled to participate in Visteon Corporation's Long Term Incentive Plans (currently in the form of the Visteon Corporation 2000 Incentive Plan), as it exists from time to time. The amounts named below are gross amounts and will be payable net of all applicable taxes and contributions to social security institutions. The Director shall be responsible for the payment of all

taxes, in particular income tax and contributions to social security institutions. The performance targets will be determined by the Board of Directors of the Company in accordance with any available compensation plans applicable to the Company. They also require the approval of Visteon Corporation.

(a) Under the Short Term Incentive Opportunity the Director shall be eligible for an amount of sixty percent of the annual base salary of the Director if the performance targets are reached in all respects.

(b) Under the Long Term Incentive Plan the Director shall be eligible for an incentive opportunity of two hundred percent of the annual base salary of the Director if the performance targets are reached in all respects. The performance targets shall be determined as the achievement of certain financial and operational goals for Visteon Corporation and its affiliates over a three year period. Fifty percent of the opportunity shall be paid out in cash adjusted for performance, and twenty-five percent in Visteon Corporation common stock adjusted for performance. Twenty-five percent of the opportunity will be delivered in options relating to common stock in Visteon Corporation.

SECTION 6 RESTRICTED STOCK, STOCK OPTIONS AND STOCK OWNERSHIP

(1) The Director will be granted, within three months of the commencement of this Advisory Services Agreement, 25,000 shares of common stock of Visteon Corporation in the form of restricted stock. The restricted stock shall not be salable before the fifth anniversary of the commencement of this Service Agreement. Further details are set forth in the restricted stock plan of Visteon Corporation (currently in the form of the Visteon Corporation 2000 Incentive Plan), as it exists from time to time. The Director shall be responsible for all taxes, in particular income tax, and contributions payable in connection with the receipt and sale of the restricted stock.

(2) The Director will be granted, within three months of the commencement of this Service Agreement, stock options relating to 45,000 shares of common stock of Visteon Corporation that will vest ratably over a three-year period starting with the commencement of this Service Agreement. The strike price for these options shall be the average of the high and low prices for shares of common stock in Visteon Corporation quoted on the New York Stock Exchange on the date this Service Agreement commences or on the next following trading day if trading does not occur on the commencement date of this agreement. Further details are set forth in the stock option plan of Visteon Corporation, as it exists from time to time. The Director shall be responsible for all taxes, in particular income tax, and contributions payable in connection with the receipt and exercise of the stock options and the sale of the shares received upon such exercise.

SECTION 7 SIGN-ON BONUS

The Director will receive, within three months of the commencement of this Service Agreement, a sign-on bonus in the amount of the sum of the lost bonus from his previous employer and the Visteon target for two months of 2001. The amounts named in this Section 7 are gross and will be payable net of all applicable taxes and contributions to social security institutions. The Director shall be responsible for the payment of all taxes, in particular income tax and contributions to social security institutions.

(a) The lost bonus constitutes the amount that the Director would have received as a bonus from his previous employer for the full calendar year 2001 had he not terminated his employment with his previous employer effective October 31, 2001. The lost bonus for the purposes of this Section 7 shall not exceed US$ 350,000 gross.

(b) The Visteon target for the Director for the year 2001 amounts to US$ 95,000. For the purposes of this Section 7 the annual target is divided by six to obtain the two-months number.

SECTION 8 FLEXIBLE PERQUISITE PLAN

For each complete calendar year, the Director shall receive reimbursement of expenses for financial planning, security, physical examination, membership in clubs or for other purposes, and it shall be available to the Director during the course of the calendar year as he sees fit. Reimbursements will be made up to an amount equivalent to US$ 15,000.00 gross. If the Director either starts or ends his services during the course of a calendar year, the amount payable under the flexible perquisite plan shall be prorated. The Director shall be liable for all taxes, dues and contributions payable for this amount.

SECTION 9 STATUTORY SOCIAL SECURITY CONTRIBUTIONS

The Company shall pay 50% of the contributions to be made to the statutory pension-, unemployment-, health-, and nursing insurance on behalf of the Director. To the extent that the Director is not a member of a statutory health- or nursing insurance (Pflegeversicherung), the Company shall pay the Director 50% of those contributions that would otherwise be made to the respective social security carrier.

SECTION 10 GROUP ACCIDENT INSURANCE

Within the scope of a voluntary casualty insurance program, the Company shall take out a casualty insurance (in addition to the statutory casualty insurance with the vocational league or Berufsgenossenschaft) for following amounts:

In case of death	DM 300,000.00
Invalidity	DM 600,000.00
Per diem allowance from the 43rd day	DM 100.00
Medical care (Heilkosten) up to	DM 2,000.00 (secondary)
Recovery costs up to	DM 5,000.00.

The insurance coverage shall include any business related or private accidents of daily life and shall be applicable anywhere in the world at land, at sea, or in the air.

In the event of death the legal heirs shall be the beneficiaries. However, the Director shall be entitled to name a different person as beneficiary by submitting a respective declaration to the personnel department.

The Company retains the right to revoke at any time the described insurance coverage.

Taxes due in connection with the monetary advantages based on payment of premiums shall be paid as a lump sum. The Company shall charge the Director the amount of the taxes paid.

The insurance coverage shall expire upon termination of this Service Agreement.

SECTION 11 LIFE INSURANCE

The Company shall take out a renewable term insurance policy (Risikolebensversicherung) for the event of death of the Director in the amount of DM 400,000. The beneficiaries of this insurance policy shall be the heirs of the Director.

SECTION 12 COMPANY PENSION SCHEME

The Director shall receive a company pension. The terms shall be subject to a separate agreement

SECTION 13 COMPANY CAR

The use of company cars will be provided by Visteon Holdings GmbH under its pertinent terms and conditions.

SECTION 14 SALARY PAYMENT IN THE EVENT OF ILLNESS OR DEATH

(1) In the event of disability for service due to illness (krankheitsbedingte Arbeitsunfahigkeit), the Company shall continue to pay the Director the monthly salary pursuant to Section 4 for up to six weeks. In addition, the Company shall pay the difference between the last net monthly salary pursuant to Section 4 and the amount which the statutory health insurance pays, or would pay, if the Director had statutory health insurance coverage (company health insurance benefits or BKK-Krankengeldsatz) for a total period of up to twelve months.

(2) To the extent that the Director has damage claims towards third party for loss of wages due to disability of service, the Director hereby assigns such claim to the Company insofar as the Company continues to pay his salary or other benefits in money's worth and to make contributions to the social security carrier and other third parties in accordance with this Agreement. The Director shall immediately provide the Company with the information which is necessary for the assertion of the claim.

(3) In the event of death, the dependants (widow and children entitled to support) shall receive the full salary for the month of death and the three subsequent months.

SECTION 15 DATA STORAGE

The Director agrees that his personal data is stored and processed in accordance with statutory provisions.

SECTION 16 NON-COMPETE

During the term of this Service Agreement, the Director shall not be allowed to act as a self-employed entrepreneur, an employee or in any other way for or on behalf of a direct or indirect competitor of the Company. Furthermore, the Director shall not be allowed to establish or to acquire such a competitor or to directly or indirectly participate in such a competing company.

SECTION 17 RETURN OF DOCUMENTS

(1) At the termination of this Service Agreement, or in the event of a release of the Director from his duties, the Director is obliged to immediately and fully return to the Company all items of property and documents that relate to the Company. This shall apply, in particular, to keys, books, data-carriers, printed items of any kind, documentation or drafts as well as extracts or copies thereof. The Director shall have no right of retention with respect to these items and documents.

(2) All aforementioned items shall remain, or become at the time of creation, the property of the Company.

SECTION 18 INVENTIONS

(1) The Director transfers to the Company in advance all patentable or other inventions, developments, and industrial property rights eligible for protection made or acquired by him during the term of this Service Agreement. To the extent that such transfer cannot be made in advance, the Director is under the obligation to make such transfers as soon as possible. These obligations shall apply to domestic, foreign, and international rights.

(2) The Company shall be obliged to register the inventions of the Director and to inform the Director of such registration.

(3) The Director receives no special compensation. The compensation for the transfer of these rights pursuant to subsection (1) is included in the compensation stipulated in this Agreement.

SECTION 19 TERM

(1) This Service Agreement shall become effective on November 1, 2001.

(2) This Service Agreement ends automatically at the respective times stated in the cases listed below without requiring a special termination notice:

(a) upon expiration of the time period for which the Director has been appointed an officer of Visteon Corporation;

(b) upon resignation from the appointment as an officer of Visteon Corporation; and

(c) when the Managing Director-Service Agreement between the Director and Visteon Holdings GmbH ends.

(3) In addition, the Service Agreement may be terminated by either side (i) within the first 12 months of this Agreement with a notice period of 36 months, and (ii) after expiry of the first 12 months with a notice period of 24 months.

Upon declaration of termination of this Service Agreement or upon declaration of termination of the Managing Director-Service Agreement between the Director and Visteon Holdings GmbH, the Director may demand that the payments payable to him under this Service Agreement during the notice period are settled by payment of a singular amount. This singular amount shall consist of the sum of all individual amounts after they have been discounted. In the event of termination after the expiry of the first 12 months of this Agreement, the Managing Director may also demand that the payments due to him be distributed evenly over a period of 36 months. Such distribution shall not otherwise constitute an extension of this Agreement.

(4) The appointment of the Director as an officer of Visteon Corporation can be revoked by Visteon Corporation at any time. The revocation of the appointment shall constitute a termination of this Service Agreement by the Company with the notice period stated in subsection (3) above.

SECTION 20 CONFIDENTIALITY

For the duration of this Service Agreement and thereafter the Director shall be obliged to treat as confidential all information or data relating to the Company, or any of its affiliated companies, of which he becomes aware and shall not to disclose any documents concerning the Companies, or any of its affiliated companies, either himself or through third parties. This refers specifically to business and operational secrets, know-how, information, designs, manufacturing processes, formulas, patents, and improvements as well as financial information and customer lists that concern the business activities or products of the Company or of its affiliated companies. The same obligations shall apply with regard to any predecessors in business, suppliers, agents, distributors or customers.

SECTION 21 POST-CONTRACTUAL NON-COMPETE

(1) For a duration of two years following the termination of the Service Agreement, the Director agrees not to work for a company that competes with the Company, or a company affiliated with the Company (competing company or Konkurrenzunternehmen). Free-lancing or consulting activities shall also not be permissible. The non-compete obligation shall not apply if the Service Agreement terminates due to permanent disability (dauernde Arbeitsunfahigkeit). The Company may, at any time, waive the non-compete obligation with a notice period of three months.

(2) The Company shall pay the Director a compensation for the duration of the non-compete obligation in the amount of 50% of the salary pursuant to Section 4.

(3) If the non-compete obligation is breached, the Company shall be under no obligation to pay the compensation.

SECTION 22 FINAL PROVISIONS

(1) This Service Agreement is agreed under the condition precedent that the Managing Director-Service Agreement between the Director and Visteon Holdings GmbH has been duly executed and has come into full force and effect.

(2) Furthermore, the Director agrees to inform the Company without delay of any change of residence. In this respect all legal acts of the Company shall be deemed as having been validly effected, if they have been made under the address last notified by the Director.

(3) Changes or amendments of this Service Agreement require written form.

(4) If individual provisions of this Service Agreement or parts of provisions of this Service Agreement are or become void, the validity of the other provisions of this Agreement shall not be affected thereby. The void provision shall be replaced by a legal provision which comes as close as possible to the economic and legal rationale of the void provision. The same shall apply accordingly to gaps in this Agreement.

(5) Claims arising under this Service Agreement are to be made within a period of six months after they become due. Otherwise these claims shall be excluded.

(6) This contract will be exclusively governed by Michigan law.

Dearborn, October 23, 2001 Bargum, October 23, 2001

For the Company

/s/ Robert Marcin /s/ Dr. Heinz Pfannschmidt
- ---------- ----------
Robert Marcin Dr. Heinz Pfannschmidt

EXHIBIT 10.22

VISTEON CORPORATION
EXECUTIVE SEPARATION ALLOWANCE PLAN

(As amended through December 11, 2002
for Separations on or after July 1, 2000)

VISTEON CORPORATION
EXECUTIVE SEPARATION ALLOWANCE PLAN

This Plan has been established for the purpose of providing certain eligible employees with an Executive Separation Allowance in the event of their separation from employment with the Company under certain circumstances. The Plan is an expression of the Company's present policy with respect to separation allowances for employees who meet the eligibility requirements set forth below; it is not a part of any contract of employment and no employee or other person shall have any legal or other right to any Executive Separation Allowance. The Plan is adopted effective July 1, 2000.

Section 1. DEFINITIONS. As used in the Plan, the following terms shall have the following meanings, respectively:

"AFFILIATE" shall mean, as applied with respect to any person or legal entity specified, a person or legal entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with the person or legal entity specified.

"COMMITTEE" shall mean the Organization and Compensation Committee of the Board of Directors of Visteon Corporation.

"COMPANY" shall mean Visteon Corporation and such of the subsidiaries of Visteon Corporation as, with the consent of Visteon Corporation, shall have adopted this Plan.

"ELECTED OFFICER" shall mean an officer of the Company elected by the Board of Directors of Visteon Corporation.

"ELIGIBLE SURVIVING SPOUSE" shall mean a spouse to whom an employee has been married at least one year at the date of the employee's death.

"LEADERSHIP LEVEL ONE OR TWO EMPLOYEE" shall mean an employee of the Company who is assigned to the Leadership Level One or Two, or its equivalent, or for periods prior to January 1, 2000, shall mean an Executive Roll Employee.

"EXECUTIVE LEADER" shall mean an employee who, on or after January 1, 2002, is classified as an Executive Leader by the Company.

"PARTICIPANT" shall mean an employee who meets the eligibility criteria set forth in Section 2.

"SERVICE" shall mean an eligible employee's years of service (including fractions of years) used in determining eligibility retirement benefits under the Visteon Pension Plan.

"SUBSIDIARY" shall mean, as applied with respect to any person or legal entity specified, (i) a person or legal entity a majority of the voting stock of which is owned or controlled,

directly or indirectly, by the person or legal entity specified or (ii) any other type of business organization in which the person or legal entity specified owns or controls, directly or indirectly, a majority interest.

Section 2. ELIGIBILITY. Each Executive Leader or Elected Officer (or, prior to January 1, 2002, each Leadership Level One or Two Employee) who, on or before June 30, 2004, is being separated from employment with the approval of the Company and who

(1) was employed by the Company on or before December 31, 2001;

(2) has at least five years' service on the Executive Roll, or its equivalent;

(3) has at least ten years of contributory membership under the Visteon Pension Plan (which, for purposes of this paragraph 2, shall be deemed to include contributory service under the Ford Motor Company General Retirement Plan);

(4) is at least 55 years of age; and

(5) has applied for early retirement at the employee's option

shall be eligible to receive an Executive Separation Allowance as provided herein. The Eligible Surviving Spouse of an employee who (i) has not separated from employment with the Company, and (ii) meets the eligibility conditions set forth in subsections (1) through (4) of this Section 2, on or before June 30, 2004 shall be eligible to receive the Executive Separation Allowance that the deceased employee would have been eligible to receive if such employee had separated from employment with the approval of the Company and retired on the date of the employee's death.

The eligibility conditions set forth in subsections (2) and (3) of Section 2 may be waived by the Chief Executive Officer or the President.

Section 3. CALCULATION OF AMOUNT.

A. BASE MONTHLY SALARY. For purposes of the Plan, the "Base Monthly Salary" of a Participant shall be the highest monthly base salary rate of such employee during the employee's

12 months of service immediately preceding separation from employment with the Company, prior to giving effect to any salary reduction agreement pursuant to an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Security Act of 1974, as amended, (i) to which Section 125 or Section 402(e)(3) of the Internal Revenue Code of 1986, as amended, applies or (ii) which provides for the elective deferral of compensation. It shall not include supplemental compensation or any other kind of extra or additional compensation. For purposes of this subsection, base salary paid by Ford Motor Company prior to July 1, 2000 shall be treated as if paid by the Company.

B. AMOUNT OF EXECUTIVE SEPARATION ALLOWANCE. Subject to any limitation in other provisions of the Plan, the gross monthly amount of the Executive Separation Allowance of a Participant under Section 2 above shall be such employee's Base Monthly Salary multiplied by a percentage, not to exceed 60%, equal to the sum of (i) 15%, (ii) five tenths of one percent (.5%) for each month (or fraction thereof) that such employee's age at separation exceeds 55, not to exceed thirty percent (30%), and (iii) one percent (1%) for each year of such employee's service in excess of 15, prorated for fractions of a year.

The gross amount for any month shall be reduced by any payments paid or payable for such month to the Participant, the Participant's surviving spouse, contingent annuitant, or other beneficiary under the Visteon Pension Plan, the Ford Motor Company General Retirement Plan, the Ford Motor Company Executive Separation Allowance Plan or any other private retirement plan, other than the Visteon Corporation Supplemental Retirement Plan or the Ford Motor Company Supplemental Executive Retirement Plan, to which the Company or its subsidiaries shall have contributed.

C. ADDITIONAL ALLOWANCE FOR CERTAIN TRANSFERRED EMPLOYEES. A Participant who retired on June 30, 2000 from Ford Motor Company, and who was an Elected Officer on June 28, 2000, shall, upon meeting the eligibility requirements in Section 2, receive the additional allowance equal to the difference between (i) and (ii) below, where:

(i) is the aggregate monthly amount of Executive Separation Allowance to which the Participant would have been entitled under the Ford Motor Company Executive Separation Allowance Plan if the Participant's

employment with the Company on and after July 1, 2000, and the Base Monthly Salary attributable to such employment, had instead been employment with, and Base Monthly Salary from, Ford Motor Company; and

(ii) is the aggregate monthly amount of Executive Separation Allowance under the Ford Motor Company Executive Separation Allowance Plan and the Visteon Corporation Executive Separation Allowance Plan to which the Participant is actually entitled.

The additional allowance described in this subsection 3C shall be paid in accordance with the provisions of Section 4 below and shall be paid at the same time and for the same duration as the allowance described in subsection 3B above. The monthly retirement benefits calculated under subsection C. above shall be determined based upon the terms of the Ford Motor Company Executive Separation Allowance Plan as in effect on June 30, 2000. The Committee has full authority and discretion to adjust (including to reduce) the benefit amounts calculated above to reflect changes in the design of the Ford Motor Company Executive Separation Allowance Plan or to take into account such other factors as the Committee, in its sole discretion, deems relevant.

Section 4. PAYMENTS. Executive Separation Allowance payments, in the net amount determined in accordance with Section 3B above, shall be made monthly. Payments to a Participant shall cease at the end of the month in which such employee attains age 65 or dies, whichever occurs first. In the event of death of a Participant prior to attaining age 65, or in the event of death of an employee whose Eligible Surviving Spouse meets the eligibility conditions set forth in Section 2 for payments hereunder, payments shall be made to such Participant's or employee's Eligible Surviving Spouse, if any, until the death of such spouse or, if earlier, until the end of the month in which the Participant or employee would have attained age 65.

Anything herein contained to the contrary notwithstanding, the right of any Participant to receive an installment of Executive Separation Allowance hereunder for any month shall accrue only if, during the entire period from the date of such employee's separation to the end of such month, such employee shall have earned out such installment by refraining from engaging in any

activity that is directly or indirectly in competition with any activity of the Company or any Subsidiary or Affiliate thereof.

In the event of a Participant's nonfulfillment of the condition set forth in the immediately preceding paragraph, no further installment shall be paid to such Participant; provided, however, that the nonfulfillment of such condition may at any time (whether before, at the time of or subsequent to termination of the Participant's employment) be waived by the Committee upon its determination that in its sole judgment there shall have not been and will not be any substantial adverse effect upon the Company or any Subsidiary or Affiliate thereof by reason of the nonfulfillment of such condition.

Anything herein contained to the contrary notwithstanding, Executive Separation Allowance payments shall not be paid to or with respect to any person as to whom it has been determined that such person at any time (whether before or subsequent to termination of the employee's employment) acted in a manner inimical to the best interests of the Company. Any such determination shall be made by the Committee, and shall apply to any amounts payable after the date of the applicable Committee's action hereunder, regardless of whether the person has commenced receiving Executive Separation Allowance. Conduct which constitutes engaging in an activity that is directly or indirectly in competition with any activity of the Company or any Subsidiary or Affiliate thereof shall be governed by the immediately preceding paragraphs of this Section 4 and shall not be subject to any determination under this paragraph.

Any Executive Separation Allowance payments resumed after reemployment with the Company under Section 6 or employment with a Subsidiary of the Company under Section 7 shall be paid on the basis of the percentage of Base Monthly Salary applicable at the time of the initial determination under Section 3B.

Section 5. DEDUCTIONS. The Company may deduct from any payment of Executive Separation Allowance to a Participant or such Participant's Eligible Surviving Spouse all amounts owing to it by such employee for any reason, and all taxes required by law or government regulation to be deducted or withheld.

Section 6. PERSON REEMPLOYED BY THE COMPANY. In the event an employee who shall have been separated from employment with the Company under circumstances that would make the employee eligible to receive an Executive Separation Allowance shall be reemployed by the Company before the employee shall have received payment of the full amount of the employee's Executive Separation Allowance, no further allowance shall be paid during such period of reemployment.

Section 7. PERSON EMPLOYED BY A SUBSIDIARY. In the event an employee who shall have been separated from employment with the Company under circumstances that would make the employee eligible to receive an Executive Separation Allowance shall be employed by a Subsidiary of the Company before the employee shall have received payment of the full amount of the employee's Executive Separation Allowance, no further allowance shall be paid during such period of employment.

Section 8. ADMINISTRATION AND INTERPRETATION. Except as the Committee and the Chief Executive Officer and the President are authorized to administer the Plan in certain respects, the Senior Vice-President - Human Resources shall have full power and authority on behalf of the Company to administer and interpret the Plan. In the event of a change in a designated officer's title, the officer or officers with functional responsibility for executive separation allowance plans shall have the power and authority to administer and interpret the Plan. All decisions with respect to the administration and interpretation of the Plan shall be final and shall be binding upon all persons.

Section 9. RESTRICTIONS TO COMPLY WITH APPLICABLE LAW. Notwithstanding any other provision of the Plan, the Company shall have no liability to make any payment under the Plan unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

Section 10. DEDUCTIONS. Anything contained in the Plan notwithstanding, the Company may deduct from any distribution hereunder all amounts owed to the Company or a Subsidiary or Affiliate by the Participant for any reason, and all taxes required by law or government regulation to be deducted or withheld.

Section 11. CLAIMS PROCEDURE.

A. CLAIM FOR BENEFITS. Any Participant or Eligible Surviving Spouse (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. The written decision shall be within 90 days of receipt of the claim by the Committee (or 180 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to commencement of the extension). If the claim is denied in whole or in part, the claimant shall be furnished with a written notice of such denial containing (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional material or information which is necessary for the claimant to submit or perfect an appeal of his or her claim, and (v) an explanation of the claimant's right to bring suit under ERISA following an adverse determination upon appeal.

B. APPEAL. If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 90 days of receiving notice of the claim denial. In order that the Committee may expeditiously decide such appeal, the written notice of appeal should contain (i) a statement of the ground(s) for the appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefore and the expected date of determination prior to commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the

claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 12. PARTICIPANT RIGHTS UNSECURED.

A. UNSECURED CLAIM. The right of a Participant or his or her Eligible Surviving Spouse to receive a distribution hereunder shall be an unsecured claim, and neither the Participant nor any Eligible Surviving Spouse shall have any rights in or against any amount credited to his or her Account or any other specific assets of the Company or a Subsidiary or Affiliate. The right of a Participant or Eligible Surviving Spouse to the payment of benefits under this Plan shall not be assigned, encumbered, or transferred, except by will or the laws of descent and distribution. The rights of a Participant hereunder are exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

B. CONTRACTUAL OBLIGATION. The Company may authorize the creation of a trust or other arrangements to assist it in meeting the obligations created under the Plan. However, any liability to any person with respect to the Plan shall be based solely upon any contractual obligations that may be created pursuant to the Plan. No obligation of the Company, a Subsidiary or Affiliate shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Company, or Subsidiary or Affiliate. Nothing contained in this Plan and no action taken pursuant to its terms shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company, or Subsidiary or Affiliate and any Participant or Eligible Surviving Spouse, or any other person.

Section 13. NO CONTRACT OF EMPLOYMENT. The Plan is an expression of the Company's present policy with respect to Company executives who meet the eligibility requirements set forth herein. The Plan is not a contract of employment, nor does it provide any Participant with a right to continue in the employment of the Company or any other entity. No Participant, Eligible Surviving Spouse or other person shall have any legal or other right to any benefit payments except in accordance with the terms of the Plan, and then only while the Plan is in effect and subject to the Company's right to amend or terminate the Plan as provided in Section 14 below.

Section 14. AMENDMENT OR TERMINATION. There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President - Human Resources, may at any time and for any reason, amend or terminate the Plan; provided that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President - Human Resources by more than a de minimis amount. Any Plan amendment or termination may reduce or eliminate a Participant's benefit under the Plan, including, without limitation, an amendment to eliminate future benefit payments for some or all Participants, whether or not in pay status at the time such action is taken.

Section 15. ADMINISTRATIVE EXPENSES. Costs of establishing and administering the Plan will be paid by the Company.

Section 16. NO ASSIGNMENT OF BENEFITS. No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment, nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her Eligible Surviving Spouse.

Section 17. SUCCESSORS AND ASSIGNS. This Plan shall be binding upon and inure to the benefit of the Company, its Subsidiaries and Affiliates, their successors and assigns and the Participants and their heirs, executors, administrators, and legal representatives.

VISTEON CORPORATION

/s/ Robert H. Marcin

ROBERT H. MARCIN
SENIOR VICE PRESIDENT-HUMAN RESOURCES

EXHIBIT 10.23

VISTEON CORPORATION RABBI TRUST

This Trust Agreement made this 7th day of February, 2003 by and between Visteon Corporation ("Visteon") and The Northern Trust Company ("Trustee");

WHEREAS, Visteon has adopted the non-qualified employee benefit arrangements as listed in Appendix A (individually referred to as the "Plan" or collectively referred to as the "Plans") which Visteon may revise from time to time to add more Plans by delivering to Trustee a new Appendix A without requiring an amendment of this Trust Agreement.

WHEREAS, Visteon has incurred or expects to incur liability under the terms of such the Plans with respect to the individuals participating in the Plans;

WHEREAS, Visteon wishes to establish a trust (hereinafter called "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Visteon's creditors in the event of Visteon's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plans;

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plans as unfunded maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended;

WHEREAS, it is the intention of Visteon to contribute to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plans;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

SECTION 1. ESTABLISHMENT OF TRUST

(a) Visteon hereby establishes with the Trustee a grantor trust and deposits with Trustee in trust $100, which shall become the principal of the Trust, to which shall be added such sums of money and such property acceptable to the Trustee as shall from time to time be paid or delivered to the Trustee and the earnings and profits thereon to be held, administered and disposed of by the Trustee as provided in this Trust Agreement.

(b) The Trust hereby established is revocable by Visteon; it shall become irrevocable upon a Change of Control, as defined herein.

(c) The Trust is intended to be a grantor trust, of which Visteon is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be construed accordingly.

(d) The principal of the Trust, and any earnings thereon shall be held separate and apart from other funds of Visteon and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plans and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Visteon. Any assets held by the Trustee will be subject to the claims of Visteon's general creditors under federal and state law in the event of Insolvency as defined in Section 3(a) herein.

(e) Upon a Change of Control, Visteon shall, as soon as possible, but in no event longer than 30 days following the Change of Control, as defined herein, make an irrevocable contribution to the Trust in an amount that is sufficient to pay each Plan participant or beneficiary the benefits to which Plan participants or their beneficiaries would be entitled pursuant to the terms of the Plans as of the date on which the Change of Control occurred. Trustee shall have no duty to enforce any funding obligations of Visteon, and the duties of Trustee shall be governed solely by the terms of the Trust without reference to the terms of the Plans.

SECTION 2. PAYMENTS TO PLAN PARTICIPANTS AND THEIR BENEFICIARIES.

(a) Visteon shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect to each Plan participant (and his or her beneficiaries), directions to Trustee regarding the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plans), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan participants and their beneficiaries in accordance with such Payment Schedule. Visteon shall have the sole responsibility for all tax withholding filings and reports. Trustee shall withhold such amounts from distributions as Visteon directs and shall follow the instructions of Visteon with respect to remission of such withheld amounts to appropriate governmental authorities and related reporting and filings.

(b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plans shall be determined by Visteon or such party as it shall designate under the Plans, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plans.

(c) Visteon may make payment of benefits directly to Plan participants or their beneficiaries as they become due under the terms of the Plans. Visteon shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to participants or their beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plans, Visteon shall make the balance of each such payment as it falls due. Trustee shall notify Visteon where principal and earnings are not sufficient to make a payment then due under the Payment Schedule.

SECTION 3. TRUSTEE RESPONSIBILITY REGARDING PAYMENTS TO TRUST BENEFICIARY WHEN VISTEON IS INSOLVENT.

(a) Trustee shall cease payment of benefits to Plan participants and their beneficiaries if the Visteon is Insolvent, subject to the provisions of Section 3(b) below. Visteon shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Visteon is unable to pay its debts as they become due, or (ii) Visteon is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Visteon under federal and state law as set forth below.

(1) The Treasurer of Visteon shall have the duty to inform Trustee in writing of Visteon's Insolvency. If a person claiming to be a creditor of Visteon alleges in writing to Trustee that Visteon has become Insolvent, Trustee shall determine whether Visteon is Insolvent and, pending such determination, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries.

(2) Unless Trustee has actual knowledge of Visteon's Insolvency, or has received notice from Visteon or a person claiming to be a creditor alleging that Visteon is Insolvent, Trustee shall have no duty to inquire whether Visteon is Insolvent. Trustee may in all events rely on such evidence concerning Visteon's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Visteon's solvency. In no event shall "actual knowledge" be deemed to include knowledge of Visteon's credit status held by banking officers or banking employees of

The Northern Trust Company which has not been communicated to the trust department of Trustee. Trustee may appoint an independent accounting, consulting or law firm to make any determination of solvency required by Trustee under this Section 3. In such event, Trustee may conclusively rely upon the determination by such firm and shall be responsible only for the prudent selection of such firm.

(3) If at any time the Treasurer of Visteon notifies Trustee or Trustee has determined that Visteon is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries and shall hold the assets of the Trust for the benefit of Visteon's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Plan participants or their beneficiaries to pursue their rights as general creditors of Visteon with respect to benefits due under the Plans or otherwise.

(4) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after Trustee has determined that Visteon is not Insolvent (or is no longer Insolvent) or pursuant to an order from the U.S. Bankruptcy Court or other court of competent jurisdiction.

(c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance, to the extent not inconsistent with an order from the U.S. Bankruptcy Court or other court of competent jurisdiction, shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of the Plans for the period of such discontinuance, less the aggregate amount of any payments made to Plan participants or their beneficiaries by Visteon in lieu of the payments provided for hereunder during any such period of discontinuance, all in accordance with the Payment Schedule, which Visteon shall modify as necessary to comply with the provisions of this paragraph (c).

SECTION 4. PAYMENTS TO VISTEON.

Except as provided in Section 3, hereof, after the Trust has become irrevocable, Visteon shall have no right or power to direct Trustee to return to Visteon or to divert to others any of the Trust assets before all payments of benefits have been made to Plan participants and their beneficiaries pursuant to the terms of the Plans. Trustee shall be entitled to rely conclusively upon Visteon's written certification that all such payments have been made.

SECTION 5. INVESTMENT AUTHORITY.

(a) Subject to such written investment guidelines as may be issued to Trustee from time to time by Visteon and subject further to paragraphs (b) and (c) hereof, Trustee may invest and reinvest Trust assets in property of any kind, provided, however, that in no event may Trustee, in the exercise of any discretionary investment authority granted to it under this Section 5, invest in securities (including stock or rights to acquire stock) or obligations issued by Visteon, other than a de minimis amount held in common investment vehicles in which Trustee invests. Subject to paragraphs (b) and (c) hereof, all rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercisable by or rest with Plan participants.

(b) Visteon shall have the right, at anytime, and from time to time in its sole discretion, to substitute assets of equal fair market value for any asset held by the Trust; Trustee shall have no responsibility for determining whether such right has been properly exercised or for any investment losses that may result from its exercise.

(c) Visteon may, by written notice to Trustee, assume investment responsibility for any portion or all of the Trust assets (and shall be deemed to have assumed such responsibility with respect to any shares of Visteon stock, insurance policies or contracts, or other agreed upon assets held in the Trust for which Trustee does not accept investment responsibility), in which event, Trustee shall act with respect to such assets only as directed by Visteon and shall have no investment review responsibility therefor.

(d) Trustee shall not make any investment review of, consider the propriety of holding or selling, or vote other than as directed by Visteon, any assets of the Trust Fund for which Visteon shall have investment responsibility in accordance with this Section 5, except that if Trustee shall not have received contrary instructions from Visteon, Trustee shall invest for short term purposes any cash in its custody in bonds, notes and other evidences of indebtedness having a maturity date not beyond five years from the date of purchase, United States Treasury bills, commercial paper, bankers' acceptances and certificates of deposit, and undivided interests or participations therein, and participations in regulated investment companies for which the Trustee or its affiliate is the adviser.

SECTION 6. DISPOSITION OF INCOME.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

SECTION 7. ACCOUNTING BY TRUSTEE.

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Visteon and Trustee. Within 90 days following the close of each calendar year and within 45 days after the removal or resignation of Trustee, Trustee shall deliver to Visteon a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. In the absence of the filing in writing with Trustee by Visteon of exceptions or objections to any such account within 90 days, Visteon shall be deemed to have approved such account; in such case, or upon the written approval by Visteon of any such account, Trustee shall be released, relieved and discharged with respect to all matters and things set forth in such account as though such account had been settled by the decree of a court of competent jurisdiction. Trustee may conclusively rely on determinations of Visteon of valuations for assets of the Trust for which Trustee deems there to be no readily determinable fair market value and on determinations of the issuing insurance company of valuations for insurance contracts/policies.

SECTION 8. RESPONSIBILITY OF TRUSTEE.

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given in writing by Visteon. In the event of a dispute between Visteon and a party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b) If Trustee undertakes or defends any litigation brought by or against a third party and arising in connection with this Trust, Visteon agrees to indemnify Trustee against Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If Visteon does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c) Trustee may consult with legal counsel (who may also be counsel for Visteon generally) with respect to any of its duties or obligations hereunder.

(d) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.

(e) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy and shall act with respect to any such policy only as directed by Visteon.

(f) However, notwithstanding the provisions of Section 8(e) above, where directed by Visteon, Trustee may loan to Visteon the proceeds of any borrowing against an insurance policy held as an asset of the Trust.

(g) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Code.

(h) Visteon (which has the authority to do so under the laws of its state of incorporation) shall indemnify The Northern Trust Company, and defend it and hold it harmless from and against any and all liabilities, losses, claims, suits or expenses (including attorneys' fees) of whatsoever kind and nature which may be imposed upon, asserted against or incurred by The Northern Trust Company at any time (1) by reason of its carrying out its responsibilities or providing services under this Trust Agreement, or its status as Trustee, or by reason of any act or failure to act under this Trust Agreement, except to the extent that any such liability, loss, claim, suit or expense arises directly from Trustee's negligence or willful misconduct in the performance of responsibilities specifically allocated to it under the Trust Agreement, or (2) by reason of the Trust's failure to qualify as a grantor trust under the IRS grantor trust rules or the Plan's failure to qualify as an excess benefit or top-hat plan exempt from all or Parts 2, 3, and 4 of Title 1 of the ERISA. This paragraph shall survive the termination of this Trust Agreement.

(i) Trustee shall not be liable for any delay in performance, or non-performance, of any obligation hereunder to the extent that the same is due to forces beyond Trustee's reasonable control, including but not limited to any industrial, juridical, governmental, civil or military action; acts of terrorism, insurrection or revolution; nuclear fusion, fission or radiation; failure or fluctuation in electrical power, heat, light, air conditioning or telecommunications equipment; or acts of God.

SECTION 9. COMPENSATION AND EXPENSES OF TRUSTEE.

Visteon shall pay all administrative and Trustee's fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust.

SECTION 10. RESIGNATION AND REMOVAL OF TRUSTEE.

(a) Trustee may resign at any time by written notice to Visteon, which shall be effective 60 days after receipt of such notice unless Visteon and Trustee agree otherwise.

(b) Trustee may be removed by Visteon at any time by written notice to Trustee, which shall be effective 60 days after receipt of such notice or upon shorter notice accepted by Trustee.

(c) Upon a Change of Control, as defined herein, Trustee may not be removed by Visteon for one (1) year.

(d) If Trustee resigns within 10 year(s) after a Change of Control, as defined herein, Visteon shall apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions.

(e) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The resigning or removed Trustee is authorized, however, to reserve such amount as may be necessary for the payment of its fees and expenses incurred prior to resignation or removal. The transfer shall be completed within 180 days after receipt of notice of resignation, removal or transfer, unless Visteon extends the time limit. Visteon's consent to extension of such time limit shall not be unreasonably withheld.

(f) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under paragraph(s) (a) or (b) of this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

SECTION 11. APPOINTMENT OF SUCCESSOR.

(a) If Trustee resigns or is removed in accordance with Section 10(a) or (b) hereof, Visteon may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Visteon or the successor Trustee to evidence the transfer.

(b) The successor Trustee shall not be responsible for and Visteon shall indemnify and defend the successor Trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

SECTION 12. AMENDMENT OR TERMINATION.

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Visteon. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plans, as certified to in writing by Visteon (upon which certification Trustee may conclusively rely), or shall make the Trust revocable after it has become irrevocable in accordance with Section 1(b) hereof.

(b) Following a Change of Control, the Trust shall not terminate until the date on which there are no longer any assets held in the Trust or Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plans, as certified to in writing by Visteon (upon which certification Trustee may conclusively rely). Upon termination of the trust any assets remaining in the Trust shall be returned to Visteon.

(c) Upon written approval of Plan participants or beneficiaries entitled to payment of benefits pursuant to the terms of the Plans, Visteon may terminate this Trust prior to the time all benefit payments under the Plans have been made. Such approval shall be obtained and certified to in writing by Visteon (upon which certification Trustee may conclusively rely), and Trustee shall have no responsibility therefor. All assets in the Trust at termination shall be returned to Visteon.

(d) This Trust Agreement may not be amended by Visteon for 20 year(s) following a Change of Control, as defined herein.

SECTION 13. MISCELLANEOUS.

(a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of Illinois.

(d) For purposes of this Trust, Change in Control shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Visteon (not including in the securities beneficially owned by such Person any securities acquired directly from Visteon or its affiliates) representing 40% or more of the combined voting power of Visteon's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (a) of paragraph (iii) below;

(ii) within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the effective date of this Trust Agreement, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Visteon) whose appointment or election by the Board or nomination for election by Visteon's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

(iii) there is consummated a merger or consolidation of Visteon or any direct or indirect subsidiary of Visteon with any other corporation, other than (a) a merger or consolidation which results in the directors of Visteon immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of directors of Visteon, the surviving entity or any parent thereof or (b) a merger or consolidation effected to implement a recapitalization of Visteon (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Visteon (not including in the securities Beneficially Owned by such Person any securities acquired directly from Visteon or its Affiliates) representing 40% or more of the combined voting power of Visteon's then outstanding securities;

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

(v) any other event that the Board, in its sole discretion, determines to be a Change in Control for purposes of this Agreement.

(vi) For purposes of this subsection 13(d), the following terms shall have the meanings indicated below:

(A) "Affiliate(s)" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

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

(C) "Board" shall mean the Board of Directors of Visteon.

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

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

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Visteon immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Visteon immediately following such transaction or series of transactions.

Visteon shall immediately notify Trustee in writing of any Change of Control. Trustee may conclusively rely upon such notice and shall have no duty to determine whether a Change of Control has occurred.

(e) Any action required to be taken by Visteon shall be by resolution of its Board of Directors or by written direction of one or more of its Treasurer, Executive Vice President and Chief Financial Officer, Senior Vice President of Human Resources, Secretary, or Assistant Secretary or anyone designated by such persons to act on behalf of Visteon. The Trustee may rely upon a resolution or direction filed with the Trustee and shall have no responsibility for any action taken by the Trustee in accordance with any such resolution or direction.

(f) In making payments to service providers pursuant to authorized directions, Visteon acknowledges that the Trustee is acting as paying agent, and not as the payor, for tax information reporting and withholding purposes.

(g) This Trust Agreement shall inure to the benefit of, and be binding upon, each of the parties and their respective successors and assigns.

SECTION 14. EFFECTIVE DATE.

The effective date of this Trust Agreement shall be December 11, 2002.

IN WITNESS WHEREOF, Visteon and the Trustee have executed this Trust Agreement effective as of the date set forth above.

VISTEON CORPORATION

By: /s/ Mary A. Winston

Name: Mary A. Winston

Title: Vice President and Treasurer

Attest:

/s/ Janet G. Witkowski
- ---
Janet G. Witkowski

(CORPORATE SEAL)

The undersigned, Heidi A. Diebol-Hoorn, does hereby certify that she is the duly elected, qualified and acting Secretary of Visteon Corporation ("Visteon") and further certifies that the person whose signature appears above is a duly elected, qualified and acting officer of Visteon with full power and authority to execute this Trust Agreement on behalf of Visteon and to take such other actions and execute such other documents as may be necessary to effectuate this Trust Agreement.

/s/ Heidi A. Diebol-Hoorn
- ---
Assistant Secretary
Visteon Corporation

THE NORTHERN TRUST COMPANY

By: /s/ Linda L. Thurber

Name: Linda L. Thurber

Title: Vice President

Attest:

/s/ Mark S. Fetters
- ---

APPENDIX A
TO VISTEON CORPORATION RABBI TRUST

- Visteon Corporation Deferred Compensation Plan, effective July 1, 2000
- Visteon Corporation Pension Parity Plan, effective July 1, 2000
- Visteon Corporation Savings Parity Plan, effective July 1, 2000
- Visteon Corporation Supplemental Executive Retirement Plan, effective July 1, 2000
- Visteon Corporation Executive Separation Allowance Plan, effective July 1, 2000
- Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, effective October 11, 2000
- Change in Control Agreements with officers of Visteon Corporation

EXHIBIT 10.24

FIVE-YEAR REVOLVING LOAN CREDIT AGREEMENT

DATED AS OF JUNE 20, 2002

AMONG

VISTEON CORPORATION, AS BORROWER,

THE SEVERAL BANKS
FROM TIME TO TIME PARTIES HERETO,

JPMORGAN CHASE BANK,
AS ADMINISTRATIVE AGENT,

AND

BANK OF AMERICA N.A.,
AS SYNDICATION AGENT

J.P. MORGAN SECURITIES INC. AND
BANC OF AMERICA SECURITIES, LLC,
AS JOINT LEAD ARRANGERS AND JOINT BOOKRUNNERS

TABLE OF CONTENTS

FIVE-YEAR REVOLVING LOAN CREDIT AGREEMENT

This FIVE-YEAR REVOLVING LOAN CREDIT AGREEMENT, dated as of June 20, 2002, is among VISTEON CORPORATION, a Delaware corporation (the "Company"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Banks"), JPMORGAN CHASE BANK, a New York banking corporation, as administrative agent (the "Administrative Agent"), and BANK OF AMERICA N.A., as syndication agent (the "Syndication Agent").

The Company desires to obtain a five-year revolving credit facility for itself and its Affiliates in the aggregate amount of U.S. $775,000,000 or the Equivalent thereof (as hereinafter defined) at any one time outstanding, and the Banks and Administrative Agent are willing to provide such revolving credit facility and to make Loans to, and issue Letters of Credit for the account of, the Company and the Affiliates, subject to the terms and conditions set forth below.

SECTION 1. DEFINITIONS

The following terms, as used herein, have the following respective meanings:

"Accession Memorandum" means a memorandum of an Affiliate substantially in the form of Exhibit A hereto evidencing the Affiliate's agreement to be bound by the terms of this Agreement; provided that such a memorandum shall contain such changes or additional provisions as may be deemed necessary by mutual agreement of the Administrative Agent, the Affiliate and the Company.

"Administrative Agent" has the meaning set forth in the preamble, it being understood that matters concerning Foreign Currency Loans will be administered by J.P. Morgan Europe Limited and therefore all notices concerning such Foreign Currency Loans will be required to be given at the Foreign Currency Notice Office.

"Affected Foreign Currency" has the meaning set forth in Section 10.1.

"Affiliate" means any direct or indirect majority-owned subsidiary of the Company and any partnership of which the Company or a direct or indirect majority-owned subsidiary of the Company is a general or unlimited partner. For purposes of this definition, "majority-owned" means ownership of more than 50% of the capital stock of or other equity interest in, or more than 50% of the voting power with respect to, an entity.

"Affiliate Event of Default" has the meaning set forth in Section 8.2.

"Agents" means the Administrative Agent and the Syndication Agent collectively.

"Aggregate Commitments" means, at any time, the aggregate amount of the Commitments then in effect. The original amount of the Aggregate Commitments is $775,000,000.

"Aggregate Exposure" means, with respect to any Bank at any time, an amount equal to the principal amount of such Bank's Commitment then in effect or, if the Commitments have been terminated, the sum of (i) the principal amount of the Loans held by such Bank then outstanding and (ii) such Bank's Revolving Percentage of the L/C Obligations then outstanding.

"Aggregate Exposure Percentage" means, with respect to any Bank at any time, the ratio (expressed as a percentage) of such Bank's Aggregate Exposure at such time to the Aggregate Exposure of all Banks at such time.

"Aggregate Extensions of Credit" means at any time, the aggregate amount of Extensions of Credit of the Banks outstanding at such time.

"Aggregate Loans" means the total principal amount of all outstanding Loans.

"Agreement" means this Five-Year Revolving Loan Credit Agreement, together with the exhibits hereto, as amended from time to time.

"Annual Report" has the meaning set forth in Section 7.1(a).

"Application" means an application, in such form as any Issuing Bank may specify from time to time, requesting such Issuing Bank to open a Letter of Credit.

"Assignment and Acceptance" means an Assignment and Acceptance, substantially in the form of Exhibit G.

"Augmenting Bank" has the meaning set forth in Section 2.1(c).

"Available Commitment" means as to any Bank at any time, an amount equal to the excess, if any, of (a) such Bank's Commitment then in effect over (b) such Bank's Extensions of Credit then outstanding.

"Banks" has the meaning provided in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Banks shall be deemed to include any Conduit Bank.

"Bank's Actual Reserve Cost" has the meaning set forth in Section 10.3(b).

"Base Rate" means for any day the greater of (i) an annual rate of interest equal to that announced generally from time to time by the Administrative Agent at its Domestic Lending Office as its prime rate, base rate or equivalent rate and in effect on such day and (ii) the Federal Funds Effective Rate plus 0.50%.

"Base Rate Loan" means any loan hereunder denominated in United States dollars which the Company (on behalf of itself or an Affiliate) specifies pursuant to Section 2.6 or Section 2.12 as a Base Rate Loan.

"Base Rate Margin" means the applicable amount as set forth on the Pricing Grid; provided, however, that in the event the Commitments are terminated pursuant to Section 8.1, the Base Rate Margin shall automatically be increased for any period during which Loans may be outstanding after such termination by an amount equal to the then applicable Facility Fee (expressed as a percentage).

"Benefitted Bank" has the meaning set forth in Section 12.8(b).

"Bilateral Revolving Credit Agreements" means the bilateral Five-Year Credit Agreements and the bilateral 364-Day/2-Year Term-Out Credit Agreements entered into between the Company and certain Banks prior to the Effective Date.

"Borrowing" means a borrowing hereunder consisting of a Loan made to the Company or an Affiliate by any Bank. A Borrowing is a "Domestic Borrowing" if such Loan is a Domestic Loan, a "Eurocurrency Borrowing" if such Loan is a Eurocurrency Loan or a "Foreign Currency Borrowing" if such Loan is a Foreign Currency Loan.

"CAF" means the competitive advance facility contemplated in Section 2.7.

"CAF Advance" means each CAF Advance made pursuant to Section 2.7.

"CAF Advance Availability Period" means the period from and including the Effective Date to and including the date which is 14 days prior to the Termination Date.

"CAF Advance Confirmation" means each confirmation by the Company of its acceptance of CAF Advance Offers, which confirmation shall be substantially in the form of Exhibit E and shall be delivered to the Administrative Agent by facsimile transmission.

"CAF Advance Interest Payment Date" means as to each CAF Advance, each interest payment date specified by the Company for such CAF Advance in the related CAF Advance Request.

"CAF Advance Maturity Date" means as to any CAF Advance, the date specified by the Company pursuant to Section 2.8(d)(ii) in its acceptance of the related CAF Advance Offer.

"CAF Advance Offer" means each offer by a Bank to make CAF Advances pursuant to a CAF Advance Request, which offer shall contain the information specified in Exhibit D and shall be delivered to the Administrative Agent by telephone, immediately confirmed by facsimile transmission.

"CAF Advance Request" means each request by the Company for Banks to submit bids to make CAF Advances, which request shall contain the information in respect of such requested CAF Advances specified in Exhibit C and shall be delivered to the Administrative Agent in writing, by facsimile transmission, or by telephone, immediately confirmed by facsimile transmission.

"CAF Borrowing Date" means any Domestic Business Day (in the case of Fixed Rate CAF Advances) or Eurodollar Business Day (in the case of LIBO Rate CAF Advances) or any Foreign Currency Business Day (in the case of CAF Advances denominated in a Foreign Currency) specified in a notice pursuant to Section 2.8(a) as a date on which the Company requests the Banks to make CAF Advances hereunder.

"Commitment" means, as to any Bank, the obligation of such Bank, if any, to make Loans and participate in Letters of Credit in an aggregate principal amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite such Bank's name on Schedule 1 or in the Assignment and Acceptance pursuant to which such Bank became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

"Commitment Quarter" means each of the respective three-month periods during the term of this Agreement ending on September 30, December 31, March 31 and June 30.

"Conduit Bank" means any special purpose corporation organized and administered by any Bank for the purpose of making Loans otherwise required to be made by such Bank and designated by such Bank in a written instrument; provided, that the designation by any Bank of a Conduit Bank shall not relieve the designating Bank of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Bank fails to fund any such Loan, and the designating Bank (and not the Conduit Bank) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Bank, and provided, further, that no Conduit Bank shall (a) be entitled to receive any greater amount pursuant to Section 2.18, 10.3, 10.4 or 12.6 than the designating Bank would have been entitled to receive in respect of the extensions of credit made by such Conduit Bank or (b) be deemed to have any Commitment.

"Consolidated EBITDA" means for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, (c) amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (d) depreciation and amortization expense, (e) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (f) any non-recurring expenses or losses, and (g) with respect to any discontinued operation, any loss resulting therefrom; and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (i) to the extent included in the statement of such Consolidated Net Income for such period, any non-recurring income or gains or (ii) with respect to any discontinued operation, any gain resulting therefrom, all as determined on a consolidated basis. For the purposes of calculating Consolidated EBITDA during any four quarter period in which a Material Acquisition or a Material Disposition has occurred, Consolidated EBITDA for such period shall be calculated after giving pro forma effect to such Material Acquisition or Material Disposition as if such Material Acquisition or Material Disposition occurred on the first day of such four quarter period.

"Consolidated Leverage Ratio" means as of the end of any fiscal quarter, the ratio of (a) Consolidated Total Debt as of such date to (b) Consolidated EBITDA for the period of four fiscal quarters ending as of such date.

"Consolidated Net Income" means for any period, the consolidated net income (or loss) of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Assets" means, as of the date of determination, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Company and its Subsidiaries at such date.

"Consolidated Total Debt" means, as of any date and without duplication, the aggregate principal amount of all Indebtedness of the Company and its Subsidiaries on a consolidated basis minus Consolidated Total Net Cash as of such date.

"Consolidated Total Net Cash" means, as of any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption "cash and cash equivalents" (or any like caption) on a consolidated balance sheet of the Company and its Subsidiaries at such date.

"Domestic Business Day" means any day, except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or obligated by law or regulation to close.

"Domestic Funding Office" means the office of the Administrative Agent specified in Exhibit F hereto or such other office as may be specified from time to time by the Administrative Agent by written notice to the Company and the Banks as its funding office for the purpose of funding or payment of Domestic Loans.

"Domestic Lending Office" means, as to any Bank, the office, branch or affiliate of such Bank in the continental United States as it may from time to time designate as the Domestic Lending Office by notice to the Administrative Agent.

"Domestic Loan" means any Loan made pursuant to Section 2.1 denominated in United States dollars which the Company (on behalf of itself or an Affiliate) specifies pursuant to Section 2.6 or Section 2.12 as a Base Rate Loan.

"Effective Date" means June 20, 2002.

"Equivalent" means, in relation to any amount in United States dollars, at any date, the amount obtained by converting such amount in United States dollars into a specified Foreign Currency at the Exchange Rate for such Foreign Currency, or vice versa, as applicable.

"ERISA" means the Employee Retirement Income Security Act of 1974 of the United States, as amended.

"Euro" means the single currency of participating Member States of the European Union that adopt a single currency in accordance with the Treaty on European Union signed on February 7, 1992.

"Eurocurrencies" means United States dollars and Foreign Currencies.

"Eurodollar Business Day" means any day, except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or obligated by law or regulation to close, on which commercial banks in New York City are open for trading in United States dollar deposits in the interbank eurodollar market.

"Eurodollar Funding Office" means the office of the Administrative Agent specified in Exhibit F hereto or such other office as may be specified from time to time by the Administrative Agent by written notice to the Company and the Banks as its funding office for the purpose of funding or payment of Eurocurrency Loans which are denominated in United States dollars.

"Eurodollar Lending Office" means, as to any Bank, the office, branch or affiliate of such Bank as it may from time to time designate as the Eurodollar Lending Office by notice to the Administrative Agent.

"Eurocurrency Loan" means any Loan made pursuant to Section 2.1 denominated in any Eurocurrency which the Company (on behalf of itself or an Affiliate) specifies pursuant to Section 2.6 or Section 2.12 as a Eurocurrency Loan.

"Eurocurrency Margin" means the applicable amount as set forth on the Pricing Grid; provided, however, that in the event the Commitments are terminated pursuant to Section 8.1, the Eurocurrency Margin shall automatically be increased for any period during which Loans may be outstanding after such termination by an amount equal to the then applicable Facility Fee (expressed as a percentage).

"Eurocurrency Tranche" means the collective reference to Eurocurrency Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default" has the meaning set forth in Section 8.1.

"Event of Default - Bankruptcy" has the meaning set forth in Section 8.3.

"Exchange Rate" means on any day, with respect to any currency, the rate at which such currency may be exchanged into any other currency, as set forth at approximately 11:00 a.m., London time, on such date on the Reuters World Currency Page for such currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be selected by the Administrative Agent, or, in the event no such service is selected, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m., local time, on such date for the

purchase of the relevant currency for delivery two Foreign Currency Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with the Company, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

"Extensions of Credit" means as to any Bank at any time, an amount equal to the sum of (a) the aggregate principal amount of all Loans held by such Bank then outstanding and (b) such Bank's Revolving Percentage of the L/C Obligations then outstanding.

"Facility Fee" has the meaning set forth in Section 2.3(a).

"Federal Funds Effective Rate" means for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Domestic Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Domestic Business Day, the average of the quotations for the day of such transactions received by JPMorgan Chase Bank from three federal funds brokers of recognized standing selected by it.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States, or any successor thereto.

"Fee Payment Date" means each of (a) the tenth Domestic Business Day following the last day of each Commitment Quarter and (b) the Termination Date.

"Five-Year Term Loan Agreement" means the $250,000,000 Five-Year Term Loan Credit Agreement, to be dated on or about June 24, 2002, among Visteon Corporation, the several banks from time to time parties thereto, JPMorgan Chase Bank, as administrative agent, and Bank of America N.A., as syndication agent.

"Fixed Rate CAF Advance" means any CAF Advance made pursuant to a Fixed Rate CAF Advance Request.

"Fixed Rate CAF Advance Request" means any CAF Advance Request requesting the Banks to offer to make CAF Advances at a fixed rate (as opposed to a rate composed of the LIBO Rate plus (or minus) a margin).

"Foreign Currency" means (a) with respect to Loans and Letters of Credit, British Pounds Sterling and the euro and (b) with respect to CAF Advances, British Pounds Sterling, euros and any other freely-convertible currency agreed upon by the Company, the Administrative Agent and the Bank making such CAF Advance.

"Foreign Currency Business Day" means any day, except a Saturday, Sunday or other day on which the commercial banks in London, England are authorized or obligated by law or regulation to close, on which the commercial banks in London, England are open for international business (including dealings in deposits in the relevant currency in the interbank eurocurrency market), provided that when used in connection with (a) Foreign Currency Loans or CAF Advances

denominated in euros, the term "Foreign Currency Business Day" shall also exclude any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET) (or, if such clearing system ceases to be operative, such other clearing system (if any) determined by the Administrative Agent to be a suitable replacement) is not open for settlement of payment in euros and (b) CAF Advances denominated in any currency other than United States dollars, the term "Foreign Currency Business Day" shall also exclude any day on which banks in (i) the jurisdiction of the account to which the proceeds of such CAF Advance are to be disbursed, and (ii) the jurisdiction in which payments of principal of and interest on such CAF Advance are to be made are authorized or required by law to remain closed.

"Foreign Currency Funding Office" means the office of the Administrative Agent specified in Exhibit F hereto or such other office as may be specified from time to time by the Administrative Agent by written notice to the Company and the Banks as its funding office for the purpose of funding or payment of Foreign Currency Loans or CAF Advances denominated in a Foreign Currency.

"Foreign Currency Lending Office" means, as to any Bank, the office, branch or affiliate of such Bank as it may from time to time designate as the Foreign Currency Lending Office by notice to the Administrative Agent.

"Foreign Currency Loans" means any Eurocurrency Loan hereunder denominated in a Foreign Currency.

"Foreign Currency Notice Office" means the Administrative Agent's office located at 125 London Wall, London or such other office in London as may be designated by the Administrative Agent by written notice to the Company and the Banks.

"GAAP" means generally accepted accounting principles in the United States as applied to the Company.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Gross-up" means the amount payable to the Administrative Agent or any Bank to account for required deductions for withholding taxes as provided in Section 10.4.

"Guarantee" means the guarantee and other obligations of the Company set forth in Section 4.

"Guaranteed Obligations" has the meaning set forth in Section 4.

"Increasing Bank" has the meaning set forth in Section 2.1(c).

"Indebtedness" means, as of any date, the amount outstanding on such date under notes, bonds, debentures, commercial paper, or other similar evidences of indebtedness for money borrowed.

"Interest Period" means with respect to each Eurocurrency Loan:

(a) initially, the period commencing on the date of Borrowing with respect to such Loan (or in the case of a Loan which has been converted into a Eurocurrency Loan, on the date specified in Section 2.12) and ending one, two, three or six months thereafter, as the Company (on behalf of itself or an Affiliate) may elect pursuant to Section 2.6 or Section 2.12; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period for such Borrowing and ending one, two, three or six months thereafter, as the Company (on behalf of itself or an Affiliate) may elect pursuant to Section 2.12;

provided, however, that:

(i) any such Interest Period which would otherwise end on a day which is not a Eurodollar Business Day (or a Foreign Currency Business Day, in the case of Loans denominated in a Foreign Currency) shall be extended to the next succeeding Eurodollar Business Day or Foreign Currency Business Day, as the case may be, unless such Eurodollar Business Day or Foreign Currency Business Day, as the case may be, falls in another calendar month, in which case such Interest Period shall end on the next preceding Eurodollar Business Day or Foreign Currency Business Day, as the case may be,

(ii) any such Interest Period which begins on the last Eurodollar Business Day or Foreign Currency Business Day, as the case may be, of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on a day which is the last Eurodollar Business Day or Foreign Currency Business Day, as the case may be, of the applicable calendar month; and

(iii) the Company (on behalf of itself or an Affiliate) may not elect an Interest Period that would end later than the Termination Date.

"Issuing Bank" means JPMorgan Chase Bank, Bank of America N.A. or any of up to two other Banks that may become Issuing Banks hereunder from time to time by entering into separate agreements among such other Banks and the Company.

"L/C Commitment" means $100,000,000.

"L/C Obligations" means at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5.

"L/C Participants" means, with respect to any Letter of Credit, the collective reference to all the Banks other than the applicable Issuing Bank.

"Letters of Credit" has the meaning set forth in Section 3.1(a).

"LIBO Rate" means with respect to any Eurocurrency Loan or LIBO Rate CAF Advance for any Interest Period, the London interbank offered rate for deposits in the relevant currency appearing on Telerate Page 3750 (or in the case of a Foreign Currency Borrowing, the rate appearing on the Page for the applicable Foreign Currency) as of 11:00 a.m. (London, England time) two Eurodollar Business Days prior to the beginning of such Interest Period for the period commencing on the date of such Eurocurrency Loan or LIBO Rate CAF Advance and ending on a maturity date comparable to that of the applicable Interest Period. In the event that such rate does not appear on Page 3750 of the Telerate screen (or, in the case of Foreign Currencies, the applicable Page of the Telerate screen), the "LIBO Rate" shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered deposits in identical currencies at or about 11:00 a.m., local time, two Foreign Currency Business Days prior to the beginning of such Interest Period in the interbank eurocurrency market where its eurocurrency and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"LIBO Rate CAF Advance" means any CAF Advance made pursuant to a LIBO Rate CAF Advance Request.

"LIBO Rate CAF Advance Request" means any CAF Advance Request requesting the Banks to offer to make CAF Advances at an interest rate equal to the LIBO Rate plus (or minus) a margin.

"Lien" means any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

"Loan" means any Domestic Loan or Eurocurrency Loan.

"Mandatory Cost Rate" has the meaning set forth in Section 10.3.

"Mark-to-Market Day" has the meaning set forth in Section 2.4.

"Material Acquisition" means any one or more acquisitions of any business entity or entities, or of any operating unit or units of any business entity or entities, that become consolidated with the Company in accordance with GAAP and that involve the payment of consideration (including, without limitation, the assumption of debt) by the Company and its Subsidiaries in excess of $25,000,000 in the aggregate during any Commitment Quarter.

"Material Disposition" means any one or more dispositions by the Company or a Subsidiary of any business entity or entities, or of any operating unit or units of the Company or a Subsidiary, that become unconsolidated with the Company in accordance with GAAP and that

involve the receipt of consideration by the Company and its Subsidiaries in excess of $25,000,000 in the aggregate during any Commitment Quarter.

"Maturity Date" means (a) for any Base Rate Loan, the Termination Date or, (b) for any Eurocurrency Loan the last day of the final Interest Period for such Loan specified by the Company (on behalf of itself or an Affiliate) pursuant to Section 2.6 or Section 2.12.

"National Currency Unit" means a non-decimal expression of the euro based upon a fixed conversion rate between the euro and the former national currency of a Participating Member State, as contemplated by Council Regulation (EC) No. 1103/97 dated June 17, 1997.

"Normal Banking Hours" with respect to the Notice Office of the Administrative Agent means the period from 9:00 a.m. to 5:00 p.m. in the time zone in which the Notice Office is located on a Domestic Business Day.

"Note" means any promissory note evidencing Loans.

"Notice Office" means the office of the Administrative Agent in the continental United States specified as such in Exhibit F hereto or such other office of the Administrative Agent in the continental United States as it may hereafter designate as the Notice Office by notice to the Company.

"Obligations" means the unpaid principal of and interest on (including interest accruing after the maturity of the Loans, CAF Advances and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company and any Affiliate, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, CAF Advances and all other obligations and liabilities of the Company (and its Affiliates) to the Administrative Agent or to any Bank, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other document made, delivered or given in connection herewith or any Letter of Credit, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Bank that are required to be paid by the Company pursuant hereto) or otherwise.

"Participant" has the meaning set forth in Section 9.2.

"Participating Member State" means a Member State of the European Union that has adopted, and is at the time of inquiry utilizing, the euro as its currency.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan" means an employee benefit plan or other plan (other than a multi-employer benefit plan) maintained by the Company for employees of the Company and certain Affiliates and covered by Title IV of ERISA.

"Pricing Grid" means the pricing grid set forth below and based on the Company's long-term senior unsecured non-credit-enhanced debt ratings as provided by Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies, Inc. ("S&P") or Moody's Investors Service, Inc. ("Moody's"):

Long-Term Senior Unsecured Non-Credit-Enhanced Debt Rating Facility Eurocurrency Base Rate (higher of) Fee Margin Margin S&P/Moody's (bps.) (bps.) (bps.) ---------- -------- -------- ---- --------- A-/A3 10 25 0 BBB+/Baa1 12.5 32.5 0 BBB/Baa2 15 57.5 0 BBB-/Baa3 20 80 0 The applicable Facility Fee, Eurocurrency Margin and Base Rate Margin shall be determined based upon the long-term senior unsecured non-credit-enhanced debt ratings as provided by the S&P or Moody's. In the event that S&P and Moody's ratings of the Company are not equivalent, the applicable Facility Fee, Eurocurrency Margin and Base Rate Margin will be determined by the higher rating. In the event that either S&P or Moody's ceases to provide a long-term senior unsecured non-credit-enhanced debt rating for the Company, the applicable Facility Fee, Eurocurrency Margin and Base Rate Margin will be determined by reference to the rating issued by the other rating agency. For any period in which neither S&P nor Moody's provides a long-term senior unsecured non-credit-enhanced debt rating for the Company, the rating shall for purposes of this definition be 13 due and payable pursuant to Section 8, and for all purposes after the Loans and CAF Advances become due and payable pursuant to Section 8 or the Commitments expire or terminate, the CAF Advances of the Banks shall be included in their respective Aggregate Exposures in determining the Required Banks. "Requirement of Law" means as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject. "Reserves" has the meaning set forth in Section 10.3(b). "Revolving Percentage" means, as to any Bank at any time, the percentage which such Bank's Commitment then constitutes of the Aggregate Commitments or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Bank's Extensions of Credit then outstanding constitutes of the aggregate principal amount of the Extensions of Credit then outstanding. "Sale-Leasebacks" has the meaning set forth in Section 7.4. "Senior Debt" has the meaning set forth in Section 7.6. "Spot Rate" means, on any day, with respect to two currencies, the arithmetic mean of the buy and sell spot rates of exchange for the purchase and sale of such two currencies for each other as publicly or generally quoted by the Administrative Agent on the date of the determination, or if the Administrative Agent is not publicly or generally quoting such exchange rates on such date, then such rate as the Administrative Agent shall determine in good faith for purposes hereof. "Subsidiary" means a corporation, partnership, limited liability company or other entity which would be consolidated on the balance sheets of the Company and its Subsidiaries in accordance with GAAP. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company. For purposes of the definition of "Consolidated Total Debt", "Subsidiary" shall be deemed to include the Special Purpose Borrower (as defined in the Five-Year Term Loan Agreement), if any. "10-K Report" has the meaning set forth in Section 7.1(a). "10-Q Report" has the meaning set forth in Section 7.1(b). "Termination Date" has the meaning set forth in Section 2.1(b). "364-Day Credit Agreement" means the 364-Day Revolving Loan Credit Agreement dated as of June 20, 2002 among Visteon Corporation, the several banks from time to time parties thereto, JPMorgan Chase Bank, as administrative agent, and Bank of America N.A., as syndication agent. "United States dollars" and "$" mean the lawful currency of the United States.

14 "Utilization Fee" has the meaning set forth in Section 2.3(b). SECTION 2. THE LOANS 2.1 THE COMMITMENT; TERMINATION DATE; INCREASE IN COMMITMENTS (a) Subject to the terms and conditions set forth in this Agreement, each Bank agrees to make Domestic Loans and Eurocurrency Loans to the Company or any Affiliate, each from time to time during the period from the date hereof to and including the day prior to the Termination Date in amounts which (i) when added to such Bank's Revolving Percentage of the L/C Obligations then outstanding, do not exceed the Bank's Commitment, (ii) do not cause the aggregate Equivalent principal amount of all Foreign Currency Loans then outstanding to exceed $400,000,000, and (iii) do not cause the sum of (A) the aggregate Equivalent principal amount of Loans and CAF Advances then outstanding plus (B) the aggregate amount of L/C Obligations then outstanding, to exceed the Aggregate Commitments. Within the conditions specified in this Agreement, the Company or any Affiliate may borrow under this Section 2.1, repay under Sections 2.17 and 2.18 and reborrow under this Section 2.1. (b) The "Termination Date" shall be June 20, 2007. (c) The Company may from time to time elect to increase the Aggregate Commitments so long as, after giving effect thereto, the total amount of the Aggregate Commitments does not exceed $1,025,000,000. The Company may arrange for any such increase to be provided by one or more Banks (each Bank so agreeing, in its sole discretion, to an increase in its Commitment, an "Increasing Bank"), or by one or more banks, financial institutions or other entities (each such bank, financial institution or other entity, an "Augmenting Bank"), to increase their existing Commitments, or extend Commitments, provided that (i) each Augmenting Bank, shall be subject to the approval of the Company and the Administrative Agent and (ii) the Company and each applicable Increasing Bank or Augmenting Bank shall execute all such documentation as the Administrative Agent shall reasonably specify. Increases and new Commitments created pursuant to this clause (c) shall become effective on the date agreed by the Company, the Administrative Agent and the relevant Banks, and the Administrative Agent shall notify each affected Bank thereof. Notwithstanding the foregoing, no increase in the Aggregate Commitments (or in the Commitment of any Bank), shall

become effective under this Section 2.1(c) unless, (i) on the proposed date of the effectiveness of such increase, the conditions set forth in paragraphs (iii) and (iv) of Section 5.1(a) and paragraphs (i) and (ii) of Section 5.1(b) shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a responsible officer of the Company and (ii) the Administrative Agent shall have received (with sufficient copies for each of the Banks) documents consistent with those delivered on the Effective Date under Section 6.1 as to the corporate power and authority of the Company and related matters to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Aggregate Commitments, (i) each relevant Increasing Bank and Augmenting Bank shall make available to the Administrative Agent such amounts in immediately available funds and in the relevant currency or currencies as the Administrative Agent shall determine, for the benefit of the other relevant Banks, as being required in order to cause, after giving effect to such increase and the use of such amounts to

15 make payments to such other relevant Banks, each Bank's portion of the outstanding Loans in each currency to equal its Revolving Percentage of such outstanding Loans in each such currency and (ii) the Company shall be deemed to have repaid and reborrowed all outstanding Loans as of the date of any increase in the relevant Commitments (with such reborrowing to consist of the Loans, with related Interest Periods if applicable, specified in a notice delivered by the Company in accordance with the requirements of Section 2.6). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence in respect of each Eurocurrency Loan shall be subject to indemnification by the Company pursuant to the provisions of Section 2.18 if the deemed payment occurs other than on the last day of the related Interest Periods. 2.2 PROCEEDS OF LOANS The principal amount of each Loan shall be disbursed to the Company or an Affiliate, as applicable, on the date of Borrowing of such Loan in the currency in which the Loan is denominated in immediately available funds to the account of the Company or the Affiliate, as applicable, specified by the Company or the Affiliate (or the Company on behalf of the Affiliate) to the Administrative Agent from time to time. 2.3 FACILITY FEE; UTILIZATION FEE (a) The Company shall pay to the Administrative Agent for the account of the Banks a facility fee (the "Facility Fee") for the period from the Effective Date to and including the Termination Date at a rate determined in accordance with the Pricing Grid multiplied by the Bank's Commitment (regardless of whether any Loans are outstanding). The Facility Fee with respect to each Commitment Quarter shall be payable in arrears on each Fee Payment Date and shall be computed on the basis of a year of 365 (or 366) days for the actual number of days for which due. The Facility Fee shall be payable to the Administrative Agent and shall be transmitted via the National Automated Clearing House Association electronic payments network in the United States to an account in the continental United States specified by the Administrative Agent from time to time by notice to the Company. (b) For any quarter during which (i) the sum of the average principal amount of (A) Aggregate Extensions of Credit outstanding hereunder and (B) Aggregate Extensions of Credit (as defined in the 364-Day Credit Agreement), exceeds (ii) 33 1/3% of the sum of (A) the Aggregate Commitments hereunder and (B) the Aggregate Commitments (as defined in the 364-Day Credit Agreement) or, if the Commitments (as defined in the 364-Day Credit Agreement) have been terminated pursuant to Section 2.1(b) of the 364-Day Credit Agreement, the sum of the Aggregate Extensions of Credit (as defined in the 364-Day Credit Agreement), then the Company shall pay to the Administrative Agent for the account of the Banks a quarterly utilization fee (the "Utilization Fee") in the amount of 0.125% per annum multiplied by the daily average balance of the Aggregate Extensions of Credit outstanding hereunder during such quarter; provided, that if the Utilization Fee is applicable at the time the Commitments are

16 terminated pursuant to Section 8.1 or Section 8.3, it shall remain applicable with respect to the Aggregate Extensions of Credit after the date the Commitments are so terminated. For any quarter in which the Utilization Fee is due, the Utilization Fee shall be calculated on a 360-day basis and payable quarterly in arrears on the date the Facility Fee is paid. 2.4 MARK-TO-MARKET Five Domestic Business Days prior to the end of any Interest Period applicable to any Loan (or, if there are no Interest Periods for any such Loan, five Domestic Business Days prior to the next succeeding interest payment date for such Loan as specified in Section 2.15) (the "Mark-to-Market Day"), the Administrative Agent shall determine the aggregate amount of all outstanding Extensions of Credit and CAF Advances in United States dollars, and the Equivalent in United States dollars of all outstanding Extensions of Credit and CAF Advances in Foreign Currencies (calculated on the Mark-to-Market Day), and if such aggregate amount exceeds the Aggregate Commitments (as a result of a decrease in the value of the United States dollar as measured against the value of Foreign Currencies in which outstanding Extensions of Credit or CAF Advances are denominated), the Administrative Agent shall promptly notify the Company and, in the case of an Affiliate's Loan, the Affiliate, and, at the end of the applicable Interest Period or on the applicable interest payment date for such Loan, as the case may be, the Company, or the Affiliate (in the case of an Affiliate's Loan), shall prepay, in whole or in part, as necessary, the principal of such Loan in an amount such that after such prepayment such excess is eliminated; it being understood, however, that if prepayment of the entire principal amount of such Loan for which the current Interest Period is ending or for which interest thereon is coming due will not reduce the aggregate amount of outstanding Extensions of Credit and CAF Advances to the level required above, then only prepayment of the entire principal amount of such Loan shall be required. Notwithstanding that only the Loan for which the current Interest Period is ending or for which interest thereon is coming due will be required to be prepaid, in whole or in part, as required above, the Company or the Affiliate, as applicable, shall have the option in its discretion to reduce Extensions of Credit and CAF Advances to the required level by prepaying other Loans or causing other Affiliates to prepay other Loans. 2.5 OPTIONAL TERMINATION OR REDUCTION OF COMMITMENTS The Company may at any time or from time to time, upon three Domestic Business Days' written notice to the Administrative Agent at the Notice Office, (a) terminate the Commitments if no Loans, CAF Advances or Letters of Credit are then outstanding hereunder or (b) reduce the unused portion of the Commitments; provided that no such termination or reduction of Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the sum of the Aggregate Extensions of Credit and outstanding CAF Advances would exceed the Aggregate Commitments. From the effective date of any such termination or reduction, the Facility Fee specified in Section 2.3 shall cease to accrue or shall be correspondingly reduced, provided that no such termination or reduction shall affect the Company's obligation to pay the Facility Fee to the extent theretofore accrued. If the Company terminates the Commitments in their entirety, such accrued Facility Fee shall be payable within 30 days after the effective date of such termination in the manner provided in Section 2.3. Any termination or reduction of the unused portion of the Commitments by the Company pursuant to

17 this Section 2.5 shall be in an amount equal to $1,000,000, or a whole multiple thereof, and shall be irrevocable. 2.6 NOTICE OF BORROWING; PROCEDURE With respect to each Domestic Borrowing, the Company (on behalf of itself or an Affiliate) shall give notice of the Borrowing to the Administrative Agent at the Notice Office no later than the date of such Borrowing, but not later than 11:00 a.m. (New York City time) on such date. With respect to each Eurocurrency Borrowing which is denominated in United States dollars, the Company (on behalf of itself or an Affiliate) shall give notice of the Borrowing to the Administrative Agent at the Notice Office no later than three Eurodollar Business Days prior to the date of such Borrowing, but not later than 11:00 a.m. (New York City time) on such date. With respect to each Foreign Currency Borrowing, the Company (on behalf of its Affiliate) shall give notice of the Borrowing to the Administrative Agent at the Foreign Currency Notice Office no later than three Foreign Currency Business Days prior to the date of such Borrowing, but not later than 3:00 p.m. (London, England time) on such date. In each case, the notice shall be given by telephone (and shall be promptly confirmed in a writing substantially in the form of Exhibit B hereto) and shall specify: (a) the borrower; (b) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing, a Eurodollar Business Day in the case of a Eurocurrency Borrowing which is denominated in United States dollars, or a Foreign Currency Business Day in the case of a Foreign Currency Borrowing; (c) the amount of such Borrowing, which shall be not less than $1,000,000 or the Equivalent thereof on the date of notice and, if such Loan is to be a Eurocurrency Loan, the currency in which such Loan shall be denominated; (d) whether the Loan comprising such Borrowing is to be a Base Rate Loan or a Eurocurrency Loan; (e) if such Loan is to be a Eurocurrency Loan, the duration of the initial Interest Period; and (f) whether any Bank has requested a Gross-up pursuant to the next succeeding sentence. At the time that the Company (on behalf of itself or an Affiliate) gives a notice of Borrowing, each Bank shall telephonically notify the Company and the Administrative Agent whether such Bank will require a Gross-up for withholding taxes in connection with such Loan (as provided in Section 10.4). A notice of Borrowing, once given to the Administrative Agent, shall not be revocable by the Company or an Affiliate, except in the event that any Bank notifies the Company at the time the Company gives notice of the Borrowing that a Gross-up will be required, in which case, the Company (on behalf of itself or the Affiliate) may promptly withdraw the notice of Borrowing.

18 Upon receipt of any such notice of Borrowing from the Company, the Administrative Agent shall promptly notify each Bank thereof. Each Bank will make the amount of its pro rata share of each Borrowing available to the Administrative Agent for the account of the Company (or Affiliate) at the Domestic Funding Office in the case of Domestic Loans, the Eurodollar Funding Office in the case of Eurocurrency Loans which are denominated in United States dollars and the Foreign Currency Funding Office in the case of Foreign Currency Loans, in each case prior to 12:00 Noon, local time, on the date of Borrowing requested by the Company in funds immediately available to the Administrative Agent. Such Borrowing will then be made available to the Company (or an Affiliate) by the Administrative Agent crediting the account of the Company (or such Affiliate) on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Banks and in like funds as received by the Administrative Agent. 2.7 CAF ADVANCES During the CAF Availability Period and subject to the terms and conditions of this Agreement, the Company may borrow (a) Fixed Rate CAF Advances from time to time on any Domestic Business Day or, in the case of CAF Advances denominated in Foreign Currencies, any Foreign Currency Business Day and (b) LIBO Rate CAF Advances (to the extent, in the case of currencies other than United States dollars, the LIBO Rate can be determined pursuant to the first sentence of the definition thereof) from time to time on any Eurodollar Business Day or, in the case of CAF Advances denominated in Foreign Currencies, any Foreign Currency Business Day. CAF Advances may be borrowed in amounts such that the aggregate amount of Extensions of Credit and CAF Advances outstanding at any time shall not exceed the Aggregate Commitments at such time. Within the limits and on the conditions hereinafter set forth with respect to CAF Advances, the Company from time to time may borrow, repay and reborrow CAF Advances. 2.8 PROCEDURE FOR CAF ADVANCE BORROWING (a) The Company shall request CAF Advances by delivering a CAF Advance Request to the Administrative Agent, not later than 12:00 Noon (New York City time) four Eurodollar Business Days prior to the proposed CAF Borrowing Date (in the case of a LIBO Rate CAF Advance Request), and not later than 10:00 A.M. (New York City time) one Domestic Business Day prior to the proposed CAF Borrowing Date (in the case of a Fixed Rate CAF Advance Request). Each CAF Advance Request in respect of any CAF Borrowing Date may solicit bids for CAF Advances on such CAF Borrowing Date in an aggregate principal amount of $1,000,000 or an integral multiple of $1,000,000 in excess thereof and having not more than three alternative CAF Advance Maturity Dates. The CAF Advance Maturity Date for each CAF Advance shall be the date set forth therefor in the relevant CAF Advance Request, which date shall be (i) not less than 7 days nor more than 360 days after the CAF Borrowing Date therefor, in the case of a Fixed Rate CAF Advance, (ii) one, two, three or six months after the CAF Borrowing Date therefor, in the case of a LIBO CAF Advance and (iii) not later than the Termination Date, in the case of any CAF Advance. The Administrative Agent shall notify each Bank promptly by facsimile transmission of the contents of each CAF Advance Request received by the Administrative Agent.

19 (b) In the case of a LIBO Rate CAF Advance Request, upon receipt of notice from the Administrative Agent of the contents of such CAF Advance Request, each Bank may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances at the applicable LIBO Rate plus (or minus) a margin determined by such Bank in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the Administrative Agent, before 10:30 A.M. (New York City time) on the day that is three Eurodollar Business Days before the proposed CAF Borrowing Date, setting forth: (i) the maximum amount of CAF Advances for each CAF Advance Maturity Date and the aggregate maximum amount of CAF Advances for all CAF Advance Maturity Dates which such Bank would be willing to make (which amounts may, subject to Section 2.7, exceed such Bank's Commitment); and (ii) the margin above or below the applicable LIBO Rate at which such Bank is willing to make each such CAF Advance. The Administrative Agent shall advise the Company before 11:00 A.M. (New York City time) on the date which is three Eurodollar Business Days before the proposed CAF Borrowing Date of the contents of each such CAF Advance Offer received by it. If the Administrative Agent, in its capacity as a Bank, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the Company of the contents of its CAF Advance Offer before 10:15 A.M. (New York City time) on the date which is three Eurodollar Business Days before the proposed CAF Borrowing Date. (c) In the case of a Fixed Rate CAF Advance Request, upon receipt of notice from the Administrative Agent of the contents of such CAF Advance Request, each Bank may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances at a rate of interest determined by such Bank in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the Administrative Agent before 9:30 A.M. (New York City time) on the proposed CAF Borrowing Date, setting forth: (i) the maximum amount of CAF Advances for each CAF Advance Maturity Date, and the aggregate maximum amount for all CAF Advance Maturity Dates, which such Bank would be willing to make (which amounts may, subject to Section 2.7, exceed such Bank's Commitment); and (ii) the rate of interest at which such Bank is willing to make each such CAF Advance. The Administrative Agent shall advise the Company before 10:00 A.M. (New York City time) on the proposed CAF Borrowing Date of the contents of each such CAF Advance Offer received by it. If the Administrative Agent, in its capacity as a Bank, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the Company of the contents of its CAF Advance Offer before 9:15 A.M. (New York City time) on the proposed CAF Borrowing Date.

20 (d) Before 11:30 A.M. (New York City time) three Eurodollar Business Days before the proposed CAF Borrowing Date (in the case of CAF Advances requested by a LIBO Rate CAF Advance Request) and before 10:30 A.M. (New York City time) on the proposed CAF Borrowing Date (in the case of CAF Advances requested by a Fixed Rate CAF Advance Request), the Company, in its absolute discretion, shall: (i) cancel such CAF Advance Request by giving the Administrative Agent telephone notice to that effect, or (ii) by giving telephone notice to the Administrative Agent (immediately confirmed by delivery to the Administrative Agent of a CAF Advance Confirmation by facsimile transmission) (A) subject to the provisions of Section 2.8(e), accept one or more of the offers made by any Bank or Banks pursuant to Section 2.8(b) or Section 2.8(c), as the case may be, and (B) reject any remaining offers made by Banks pursuant to Section 2.8(b) or Section 2.8(c), as the case may be. (e) The Company's acceptance of CAF Advances in response to any CAF Advance Offers shall be subject to the following limitations: (i) the amount of CAF Advances accepted for each CAF Advance Maturity Date specified by any Bank in its CAF Advance Offer shall not exceed the maximum amount for such CAF Advance Maturity Date specified in such CAF Advance Offer; (ii) the aggregate amount of CAF Advances accepted for all CAF Advance Maturity Dates specified by any Bank in its CAF Advance Offer shall not exceed the aggregate maximum amount specified in such CAF Advance Offer for all such CAF Advance Maturity Dates; (iii) the Company may not accept offers for CAF Advances for any CAF Advance Maturity Date in an aggregate principal amount in excess of the maximum principal amount requested in the related CAF Advance Request; and (iv) if the Company accepts any of such offers, it must accept offers based solely upon pricing for each relevant CAF Advance Maturity Date and upon no other criteria whatsoever, and if two or more Banks submit offers for any CAF Advance Maturity Date at identical pricing and the Company accepts any of such offers but does not wish to (or, by reason of the limitations set forth in Section 2.7, cannot) borrow the total amount offered by such Banks with such identical pricing, the Company shall accept offers from all of such Banks in amounts allocated among them pro rata according to the amounts offered by such _____ Banks (with appropriate rounding, in the sole discretion of the Company, to assure that each accepted CAF Advance is an integral multiple of $1,000,000); provided that if the number of Banks that submit _____ offers for any CAF Advance Maturity Date at identical pricing is such that, after the Company accepts such offers pro rata in accordance with the foregoing provisions of this paragraph, the CAF Advance to _____ be made by any such Bank would be less than $5,000,000 principal amount, the number of such Banks shall be reduced by the Administrative Agent by lot until the CAF Advances to be

21 made by each such remaining Bank would be in a principal amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof. (f) If the Company notifies the Administrative Agent that a CAF Advance Request is cancelled pursuant to Section 2.8(d)(i), the Administrative Agent shall give prompt telephone notice thereof to the Banks. (g) If the Company accepts pursuant to Section 2.8(d)(ii) one or more of the offers made by any Bank or Banks, the Administrative Agent promptly shall notify each Bank which has made such an offer of (i) the aggregate amount of such CAF Advances to be made on such CAF Borrowing Date for each CAF Advance Maturity Date and (ii) the acceptance or rejection of any offers to make such CAF Advances made by such Bank. Before 12:00 Noon (New York City time) on the CAF Borrowing Date specified in the applicable CAF Advance Request, each Bank whose CAF Advance Offer has been accepted shall make available to the Administrative Agent at its Domestic Funding Office in the case of Fixed Rate CAF Advances and its Eurodollar Funding Office in the case of LIBO Rate CAF Advances the amount of CAF Advances to be made by such Bank, in immediately available funds. The Administrative Agent will make such funds available to the Company as soon as practicable on such date at such office of the Administrative Agent. It shall be a condition to each CAF Advance, and each CAF Advance accepted by the Company shall be deemed to be a representation and warranty by the Company, that: (i) the principal amount of such CAF Advance, when added to the aggregate principal amount of all Extensions of Credit and other CAF Advances then outstanding hereunder, shall not exceed the amount of the Aggregate Commitments, each such amount, if applicable, being expressed in the United States dollar Equivalent thereof on the date of the notice of Borrowing; (ii) after giving effect to the making of such CAF Advance no Event of Default nor Event of Default - Bankruptcy and no event which, with the giving of notice or lapse of time or both, would become an Event of Default or an Event of Default - Bankruptcy shall have occurred and be continuing; and (iii) the representations and warranties of the Company contained in this Agreement, except those contained in Sections 6.2(b) and 6.3, shall be true and correct in all material respects on and as of the date of such CAF Advance, except to the extent such representations and warranties expressly relate to an earlier date. As soon as practicable after each CAF Borrowing Date, the Administrative Agent shall notify each Bank of the aggregate amount of CAF Advances advanced on such CAF Borrowing Date and the respective CAF Advance Maturity Dates thereof. (h) Notwithstanding anything to the contrary in this Section 2.8, in the case of CAF Advances to be denominated in a Foreign Currency, the Company and the Administrative Agent shall agree upon such modification to the notice times, bid times, funding times, minimum amounts and other procedures set forth above in this Section 2.8 that are appropriate for the

22 relevant Foreign Currency; and the Administrative Agent shall advise the Banks and the Company of such modifications prior to the delivery of any CAF Advance Request soliciting bids for CAF Advances in such Foreign Currency. 2.9 CAF ADVANCE PAYMENTS (a) The Company shall pay to the Administrative Agent, for the account of each Bank which has made a CAF Advance, on the applicable CAF Advance Maturity Date the then unpaid principal amount of such CAF Advance. The Company shall not have the right to prepay any principal amount of any CAF Advance without the consent of the Bank to which such CAF Advance is owed. (b) The Company shall pay interest on the unpaid principal amount of each CAF Advance from the CAF Borrowing Date to applicable CAF Advance Maturity Date at the rate of interest specified in the CAF Advance Offer accepted by the Company in connection with such CAF Advance (calculated on the basis of a 360-day year for actual days elapsed), payable on each applicable CAF Advance Interest Payment Date. (c) If any principal of, or interest on, any CAF Advance shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such CAF Advance shall, without limiting any rights of any Bank under this Agreement, bear interest from the date on which such payment was due at a rate per annum which is 1% above the rate which would otherwise be applicable to such CAF Advance until the stated CAF Advance Maturity Date of such CAF Advance, and for each day thereafter at a rate per annum which is 1% above the ABR, in each case until paid in full (as well after as before judgment). Interest accruing pursuant to this paragraph (c) shall be payable from time to time on demand. 2.10 CERTAIN RESTRICTIONS A CAF Advance Request may request offers for CAF Advances to be made on not more than one CAF Borrowing Date and to mature on not more than three CAF Advance Maturity Dates. No CAF Advance Request may be submitted earlier than five Domestic Business Days after submission of any other CAF Advance Request. 2.11 PROMISE TO PAY CAF ADVANCES; EVIDENCE OF CAF ADVANCES The Company unconditionally promises to pay to the Administrative Agent, for the account of each Bank that makes a CAF Advance, on the CAF Advance Maturity Date with respect thereto, the principal amount of such CAF Advance. The Company further unconditionally promises to pay interest on each CAF Advance and each Loan for the period from and including the CAF Borrowing Date of such CAF Advance on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, Section 2.9(b). Each Bank shall maintain in accordance with its usual practice appropriate records evidencing indebtedness of the Company to such Bank resulting from each CAF Advance of such Bank from time to time, including the amounts of principal and interest payable and paid to such Bank from time to time in respect of each such CAF Advance.

23 2.12 EXTENSION OF TERM OF LOANS; CONVERSION OF LOANS (a) The Company may, at its option, elect (on behalf of itself or any Affiliate which has borrowed hereunder) (i) to extend any outstanding Eurocurrency Loan (such extended Eurocurrency Loan to be denominated in the same currency as that prior to such extension) or (ii) to convert any outstanding Base Rate Loan into a Eurocurrency Loan denominated in United States dollars, or any outstanding Eurocurrency Loan denominated in United States dollars into a Base Rate Loan, in each case, by giving notice to the Administrative Agent at the Notice Office and, in the case of Loans to be continued in a Foreign Currency, the Foreign Currency Notice Office of such election; provided, however, that the borrower must remain the same in connection with any extension or conversion of a Loan. (b) An outstanding Loan may be converted pursuant to Section 2.12(a) only on a day which meets both of the following requirements: (i) an outstanding Loan may only be converted on a day which is (A) if such outstanding Loan is a Domestic Loan, a Domestic Business Day or (B) if such outstanding Loan is a Eurocurrency Loan denominated in United States dollars, a Eurodollar Business Day; and (ii) an outstanding Loan may only be converted into (A) a Domestic Loan on a Domestic Business Day or (B) a Eurocurrency Loan which is denominated in United States dollars on a Eurodollar Business Day. Subject to the requirements of this Section 2.12(b), an outstanding Loan may be converted on the last day of the then-existing Interest Period for such Loan (if such Loan has an Interest Period) or at any time (if such Loan does not have an Interest Period), as provided in Section 2.12(b), or, in the case of a Loan having an Interest Period, at times other than the last day of an Interest Period, as provided in Section 2.12(f). (c) The notice by the Company to the Administrative Agent of an election pursuant to Section 2.12(a) to extend any outstanding Loan, to convert any outstanding Loan on the last day of the then-existing Interest Period (if the outstanding Loan has an Interest Period) or to convert any outstanding Loan which does not have an Interest Period shall be given by telephone (and shall be promptly confirmed in a writing substantially in the form of Exhibit B hereto) as follows: (i) if such outstanding Loan is to be extended and is a Eurocurrency Loan denominated in United States dollars, by giving notice no later than three Eurodollar Business Days prior to the last day of the then-existing Interest Period with respect to such Loan, but not later than 11:00 a.m. (New York City time) on such day; (ii) if such outstanding Loan is to be extended and is a Foreign Currency Loan, by giving notice no later than three Foreign Currency Business Days prior to the last day of the then-existing Interest Period with respect to such Loan, but not later than 3:00 p.m. (London, England time) on such day;

24 (iii) if such outstanding Loan is a Eurocurrency Loan denominated in United States dollars and is to be converted into a Domestic Loan, by giving notice no later than the last day of the then-existing Interest Period with respect to such outstanding Loan not later than 11:00 a.m. (New York City time) on such day; and (iv) if such outstanding Loan is a Domestic Loan which is to be converted into a Eurocurrency Loan denominated in United States dollars, by giving notice no later than three Eurodollar Business Days, but not later than 11:00 a.m. (New York City time) on such date, prior to the day on which the Company or the Affiliate, as applicable, desires the conversion of such outstanding Loan to be made effective; and (d) Each notice given by the Company pursuant to this Section 2.12 shall specify: (i) whether such outstanding Loan is to be extended or converted; (ii) if such outstanding Loan is to be converted, the date such conversion should be effective; (iii) if such outstanding Loan is to be extended and is a Eurocurrency Loan, the Interest Period for the Loan as so extended; (iv) if such outstanding Loan is to be converted, whether such Loan is to be converted into a Base Rate Loan or Eurocurrency Loan denominated in United States dollars; (v) if such outstanding Loan is to be converted into a Eurocurrency Loan denominated in United States dollars, the Interest Period therefor; and (vi) whether the Administrative Agent or any Bank has requested a Gross-up pursuant to subsection (g) below. (e) With respect to each outstanding Loan which shall be extended or converted pursuant to this Section 2.12: (i) the Company or the Affiliate, whichever shall be the borrower, shall pay to the Administrative Agent for the account of each Bank all accrued and unpaid interest with respect to such outstanding Loan, (A) if such Loan is a Eurocurrency Loan, on the last day of the then-existing Interest Period with respect to such outstanding Loan; or (B) if such Loan is a Base Rate Loan, or if pursuant to Section 2.12(f) the Loan is being converted on a day other than the last day of the then-existing Interest Period, on the day such outstanding Loan is converted; (ii) no repayment of the principal amount of such outstanding Loan shall be required; and

25 (iii) the Loan to be outstanding upon the extension or conversion of an outstanding Loan shall not be deemed to be a new Loan under Section 5.1 of this Agreement. (f) Subject to the requirements of Sections 2.12(a) and 2.12(b), any outstanding Eurocurrency Loan denominated in United States dollars may be converted into a Base Rate Loan pursuant to this Section 2.12 at times other than the last day of an Interest Period; provided, however, that (i) the Company's notice (on behalf of itself or an Affiliate) with respect to any such conversion shall be given no later than the date of such conversion, but not later than 11:00 a.m. (New York City time) on such date; and (ii) the Company or the Affiliate, whichever is the borrower, shall reimburse each Bank on demand for any loss incurred by it as a result of the timing of any such conversion in an amount determined as provided in Section 2.18 with respect to prepayments. (g) At the time that the Company (on behalf of itself or an Affiliate) gives a notice to extend or convert any Loan pursuant to the requirements of this Section 2.12, each Bank shall telephonically notify the Company and the Administrative Agent whether such Bank will require a Gross-up for withholding taxes in connection with such Loan as so extended or converted (as provided in Section 10.4). A notice to extend or convert any Loan, once given to the Administrative Agent, shall not be revocable by the Company or an Affiliate, except in the event that any Bank notifies the Company at the time the Company gives notice to extend or convert a Loan that a Gross-up will be required, in which case, the Company (on behalf of itself or the Affiliate) may promptly withdraw the notice to extend or convert the Loan. (h) Notwithstanding anything to the contrary in the foregoing, if after the date an outstanding Loan is borrowed the country in whose currency the Loan is denominated becomes a Participating Member State, for so long as it remains a Participating Member State, the Loan shall remain outstanding in accordance with its terms but the outstanding amount of the Loan shall automatically be converted into the equivalent amount of the euro calculated using the fixed conversion rate established between the euro and the National Currency Unit for such country's former currency. In addition, for so long as it exists, the amount of such Loan denominated in the euro shall also be denominated in the equivalent amount of the National Currency Unit for such country's former currency, calculated in accordance with the same fixed conversion rate. 2.13 REGISTER The Administrative Agent shall, on behalf of the Company and each Affiliate, maintain at one of its offices a register for the recordation of the names and addresses of the Banks and the Commitment of, and the principal amount of the Loans, CAF Advances and L/C Obligations owing to, each Bank from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Company, each Affiliate, the Administrative Agent and the Banks shall treat each Person whose name is recorded in the Register as the owner

26 of the Loans (and any Notes evidencing the Loans), the CAF Advances and the L/C Obligations recorded therein for all purposes of this Agreement. Any assignment of any Loan pursuant to Section 9.1, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and any Note evidencing such Loan shall expressly so provide). Any assignment or transfer of all or part of a Loan shall be registered on the Register only upon presentation of a duly executed Assignment and Acceptance and, if such Loan is evidenced by a Note, surrender of such Note for registration of assignment or transfer. 2.14 INTEREST RATES (a) Each Loan shall bear interest on the outstanding principal amount thereof, as follows: (i) with respect to each Base Rate Loan, at a fluctuating rate per annum equal to the sum of (x) the Base Rate in effect from time to time while such Base Rate Loan is outstanding and (y) the Base Rate Margin; and (ii) with respect to each Eurocurrency Loan, during each Interest Period applicable thereto at a rate per annum equal to the sum of (x) the LIBO Rate applicable to such Interest Period and (y) the Eurocurrency Margin. (b) Interest on Base Rate Loans shall be computed on the basis of a year of 365 (or 366) days and paid for the actual number of days for which due. Interest on Eurocurrency Loans shall be computed on the basis of a year of 360 days and paid for the actual number of days for which due, provided that interest on any Foreign Currency Loan or CAF Advance denominated in British Pounds Sterling shall be calculated on the basis of a year of 365 (or 366) days and paid for the actual number of days for which due. Interest for each Interest Period with respect to a Eurocurrency Loan shall be calculated from and including the first day thereof to but excluding the last day thereof. 2.15 INTEREST PAYMENT DATES Interest on each Loan shall be payable as follows: (a) with respect to each Base Rate Loan, on each March 31, June 30, September 30 and December 31 that such Loan is outstanding, and upon payment in full of such Loan; and (b) with respect to each Eurocurrency Loan, (i) if the current Interest Period for such Eurocurrency Loan is one month, two months or three months, on the last day of such Interest Period or (ii) if the current Interest Period for such Eurocurrency Loan is six months, on the last day of the third month and on the last day of the sixth month of such Interest Period, and upon payment in full of such Loan.

27 2.16 OVERDUE PRINCIPAL AND INTEREST Any overdue principal of the Loans or Reimbursement Obligations and, to the extent permitted by law, overdue interest thereon, shall bear interest payable on demand for each day from the date payment thereof was due to the date of actual payment, as follows: (a) with respect to each Base Rate Loan, at a rate per annum equal to 1% plus the sum of (x) the Base Rate in effect from time to time while such Loan is overdue and (y) the Base Rate Margin; (b) (i) with respect to overdue principal on each Eurocurrency Loan, at a daily rate, which shall be calculated by the Administrative Agent (whose determination shall be conclusive in the absence of manifest error) and shall be a rate per annum equal to the sum of (A) 1% plus (B) the Eurocurrency Margin plus (C) the LIBO Rate, and (ii) with respect to overdue interest on each Eurocurrency Loan, at the rate per annum equal to the sum of (X) 1% plus (Y) the Eurocurrency Margin plus (Z) the interest rate per annum at which deposits in the amount of such overdue interest are offered to the Administrative Agent by other leading banks, as determined by the Administrative Agent, in the interbank market in which the Eurocurrency is obtained for a period of one day, or if no such rate is available, one month (or, if such amount remains unpaid more than three Eurocurrency Business Days, then for such other period of time not longer than six months as the Administrative Agent may elect); (c) with respect to Reimbursement Obligations, at a rate per annum applicable to Base Rate Loans pursuant to paragraph (a) above. 2.17 DATES FOR PAYMENT OR OPTIONAL PREPAYMENT OF PRINCIPAL The Company and each Affiliate unconditionally promises to repay the unpaid principal amount of each Loan made to it on or before the Maturity Date. The Company or an Affiliate may, at its option, prepay the principal amount of any Loan, in whole or in part, without penalty or premium, as follows: (a) with respect to any Base Rate Loan, on any Domestic Business Day, provided that the Company deliver an irrevocable notice of prepayment to the Administrative Agent no later than 11:00 a.m., New York City time, on such date, which notice shall specify the date and amount of prepayment; and (b) with respect to any Eurocurrency Loan on the last day of any Interest Period therefore, provided that the Company deliver an irrevocable notice of prepayment to the Administrative Agent no later than 3:00 p.m., London, England time, three Eurocurrency Business Days prior to such date, which notice shall specify the date and amount of prepayment; in each case together with accrued interest on the amount prepaid to the date of prepayment. Partial prepayments of any Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple thereof.

 2.18 OPTIONAL PREPAYMENT ON OTHER DATES; REIMBURSEMENT FOR CERTAIN COSTS The Company or an Affiliate, as applicable, may, at its option, prepay the principal amount of any Eurocurrency Loan, in whole or in part, at times other than those provided for in Section 2.17(b), in each case together with accrued interest on the amount prepaid to the date of prepayment; provided, however, that with respect to any such Loan, the Company or the Affiliate, whichever is the borrower, shall reimburse each Bank on demand for any loss incurred by such Bank as a result of the timing of such payment, including without limitation, any loss incurred in liquidating or re-employing deposits from third parties but excluding loss of the Eurocurrency Margin or any other profit for the period after such payment, provided that the amount of such loss shall in no event exceed the amount of interest that would have accrued from the date of prepayment to the last day of the then-current Interest Period in the absence of prepayment, and the relevant Bank shall have delivered to the Company and, if the borrower is an Affiliate, to such Affiliate, a written statement setting forth the basis for determining such loss, which written statement shall be conclusive in the absence of manifest error. Each Bank shall use its reasonable efforts to mitigate any loss resulting from any prepayment by the Company or an Affiliate. 2.19 METHOD OF PAYMENT All payments required to be made pursuant to this Agreement shall be made in immediately available funds (i) with respect to the Facility Fee and the Utilization Fee, in United States dollars to the account in the continental United States designated by the Administrative Agent pursuant to Section 2.3, (ii) with respect to payments relating to Loans (including, without limitation, principal, interest, any Gross-up or any payments pursuant to Section 2.18 or 10.3) or CAF Advances, in the lawful currency of the country in which the Loan or CAF Advance is denominated, to the Administrative Agent for the account of the Banks at (A) the Domestic Funding Office, with respect to each Domestic Loan and each CAF Advance denominated in United States dollars, (B) the Eurodollar Funding Office, with respect to each Eurocurrency Loan which is denominated in United States dollars, (C) the Foreign Currency Funding Office, with respect to each Foreign Currency Loan or CAF Advance denominated in a Foreign Currency or (D) in each case, at such other location as may be agreed upon by the Administrative Agent and the Company and (iii) with respect to any other payment due hereunder, in such currency and in such place or office as may be required hereunder or as may otherwise be agreed upon by the Administrative Agent and the Company. The Administrative Agent shall distribute such payments to the Banks promptly upon receipt in like funds as received. Whenever any payment of principal of, or interest on, any Domestic Loan or of the Facility Fee shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended time. Whenever any payment of principal of, or interest on, any Eurocurrency Loan which is denominated in United States dollars shall be due on a day which is not a Eurodollar Business Day, the date for payment thereof shall be extended to the next succeeding Eurodollar Business Day, unless as a result thereof such date would fall in the next calendar month, in which case, such date shall be advanced to the next preceding Eurodollar Business Day, and, in the case of a payment of principal, interest thereon shall be payable to the date of payment as extended or advanced as the case may be. Whenever any payment of principal of, or interest on, any Foreign Currency Loan shall be due on a day which is not a Foreign Currency Business Day, the date for payment thereof

29 shall be extended to the next succeeding Foreign Currency Business Day, unless as a result thereof such date would fall in the next calendar month, in which case, such date shall be advanced to the next preceding Foreign Currency Business Day, and, in the case of a payment of principal, interest thereon shall be payable to the date of payment as extended or advanced as the case may be. 2.20 PRO RATA TREATMENT AND PAYMENTS (a) Each Borrowing by the Company or any Affiliate from the Banks hereunder, each payment by the Company or any Affiliate on account of the Facility Fee or Utilization Fee and any reduction of the Commitments of the Banks shall be made pro rata according to the respective Revolving Percentages of the Banks. (b) Each payment (including each prepayment) by the Company or any Affiliate on account of principal of and interest on the Loans shall be made pro rata according to the respective outstanding amounts of principal and interest then due and owing to the Banks. (c) Unless the Administrative Agent shall have been notified in writing by any Bank prior to a Borrowing that such Bank will not make the amount that would constitute its share of such Borrowing available to the Administrative Agent, the Administrative Agent may assume that such Bank is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Company (or an Affiliate) a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing date such Bank shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Bank makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Bank with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Bank's share of such Borrowing is not made available to the Administrative Agent by such Bank within three Domestic Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover (i) in the case of amounts denominated in United States dollars, such amount with interest thereon at the rate per annum applicable to Base Rate Loans, on demand, from the Company or (ii) in the case of amounts denominated in Foreign Currencies, such amount with interest thereon at a rate determined by the Administrative Agent to be the cost to it of funding such amount, on demand, from the Company or the relevant Affiliate. (d) Unless the Administrative Agent shall have been notified in writing by the Company or any Affiliate prior to the date of any payment due to be made by the Company or any Affiliate hereunder that the Company or such Affiliate will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Company or such Affiliate is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Banks their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Company or such Affiliate within three Domestic Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Bank to which any amount which was made

30 available pursuant to the preceding sentence (i) in the case of amounts denominated in United States dollars, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate and (ii) in the case of amounts denominated in Foreign Currencies, such amount with interest thereon at a rate per annum determined by the Administrative Agent to be the cost to it of funding such amount. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Bank against the Company or any Affiliate. 2.21 LIMITATION ON EUROCURRENCY TRANCHES Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurocurrency Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, no more than fifteen Eurocurrency Tranches in any currency shall be outstanding at any one time. 2.22 REPAYMENT OF BILATERAL OBLIGATIONS; TERMINATION OF BILATERAL COMMITMENTS The Commitment of each Bank hereunder and the other agreements contained herein are conditioned upon receipt by the Administrative Agent of evidence of repayment by the Company of all amounts of principal and interest outstanding under the Bilateral Revolving Credit Agreements. Subject to the foregoing, the Company, the Affiliates and the Banks agree that any commitment of any Bank to make loans to the Company and any Affiliate pursuant to the terms of any Bilateral Revolving Credit Agreement shall terminate as of the Effective Date, and each Bank party to one or more Bilateral Revolving Credit Agreements agrees to waive any notice required by such Bilateral Revolving Credit Agreement with regards to the Company's termination of such Bank's commitment. The termination of each Bank's commitment under its respective Bilateral Revolving Credit Agreement shall not affect or terminate any outstanding payment obligations of the Company or any Affiliate owing or arising under such Bilateral Revolving Credit Agreement, which obligations shall continue until satisfied in their entirety. SECTION 3. LETTERS OF CREDIT 3.1 L/C COMMITMENT (a) Subject to the terms and conditions hereof, each Issuing Bank, in reliance on the agreements of the other Banks set forth in Section 3.4(a), agrees to issue letters of credit ("Letters of Credit") for the account of the Company or Affiliate on any Domestic Business Day prior to the fifth Domestic Business Day preceding the Termination Date in such form as may be approved from time to time by such Issuing Bank; provided that an Issuing Bank (i) shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, the L/C Obligations would exceed the L/C Commitment and (ii) may not issue any Letter of Credit if, after giving effect to such issuance, the aggregate amount of Extensions of Credit and CAF Advances would exceed the Aggregate Commitments. Each Letter of Credit shall (i) be denominated in United States dollars or a Foreign Currency and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Domestic Business Days prior to the Termination Date, provided that any Letter of Credit with a one-year

31 term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above). (b) No Issuing Bank shall be obligated to issue any Letter of Credit if such issuance would conflict with, or cause the Issuing Bank or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law. 3.2 PROCEDURE FOR ISSUANCE OF LETTER OF CREDIT The Company or any Affiliate may from time to time request that a particular Issuing Bank issue a Letter of Credit by delivering to such Issuing Bank at its Domestic Lending Office (with a copy to the Administrative Agent at its Domestic Lending Office) an Application therefor, completed to the satisfaction of such Issuing Bank, and such other certificates, documents and other papers and information as such Issuing Bank may request. Upon receipt of any Application, the Issuing Bank will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Bank be required to issue any Letter of Credit earlier than three Domestic Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Bank and the Company or Affiliate. The Issuing Bank shall furnish a copy of such Letter of Credit to the Company or any Affiliate promptly following the issuance thereof. The Issuing Bank shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Banks, notice of the issuance of each Letter of Credit (including the amount thereof). 3.3 FEES AND OTHER CHARGES (a) The Company or applicable Affiliate will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurocurrency Loans, shared ratably among the Banks and payable quarterly in arrears on each Fee Payment Date after the issuance date (such fee to be calculated on the basis of a 360-day year for the actual number of days elapsed). In addition, the Company or applicable Affiliate shall pay to the Issuing Bank for its own account a fronting fee in the amount per annum agreed upon between the Company and the Issuing Bank on the undrawn and unexpired amount of each Letter of Credit, payable quarterly in arrears on each Fee Payment Date after the issuance date. (b) In addition to the foregoing fees, the Company or applicable Affiliate shall pay or reimburse the Issuing Bank for such normal and customary costs and expenses as are incurred or charged by such Issuing Bank in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit. 3.4 L/C PARTICIPATIONS (a) Each Issuing Bank irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce each Issuing Bank to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing

32 Bank, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in each Issuing Bank's obligations and rights under and in respect of each Letter of Credit issued by such Issuing Bank and the amount of each draft paid by such Issuing Bank thereunder. Each L/C Participant unconditionally and irrevocably agrees with each Issuing Bank that, if a draft is paid under any Letter of Credit issued by such Issuing Bank for which such Issuing Bank is not reimbursed in full by the Company or any Affiliate in accordance with the terms of this Agreement, (i) if such draft is paid in a Foreign Currency, such amount shall be converted into United States dollars at the Exchange Rate then in effect as determined by the Administrative Agent (and such amount shall thereafter be denominated in United States dollars for all purposes of this Agreement) and (ii) such L/C Participant shall pay to such Issuing Bank upon demand at such Issuing Bank's address for notices specified herein an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, as so converted, that is not so reimbursed. (b) If any amount required to be paid by any L/C Participant to any Issuing Bank pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Bank under any Letter of Credit is paid to such Issuing Bank within three Domestic Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Bank on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Bank, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the Issuing Bank by such L/C Participant within three Domestic Business Days after the date such payment is due, the Issuing Bank shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to Base Rate Loans. A certificate of the Issuing Bank submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error. (c) Whenever, at any time after an Issuing Bank has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), such Issuing Bank receives any payment related to such Letter of Credit (whether directly from the Company or any Affiliate or otherwise, including proceeds of collateral applied thereto by such Issuing Bank), or any payment of interest on account thereof, such Issuing Bank will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Bank shall be required to be returned by such Issuing Bank, such L/C Participant shall return to such Issuing Bank the portion thereof previously distributed by the Issuing Bank to it. 3.5 REIMBURSEMENT OBLIGATION OF THE COMPANY OR AFFILIATE If any draft is paid under any Letter of Credit, the Company or any Affiliate shall reimburse the applicable Issuing Bank for the amount of (a) the draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Bank in connection with such

33 payment, not later than 12:00 Noon, New York City time, on (i) the Domestic Business Day that the Company or any Affiliate receives notice of such draft, if such notice is received on such day prior to 10:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Domestic Business Day immediately following the day that the Company or Affiliate receives such notice. Each such payment shall be made to the applicable Issuing Bank at its address for notices referred to herein in the relevant currency and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Domestic Business Day next succeeding the date of the relevant notice, Section 2.14(a)(i) in the case of amounts denominated in United States dollars, and at the rate determined by the Issuing Bank to be the cost to it of funding such amount plus the Eurocurrency Margin in the case of amounts denominated in Foreign Currencies, and (y) thereafter, Section 2.16(a). 3.6 OBLIGATIONS ABSOLUTE The Company and Affiliate's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Company or Affiliate may have or have had against such Issuing Bank, any beneficiary of a Letter of Credit or any other Person. The Company and its Affiliates also agree with each Issuing Bank that such Issuing Bank shall not be responsible for, and neither the Company's Reimbursement Obligations nor the Affiliate's Reimbursement Obligations under Section 3.5 shall be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Company and its Affiliates and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Company or Affiliate against any beneficiary of such Letter of Credit or any such transferee. No Issuing Bank shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Issuing Bank. The Company and its Affiliates agree that any action taken or omitted by an Issuing Bank under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Company and its Affiliates and shall not result in any liability of such Issuing Bank to the Company or its Affiliates. 3.7 LETTER OF CREDIT PAYMENTS If any draft shall be presented for payment under any Letter of Credit, the applicable Issuing Bank shall promptly notify the Company or Affiliate of the date and amount thereof. The responsibility of such Issuing Bank to the Company or Affiliate in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

34 3.8 APPLICATIONS To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall apply. SECTION 4. GUARANTEE OF LOANS TO AFFILIATES (a) The Company hereby guarantees to the Administrative Agent, for the ratable benefit of the Banks and their affiliates, the due and punctual payment of the principal of and interest on any Loans made to any Affiliate under this Agreement and any other Obligations of any Affiliate to the Administrative Agent or any Bank under this Agreement (including, in respect of any Letter of Credit issued for the account of such Affiliate, the related Reimbursement Obligations and any other obligations of such Affiliate related to such Letter of Credit) or its Accession Memorandum (the "Guaranteed Obligations") when and as the same shall become due and payable, whether at maturity, upon declaration or otherwise, according to the terms thereof. Upon the occurrence of an Affiliate Event of Default with respect to an Affiliate under this Agreement, the Company shall on behalf of such Affiliate upon demand by the Administrative Agent punctually make any payment due and payable by such Affiliate under this Agreement or its Accession Memorandum, whether at maturity, upon declaration or otherwise; and any such payment shall be treated for the purposes of such Accession Memorandum and this Agreement (other than Section 10.4) as if such payment were made by the Affiliate. (b) The Company hereby agrees that its obligations under this Section 4 shall be irrevocable and unconditional and that the Company shall not have the right to assert any defenses based upon the validity, regularity or enforceability of any Accession Memorandum or this Agreement or any Note, the absence of any attempt to collect from the defaulting Affiliate or other action to enforce the same, the waiver or consent by the Administrative Agent or any Bank with respect to any provisions thereof or hereof (other than with respect to this Section 4), or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Company or of a guarantor. (c) With respect to its obligations under this Section 4, the Company waives filing of claims with a court, trustee or receiver in the event of receivership or bankruptcy of the defaulting Affiliate, diligence, presentment, demand of payment, protest or notice with respect to Guaranteed Obligations and all demands whatsoever (other than that provided for in subsection (a) above), and covenants that this Guarantee is a continuing guarantee and will not be discharged except by complete performance of the Guaranteed Obligations of the defaulting Affiliate and the obligations of the Company under this Guarantee. (d) To the extent of any payment by the Company to the Administrative Agent or any Bank under this Section 4, the Company shall succeed to all corresponding claims that the Administrative Agent or such Bank may have and otherwise be subrogated to the rights of the Administrative Agent or such Bank against the defaulting Affiliate or any other person or security in connection with the Loans to such Affiliate, and the Administrative Agent and any such Bank shall use reasonable efforts to cooperate with the Company in seeking recovery under such claims.

35 (e) The Company's obligations under this Section 4 constitute a guarantee of payment and not of collection merely and shall remain in full force and effect with respect to any Affiliate until the Guaranteed Obligations of such Affiliate shall have been paid in full in accordance with the terms of the relevant Accession Memorandum and of this Agreement. If at any time any payment of any of the Guaranteed Obligations of an Affiliate is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of such Affiliate or otherwise, the Company's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had not been made. (f) If demand for, or acceleration of the time for, payment by any Affiliate to the Administrative Agent or any Bank of any Guaranteed Obligations of such Affiliate is stayed upon the insolvency, bankruptcy, reorganization or proposed compromise or arrangement with creditors of such Affiliate, all such Guaranteed Obligations of which payment or performance is stayed that would otherwise be subject to demand for payment or acceleration shall nonetheless be payable by the Company under this Section 4 immediately on demand by the Administrative Agent or such Bank. SECTION 5. CONDITIONS TO LOANS, CAF ADVANCES AND LETTERS OF CREDIT The obligation of each Bank to make each Loan or CAF Advance hereunder, and to issue or participate in any Letter of Credit, is subject to the performance by the Company or the Affiliate, whichever is the borrower, of all its obligations under this Agreement and to the satisfaction of the following further conditions: 5.1 EACH LOAN OR CAF ADVANCE TO, OR LETTER OF CREDIT ISSUED FOR THE ACCOUNT OF, THE COMPANY OR ANY AFFILIATE (a) In the case of each Loan or CAF Advance proposed to be made hereunder to, or Letter of Credit issued for the account of, the Company or any Affiliate: (i) the Administrative Agent shall have received the notice from the Company required by Section 2.6 or Section 2.8, in the case of a Loan or CAF Advance, or the Application for such Letter of Credit shall have been delivered in accordance with Section 3.2, in the case of a Letter of Credit; (ii) the principal amount of such Loan or CAF Advance, or the amount of such Letter of Credit, when added to the aggregate principal amount of all Loans and CAF Advances then outstanding hereunder and the aggregate amount of L/C Obligations then outstanding hereunder, shall not exceed the amount of the Aggregate Commitments; (iii) after giving effect to the making of such Loan or CAF Advance or the issuance of such Letter of Credit no Event of Default nor Event of Default - Bankruptcy and no event which, with the giving of notice or lapse of time or both, would become an Event of Default or an Event of Default - Bankruptcy shall have occurred and be continuing; and

36 (iv) the representations and warranties of the Company contained in this Agreement, except those contained in Sections 6.2(b) and 6.3, shall be true and correct in all material respects on and as of the date of such Loan or CAF Advance or issuance of such Letter of Credit, as the case may be, except to the extent such representations and warranties expressly relate to an earlier date. Each Borrowing by, CAF Advance to or issuance of a Letter of Credit for the account of, the Company or any Affiliate shall be deemed to be a representation and warranty by the Company or Affiliate that the conditions specified in clauses (ii), (iii) and (iv) above are satisfied on and as of the date of such Borrowing, CAF Advance or Letter of Credit issuance. (b) In addition to the conditions stated in Section 5.1(a) above, in the case of each Loan proposed to be made to, or Letter of Credit to be issued for the account of, any Affiliate: (i) after giving effect to the making of such Loan or the issuance of such Letter of Credit, no Affiliate Event of Default with respect to such Affiliate and no event which, with the giving of notice or lapse of time or both, would become an Affiliate Event of Default with respect to such Affiliate shall have occurred and be continuing; (ii) the representations and warranties of the Affiliate contained in its Accession Memorandum shall be true and correct in all material respects on and as of the date of such Loan, except to the extent such representations and warranties expressly relate to an earlier date; and (iii) upon request of the Administrative Agent or any Bank, the Administrative Agent or such Bank, as the case may be, shall have received the latest available annual and interim financial statements for the Affiliate (certified, if available). Each Borrowing by, or issuance of a Letter of Credit for the account of, any Affiliate shall be deemed to be a representation and warranty by the Affiliate that the conditions specified in clauses (i) and (ii) above are satisfied on and as of the date of such Borrowing or issuance. 5.2 FIRST LOAN OR CAF ADVANCE TO, OR LETTER OF CREDIT ISSUED FOR THE ACCOUNT OF, THE COMPANY OR ANY AFFILIATE (a) In the case of the first Loan or CAF Advance proposed to be made hereunder to, or Letter of Credit proposed to be issued for the account of, the Company or any Affiliate: (i) the Administrative Agent shall have received an opinion of the Vice President - General Counsel or an Assistant General Counsel of the Company, or, at the Company's option, other counsel (in which case, such counsel shall be satisfactory to the Administrative Agent), addressed to the Administrative Agent and Banks and in form satisfactory to the Administrative Agent in its reasonable judgment, to the effect that: (A) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power under the laws of such State to enter into this Agreement, to

borrow money and extend the Guarantee as contemplated by this Agreement, and to carry out the provisions of this Agreement; (B) this Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery hereof by the Banks, is a valid and binding agreement of the Company enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting creditors' rights generally and by general equitable principles regardless of whether such enforceability is considered in a proceeding in equity or at law; (C) the execution, delivery and performance by the Company of this Agreement will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under (in each case material to the Company and its subsidiaries considered as a whole), or result in the creation or imposition of any lien, charge or encumbrance (in each case material to the Company and its subsidiaries considered as a whole) upon any of the property or assets of the Company pursuant to the terms of, any indenture, mortgage, deed of trust, loan agreement, guarantee, lease financing agreement or other similar agreement or instrument known to such counsel under which the Company is a debtor or a guarantor, nor will such action result in any violation of the provisions of the Certificate of Incorporation or the By-Laws of the Company; and (D) there is no consent, approval, authorization, order, registration or qualification of or with any Governmental Authority having jurisdiction over the Company which is required for, and the absence of which would materially affect, the execution, delivery and performance of this Agreement; and (ii) the Administrative Agent shall have received such additional documents as it may reasonably request relating to the existence and good standing of the Company under the laws of the States of Delaware and Michigan and to the authorization, execution and delivery of this Agreement in form and substance reasonably satisfactory to the Administrative Agent. The documents referred to in this Section 5.2(a) shall be delivered to the Administrative Agent no later than the date of the first Loan, CAF Advance or Letter of Credit hereunder, except that if such Loan is a Eurocurrency Loan, the documents shall be delivered to the Bank at least two Eurodollar Business Days before such Loan. (b) In addition to the conditions stated in Section 5.2(a) above, in the case of the first Loan proposed to be made to, or Letter of Credit proposed to be issued for the account of, any Affiliate, the Administrative Agent shall have received: (i) a duly executed Accession Memorandum of such Affiliate; and

38 (ii) such additional documents as it may reasonably request relating to the existence and good standing of the Affiliate under the laws of the jurisdiction of its incorporation or organization and to the authorization, execution and delivery of the Accession Memorandum, all in form and substance reasonably satisfactory to the Administrative Agent. The documents referred to in this Section 5.2(b) shall be delivered to the Administrative Agent no later than the date of the first Loan to, or Letter of Credit issued for the account of, the Affiliate. Such documents, including executed documents, may be sent to the Administrative Agent by facsimile on the required date, with the originals to be sent by professional courier. SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE COMPANY The Company represents and warrants to the Administrative Agent and each Bank that: 6.1 CORPORATE AUTHORITY OF THE COMPANY, ETC. (a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power under the laws of such State to execute and deliver this Agreement and to perform its obligations hereunder and thereunder, and is duly qualified and in good standing to do business as a foreign corporation in the State of Michigan; (b) This Agreement has been duly authorized, executed and delivered on behalf of the Company and, assuming due authorization, execution and delivery by the Banks, is a valid and legally binding agreement of the Company; (c) The execution, delivery and performance by the Company of this Agreement will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under (in each case material to the Company and its subsidiaries considered as a whole), or result in the creation or imposition of any lien, charge or encumbrance (in each case material to the Company and its subsidiaries considered as a whole) upon any of the property or assets of the Company pursuant to the terms of, any indenture, mortgage, deed of trust, loan agreement, guarantee, lease financing agreement or other similar agreement or instrument under which the Company is a debtor or a guarantor, nor will such action result in any violation of the provisions of the Certificate of Incorporation or the By-Laws of the Company; and (d) There is no consent, approval, authorization, order, registration or qualification of or with any Governmental Authority having jurisdiction over the Company which is required for, and the absence of which would materially affect, the execution, delivery and performance of this Agreement. 6.2 FINANCIAL STATEMENTS (a) The Company has furnished the Administrative Agent and each Bank with, and the Administrative Agent and each Bank hereby acknowledges receipt of, a copy of the audited consolidated balance sheet and the related consolidated statements of income, equity and cash

39 flows of the Company and its Subsidiaries at December 31, 2001 and 2000, and such financial statements present fairly in all material respects the financial position of the Company and Subsidiaries at those dates, in conformity with GAAP; and (b) As of the date of this Agreement there has not occurred any material adverse change in the financial position of the Company and its Subsidiaries considered as a whole, since December 31, 2001. 6.3 LITIGATION As of the date of this Agreement there are no legal or governmental proceedings pending of which the Company or any of its Subsidiaries is the subject, and no such proceedings are known by the Company to be threatened or contemplated by Governmental Authorities or threatened by others, other than such proceedings which the Company believes will not have a material adverse effect upon the financial position of the Company and its Subsidiaries considered as a whole. 6.4 USE OF PROCEEDS The proceeds of the Loans and CAF Advances and the Letters of Credit will be used by the Company and its Affiliates for general corporate purposes including, without limitation, to support commercial paper issued by the Company. None of the proceeds of the Loans and CAF Advances will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock within the meaning of Regulation U of the Federal Reserve Board. 6.5 COMPLIANCE WITH ERISA The Company has satisfied the minimum funding standards under ERISA with respect to its Plans and is in compliance in all material respects with the currently applicable provisions of ERISA. SECTION 7. COVENANTS During the term of this Agreement, unless compliance shall have been waived in writing in accordance with the terms of this Agreement, the Company agrees that: 7.1 REPORTS; CERTIFICATE AS TO DEFAULT It will deliver to the Administrative Agent at the Notice Office: (a) within 120 days after the end of each of its fiscal years copies of the Company's consolidated financial statements including consolidated results of operations and cash flows of the Company and its consolidated subsidiaries all as audited by the Company's independent certified public accountants (the "Annual Report"), provided that if and when the Company files an Annual Report on Form 10-K with the Securities and Exchange Commission (the "10-K Report"), copies of the 10-K Report will be delivered to the Administrative Agent in lieu of the Annual Report;

40 (b) within 70 days after the end of each of the first three quarters of each of its fiscal years, copies of the Company's consolidated financial statements including consolidated results of operations and cash flows of the Company and its consolidated subsidiaries (the "Quarterly Report"), provided that if and when the Company files a Quarterly Report on Form 10-Q with the Securities and Exchange Commission (the "10-Q Report"), copies of the 10-Q Report will be delivered to the Administrative Agent in lieu of the Quarterly Report; and (c) simultaneously with the delivery of each Annual Report or 10-K Report (as applicable) referred to in (a) above, a certificate of an authorized officer of the Company (i) stating whether, to the knowledge of such officer, there exists on the date of the certificate any condition or event which then constitutes, or which after notice or lapse of time or both would constitute, an Event of Default or an Event of Default - Bankruptcy, and, if any such condition or event exists, specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto, and (ii) demonstrating compliance with the Consolidated Leverage Ratio set forth in Section 7.9 hereof. (d) simultaneously with the delivery of each Quarterly Report or 10-Q Report (as applicable) referred to in (b) above, a certificate of an authorized officer of the Company demonstrating compliance with the Consolidated Leverage Ratio set forth in Section 7.9 hereof. 7.2 FURTHER INFORMATION (a) From time to time while this Agreement is in effect, upon the reasonable request of the Administrative Agent or any Bank, officials of the Company will confer with officials of the Administrative Agent or such Bank and advise them as to matters bearing on the financial condition of the Company, or of any Affiliate to which Loans or L/C Obligations are then outstanding. (b) The Company shall notify the Administrative Agent and each of the Banks at least two Foreign Currency Business Days prior to any Loan to any Affiliate in the event that any Gross-up with respect to such Loan could be required by any Bank pursuant to the terms of this Agreement. 7.3 LIENS The Company shall not nor shall it permit any Subsidiary to directly or indirectly, create, incur, assume or suffer to exist any Indebtedness secured by a Lien upon any of its property or revenues, whether now owned or hereafter acquired, except Liens at any one time outstanding with respect to which the aggregate outstanding principal amount of the obligations secured thereby shall not exceed 15% of Consolidated Total Assets as reflected in the most recent Annual Report or 10-K Report delivered pursuant to Section 7.1(a); provided, however, that this Section 7.3 shall not apply to Indebtedness secured by:

41 (a) Liens on property of, or on any shares of stock of or Indebtedness of, any corporation existing at the time such corporation becomes a Subsidiary; (b) Liens in favor of the Company or any Subsidiary; (c) Liens in favor of any governmental body to secure progress, advance or other payments pursuant to any contract or provision of any statute; (d) Liens on property, shares of stock or Indebtedness existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or any part of the purchase price thereof or to secure any Indebtedness incurred prior to, at the time of, or within 60 days after, the acquisition of such property or shares or Indebtedness for the purpose of financing all or any part of the purchase price thereof; and (e) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the foregoing clauses (a) to (d), inclusive; provided, however, that such extension, renewal or replacement Lien shall be limited to all or a part of the same property, shares of stock or Indebtedness that secured the Lien extended, renewed or replaced (plus improvements on such property). 7.4 SALE-LEASEBACKS The Company shall not nor shall it permit any Subsidiary to, directly or indirectly, enter into any arrangement with any bank, insurance company or other lender or investor (not including the Company or any Subsidiary) providing for the leasing by the Company or any Subsidiary of any property owned by the Company or any Subsidiary (except for leases between the Company and a Subsidiary or between Subsidiaries), which property has been or is to be sold or transferred by the Company or such Subsidiary to such bank, insurance company or other lender or investor (not including the Company or any Subsidiary) ("Sale-Leasebacks"), except for Sale-Leasebacks consummated since the Effective Date and which are outstanding on the relevant date of determination (other than Sale-Leasebacks to the extent the proceeds thereof are used to refinance any Sale-Leaseback which was in existence on the date hereof) in an aggregate amount, which when combined with (but without duplication) the aggregate outstanding principal amount of obligations secured by a Lien upon any of the property or revenues of the Company or any of its Subsidiaries at the time of entering into any such Sale-Leaseback, shall not exceed 15% of Consolidated Total Assets as reflected in the most recent Annual Report or 10-K Report delivered pursuant to Section 7.1(a). 7.5 MERGERS AND CONSOLIDATIONS The Company may consolidate with, or sell or convey all or substantially all its assets to, or merge with or into any other corporation, provided that in any such case (i) the successor corporation shall be a corporation organized and existing under the laws of the United States of America or a State thereof, (ii) such corporation shall expressly assume the due and punctual payment of the principal of and interest on all the Loans made to the Company hereunder, and the due and punctual performance and observance of all the covenants and conditions of this

42 Agreement to be performed by the Company, including, without limitation, the Guarantee, by an instrument, satisfactory to the Administrative Agent in its reasonable judgment, executed and delivered to the Administrative Agent by such corporation, and (iii) such successor corporation shall not, immediately after such merger or consolidation or such sale or conveyance, be in default in the performance of any such covenant or condition and shall not immediately thereafter have outstanding any secured Indebtedness not expressly permitted by the provisions of Section 7.3. 7.6 ADDITIONAL COVENANTS In the event that, at any time while this Agreement is in effect, the Company shall issue any indebtedness for borrowed money which is not by its terms subordinate and junior to other indebtedness of the Company ("Senior Debt") and such Senior Debt shall include, or be issued pursuant to a trust indenture or other agreement which includes, financial covenants not substantially provided for in this Agreement, the Company shall so advise the Administrative Agent. Thereupon, if the Administrative Agent shall so request by written notice to the Company, the Company, Administrative Agent and the Banks shall enter into an amendment to this Agreement providing for substantially the same financial covenants as those contained in such Senior Debt, trust indenture or other agreement, mutatis mutandis. Such amendment containing such financial covenants shall remain in effect so long as such covenants remain in effect with respect to such Senior Debt. As used in this Section 7.6 the term "financial covenant" shall mean a covenant on the part of the Company to the general effect that the Company shall maintain, on a consolidated basis and as of a specified date or dates, (a) a specified minimum net worth, (b) a ratio of debt to net worth not in excess of a specified maximum, (c) current assets in an amount not less than a specified amount in excess of current liabilities or (d) any similar ratio or amount or similar measure for the same general purpose of stating a minimum financial condition. 7.7 ERISA The Company will comply with the minimum funding standards under ERISA with respect to its Plans and will use its best efforts to comply in all material respects with all other applicable provisions of ERISA and the regulations and interpretations promulgated thereunder. The Company will deliver to the Administrative Agent within 30 days after any executive officer of the Company becomes aware of the occurrence of any Reportable Event (other than a reduction in active Plan participants) with respect to any Plan, a certificate signed by the Chief Financial Officer, the Vice President - Finance, the Controller or the Treasurer of the Company setting forth the details as to such Reportable Event and the action which the Company is taking and proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the Pension Benefit Guaranty Corporation. 7.8 NOTIFICATION The Company will notify the Administrative Agent within 30 days after any executive officer of the Company becomes aware of any failure on the part of the Company duly to observe or perform any covenant contained in Section 7.3 or Section 7.4.

 7.9 CONSOLIDATED LEVERAGE RATIO The Company shall not permit the Consolidated Leverage Ratio to exceed 3.5 to 1.0 at the end of any fiscal quarter. SECTION 8. DEFAULT 8.1 DEFAULTS RELATING TO THE COMPANY In case one or more of the following "Events of Default" shall have occurred and be continuing, that is to say: (a) default in any payment of principal of any Loan or CAF Advance to the Company or Reimbursement Obligation of the Company as and when the same shall become due and payable, whether at maturity or upon required repayment or upon declaration or otherwise, and the continuance of such default for five Domestic Business Days in the case of a Domestic Loan, Reimbursement Obligation or CAF Advance or five Eurodollar Business Days in the case of a Eurocurrency Loan; or (b) default in the payment of any installment of interest upon any Loan or CAF Advance to the Company or Reimbursement Obligation of the Company as and when the same shall become due and payable, and continuance of such default for a period of five Domestic Business Days in the case of a Domestic Loan, Reimbursement Obligation or CAF Advance or five Eurodollar Business Days in the case of a Eurocurrency Loan; or (c) failure on the part of the Company duly to observe or perform any covenant contained in Section 7.3 or Section 7.4 for 90 days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Administrative Agent or the Required Banks; or (d) failure on the part of the Company duly to observe or perform any other of the covenants or agreements of this Agreement for a period of 30 days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Administrative Agent or the Required Banks; provided, however, that in the case of a default under Section 4, such 30-day grace period shall run from the date that demand for payment by the Administrative Agent was made upon the Company pursuant to Section 4; or (e) any representation or warranty by the Company in this Agreement or in any certificate delivered pursuant hereto shall have proven to have been materially false or misleading; or (f) a Reportable Event (other than a reduction in active Plan participants) shall have occurred with respect to any Plan and, within 30 days after the reporting of such Reportable Event to the Administrative Agent, the Administrative Agent shall have notified the Company in writing that the Administrative Agent has made a reasonable

44 determination that such Reportable Event is likely to have a material adverse effect upon the financial position of the Company and its subsidiaries considered as a whole; or (g) default in the payment of the principal of (or premium, if any, on) or interest on any other borrowing of the Company of $5,000,000 or more and such default continues for a period of 30 days, or any default with respect to any other borrowing of the Company of $5,000,000 or more and such default causes acceleration thereof; or (h) more than 50% in voting power of the voting securities of the Company shall be held by (i) any person or persons who "act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities" of the Company within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, or (ii) persons whose election to the Board of Directors shall not have been recommended by the committee of the Board of Directors charged with such recommendations shall constitute a majority of the members of the Board of Directors of the Company; then, and in each and every such case, with the consent of the Required Banks, the Administrative Agent may, or upon the request of the Required Banks, the Administrative Agent shall, by notice in writing to the Company, terminate the Commitments and/or declare the principal of all Loans and CAF Advances to the Company and Affiliates and all other amounts owing under this Agreement (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived. 8.2 DEFAULTS RELATING TO AFFILIATES In case one or more of the following "Affiliate Events of Default" shall have occurred and be continuing with respect to an Affiliate, that is to say: (a) default in any payment of principal of any Loan to such Affiliate or Reimbursement Obligation of such Affiliate as and when the same shall become due and payable, whether at maturity or upon required repayment or upon declaration or otherwise, and the continuance of such default for five Domestic Business Days in the case of a Domestic Loan or Reimbursement Obligation or five Eurodollar Business Days in the case of a Eurocurrency Loan; or (b) default in the payment of any installment of interest upon any Loan to such Affiliate or Reimbursement Obligation of such Affiliate as and when the same shall become due and payable, and continuance of such default for a period of five Domestic Business Days in the case of a Domestic Loans, five Eurodollar Business Days in the case of a Eurocurrency Loan; or

45 (c) any representation or warranty by such Affiliate in this Agreement, in its Accession Memorandum or in any certificate delivered in connection therewith shall have proven to have been materially false or misleading; or (d) such Affiliate shall have entered against it by a court having jurisdiction in the premises a decree or order for relief in respect of the Affiliate in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Affiliate or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or (e) such Affiliate shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Affiliate or for any substantial part of its property, or make any general assignment for the benefit of creditors, or fail generally to pay its debts as they become due, or take any corporate action in furtherance of any of the foregoing; (f) an Event of Default under Section 8.1 shall have occurred and be continuing; or (g) the Guarantee set forth in Section 4 shall no longer be in full force and effect; then, (i) if such event is an Event of Default specified in clause (d) or (e), automatically all of the Loans to such Affiliate and all other amounts owing by the Affiliate under this Agreement (including all amounts of L/C Obligations with respect to outstanding Letters of Credit issued to such Affiliate, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) (but not any Loans to the Company or any other Affiliate or any L/C Obligations of the Company or any other Affiliates) shall immediately become due and payable, or (ii) if such event is any other Event of Default, with the consent of the Required Banks, the Administrative Agent may, or upon the request of the Required Banks, the Administrative Agent shall, by notice in writing to the Company and the defaulting Affiliate, declare the principal of all outstanding Loans to such Affiliate and all other amounts owing by the Affiliate under this Agreement (including all amounts of L/C Obligations with respect to outstanding Letters of Credit issued to such Affiliate, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) (but not any Loans to the Company or any other Affiliate or any L/C Obligations of the Company or any other Affiliate) to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

 8.3 DEFAULTS RELATING TO BANKRUPTCY OF THE COMPANY In case one or more of the following "Events of Default - Bankruptcy" shall have occurred and be continuing with respect to the Company, that is to say: (a) the Company shall have entered against it by a court having jurisdiction in the premises a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or (b) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or make any general assignment for the benefit of creditors, or fail generally to pay its debts as they become due, or take any corporate action in furtherance of any of the foregoing; then if such event is an Event of Default - Bankruptcy specified in either of section (a) or (b) of this Section 8.3 with respect to the Company, automatically the Commitments shall immediately terminate and the Loans and CAF Advances hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including all amounts of L/C Obligations with respect to outstanding Letters of Credit issued hereunder, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable. 8.4 CASH COLLATERALIZATION OF OUTSTANDING LETTERS OF CREDIT With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this Section 8, the Company and/or Affiliate, as the case may be, shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Company or Affiliate, as applicable, hereunder. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Company and/or Affiliate, as the case may be, hereunder shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Company or Affiliate (or such other Person as may be lawfully entitled thereto).

47 SECTION 9. ASSIGNMENT; PARTICIPATIONS 9.1 ASSIGNMENT (a) No Bank shall, without the consent of the Company and the Administrative Agent (in each case which consent shall not be unreasonably withheld; it being understood, however, that any concern that the Company may have regarding the availability of a currency as a result of exchange controls or otherwise is a reasonable basis for the Company to withhold its consent), transfer to any other office, branch or affiliate of the Bank or to any other financial institution, person or entity, all or any portion of the Extensions of Credit, CAF Advances or the Commitment or any of the Bank's other rights and obligations under this Agreement; provided, however, that: (i) without the consent of the Company, a Bank may transfer or assign (A) any of its Extensions of Credit or CAF Advances or any interest therein as a pledge to any Federal Reserve Bank or other similar central bank in another jurisdiction, provided that such pledge shall not release the Bank from its obligations hereunder and (B) all or any portion of the Extensions of Credit, any CAF Advance, the Commitment or any of the Bank's other rights and obligations under this Agreement to any one or more assignees that is a Bank immediately prior to giving effect to such assignment; and (ii) without the consent of the Company, a Bank may transfer or assign all or any portion of the Loans, the Commitment or any of the Bank's other rights and obligations under this Agreement to any Person (A) five or more days after the occurrence and continuance of an Event of Default under Section 8.1(a) or Section 8.1(d) (in respect of Section 4) or (B) upon the occurrence and continuance of any Event of Default-Bankruptcy under Section 8.3. (b) Assignments shall be subject to the following additional conditions: (i) except in the case of an assignment to a Bank, an affiliate of a Bank or an assignment of the entire remaining amount of the assigning Bank's Commitments or Extensions of Credit, the amount of the Commitments or Extensions of Credit (without duplication) of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 and, after giving effect thereto, the assigning Bank shall have Commitments and Extensions of Credit (without duplication) in an aggregate amount of at least $5,000,000, in each case unless the Company and the Administrative Agent otherwise consent, provided that (1) no such consent of the Company shall be required if an Event of Default under Section 8.1(a) or Section 8.1(d) (in respect of Section 4) has occurred and is continuing for a period of at least five days or an Event of Default-Bankruptcy under Section 8.3 has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Bank and its affiliates, if any;

48 (ii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; (iii) the assignee, if it shall not be a Bank, shall deliver to the Administrative Agent an administrative questionnaire; and (c) In the case of any assignment to financial institutions made without the consent of the Company, any such transferee or assignee of a Bank shall not be entitled to receive any greater interest or other payment by reason of Section 10.3 or 10.4 than such Bank would have been entitled to receive with respect to the rights so transferred or assigned unless such transfer or assignment is made by reason of the provisions of Section 10.2, 10.3 or 10.4 requiring the Bank to designate a different lending office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist. (d) Notwithstanding the foregoing, any Conduit Bank may assign any or all of the Loans or CAF Advance it may have funded hereunder to its designating Bank without the consent of the Company or the Administrative Agent and without regard to the limitations set forth in this Section 9.1. Each of the Company, each Affiliate, each Bank and the Administrative Agent hereby confirms that it will not institute against a Conduit Bank or join any other Person in instituting against a Conduit Bank any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Bank; provided, however, that each Bank designating any Conduit Bank hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Bank during such period of forbearance. 9.2 PARTICIPATION. Each Bank shall have the right to sell to any bank or other financial institution (a "Participant") a participating interest in such Bank's Extensions of Credit, CAF Advances or Commitment held by such Bank; provided, however, that, following any such sale, (a) such Bank's obligations under this Agreement shall remain unmodified and fully effective and enforceable against such Bank, (b) such Bank shall remain solely responsible to the Company and its Affiliates for the performance of such obligations, including, without limitation, its Commitment and the obligation of such Bank to fund Loans and participate in Letters of Credit hereunder, (c) the Administrative Agent and the Company and any Affiliates which have borrowed hereunder shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement, (d) such Bank shall retain the sole right and responsibility to enforce the obligations of the Company and Affiliates hereunder, including, without limitation, the sole right to approve of or consent to any action hereunder or any amendment, modification or waiver hereof, except that such Bank may grant to a Participant a joint right to approve of or consent to any action, amendment, modification or waiver that would (i) reduce the amount or extend the time for payment (other than pursuant to Section 2.12) of any principal of, or interest on, the Loans or any CAF Advance, (ii) increase the amount of such Bank's Commitment or (iii)

49 reduce the amount of the Facility Fee or the Utilization Fee, in each case, from that in effect at the time of the sale of the participating interest, provided that if such Bank so grants to a Participant a right to approve of or consent to a reduction in the Facility Fee and Utilization Fee, the term of the participating interest sold to such Participant shall not extend beyond, and unless earlier terminated such participating interest shall automatically terminate on, the day immediately prior to the day and month of the Effective Date next following the sale of such participating interest, and (e) any such participating interest shall be in a minimum amount of $5,000,000 or the Equivalent thereof on the date the participating interest is sold. On the month and day of the Effective Date of each year (or, if any such month and day of the Effective Date is not a Domestic Business Day, on the next succeeding Domestic Business Day), each relevant Bank shall furnish to the Administrative Agent and the Company a written notice disclosing the name of each Participant which held a participating interest in such Bank's Commitment or any Loan held by such Bank at any time during the 12-month period ended on the day immediately prior to the day and month of the Effective Date next preceding such date. A Participant shall not be entitled to receive any greater payment under Section 10.3 or 10.4 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. Any Participant that is a foreign person (i.e., a person organized or incorporated under the laws of a country other than that under which the Company is incorporated, if it is the borrower, or an Affiliate is incorporated or organized, if such Affiliate is the borrower) shall not be entitled to the benefits of Section 10.4 unless such Participant complies with Section 10.4(c). SECTION 10. CHANGE IN CIRCUMSTANCES 10.1 BASIS FOR DETERMINING INTEREST RATE INADEQUATE OR UNFAIR The Banks shall have no obligation to make a new Eurocurrency Loan, to extend an outstanding Eurocurrency Loan or to convert an outstanding Loan into a Eurocurrency Loan if the Administrative Agent determines that: (a) by reason of circumstances generally affecting all interbank markets for deposits in the currency in which the Eurocurrency Loan has been requested to be denominated (in the applicable amounts), LIBO Rates for such deposits are not being offered to the Banks for a term equal to any Interest Period for which such new Loan, extended Loan or converted Loan shall be requested by the Company or an Affiliate; (b) based on notice received from the Required Banks, the LIBO Rate will not adequately and fairly reflect the cost to the Banks of maintaining or funding such new Loan, extended Loan or converted Loan as shall be requested by the Company or an Affiliate; (c) deposits in the applicable currency are not generally available, or cannot be obtained by the Banks, in the applicable market (any Foreign Currency affected by the circumstances described in clause (a), (b) or (c) is referred to as an "Affected Foreign Currency"). Upon any such determination, the Administrative Agent shall give telecopy or telephonic notice thereof to the Company and the Banks as soon as practicable. If such notice is given (y) pursuant

50 to clause (a) or (b) of this Section 10.1 in respect of Eurocurrency Loans denominated in United States dollars, then (i) any Eurocurrency Loans denominated in United States dollars requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (ii) any Base Rate Loans that were to have been converted on the first day of such Interest Period to Eurocurrency Loans denominated in United States dollars shall be continued as Base Rate Loans and (iii) any outstanding Eurocurrency Loans denominated in United States dollars shall be converted, on the last day of the then-current Interest Period, to Base Rate Loans and (z) in respect of any Foreign Currency Loans, then (i) any Foreign Currency Loans in an Affected Foreign Currency requested to be made on the first day of such Interest Period shall not be made and (ii) any outstanding Foreign Currency Loans in an Affected Foreign Currency shall be due and payable on the first day of such Interest Period. Until such relevant notice has been withdrawn by the Administrative Agent, no further Eurocurrency Loans denominated in United States dollars or Foreign Currency Loans in an Affected Foreign Currency shall be made or continued as such, nor shall the Company have the right to convert Base Rate Loans to Eurocurrency Loans denominated in United States dollars. 10.2 ILLEGALITY (a) If, after the date of this Agreement, the introduction of, or any change in, any applicable law or regulation or in the interpretation or administration thereof by any governmental, monetary, or regulatory authority charged with the interpretation or administration thereof or compliance by any Bank with any request or directive of any such authority shall make it unlawful for such Bank to make, maintain or fund any Loan or CAF Advance or issue or participate in any Letter of Credit, such Bank shall give notice thereof to the Company and, if the Loan or Letter of Credit is to an Affiliate, to such Affiliate (in each case with a copy to the Administrative Agent). Before giving any notice pursuant to this Section 10.2, the relevant Bank shall designate a different lending office if such designation would avoid the need for giving such notice and it would not otherwise be disadvantageous to such Bank in its reasonable judgment. Upon receipt of such notice the Company shall or, if the Loan or Letter of Credit is to an Affiliate, the Affiliate shall on either (A) the last day of the then-current Interest Period applicable to such Loan or CAF Advance or expiration of the Letter of Credit if such Bank may lawfully continue to maintain and fund such Loan or Letter of Credit to such day or (B) not later than the last date such Bank may lawfully continue to fund and maintain such Loan, CAF Advance or Letter of Credit, either (i) prepay in full, without premium or penalty, the then outstanding principal amount of each affected Loan or CAF Advance, together with accrued interest thereon, (ii) convert such Loan into another category of Loan (which would not be unlawful for the relevant Banks to make) as provided in Section 2.12 or (iii) arrange for termination of the Letter of Credit. (b) Upon any prepayment of a CAF Advance or prepayment or conversion of a Loan made pursuant to Section 10.2(a) other than at the end of an Interest Period, the Company or the Affiliate, as applicable, shall reimburse the Bank upon demand for any loss incurred by it as a result of the timing of such prepayment or conversion, in the manner provided in Section 2.18.

 10.3 INCREASED COST (a) If (i) Regulation D of the Federal Reserve Board as in effect on the Effective Date ("Regulation D"), (ii) minimum reserve requirements of the Bank of England and/or the Financial Services Authority as in effect on the Effective Date ("Mandatory Cost Rate"), or (iii) after the date hereof, the adoption of any applicable law or regulation, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank with any request or directive of any such authority, central bank or comparable agency (a "Regulatory Change"): (A) shall subject any Bank to any tax, duty or other charge with respect to Eurocurrency Loans or LIBO Rate CAF Advances or its obligation to make Eurocurrency Loans, or shall change the basis of taxation of payments to such Bank of the principal of or interest on Eurocurrency Loans or LIBO Rate CAF Advances or any other amounts due under this Agreement in respect of Eurocurrency Loans or LIBO Rate CAF Advances or its obligation to make Eurocurrency Loans (except for changes in the rate of tax on the overall net income of such Bank or the Eurodollar Lending Office imposed by the jurisdictions in which such Bank's principal executive office or Eurodollar Lending Office are located); or (B) shall impose, modify or cause to be applicable any reserve (including, without limitation, any imposed by the Federal Reserve Board), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, such Bank or the Eurodollar Lending Office or shall impose on such Bank (or the Eurodollar Lending Office) or all interbank markets applicable to such Eurocurrency Loans or LIBO Rate CAF Advances any other condition affecting the Eurocurrency Loans or LIBO Rate CAF Advances or its obligation to make Eurocurrency Loans; and the result of any of the foregoing is to increase the cost to such Bank (or the Eurodollar Lending Office) of making or maintaining any Eurocurrency Loans, LIBO Rate CAF Advances or issuing or participating in Letters of Credit, or to reduce the amount of any sum received or receivable by such Bank (or the Eurodollar Lending Office) under this Agreement, by an amount deemed by such Bank to be material, the Company shall pay or, if such Eurocurrency Loans are to Affiliates, such Affiliates shall pay to such Bank such additional amount or amounts as will compensate such Bank for any such increased cost or reduction incurred or suffered by such Bank from and after the later of (i) the date that is 15 days prior to receipt of notice from such Bank of such costs and (ii) the last date preceding receipt of such notice from such Bank on which interest was due and payable pursuant to Section 2.9 on any such LIBO Rate CAF Advance or Section 2.15 on any such Eurocurrency Loan. Any Bank which provides notice to the Company of increased costs pursuant to this Section 10.3(a) shall also provide a copy of such notice to the Administrative Agent. (b) Without limiting the effect of the foregoing, so long as any Bank shall be required to maintain reserves against "Eurocurrency liabilities" under Regulation D (or, so long as such Bank may be required, by any Mandatory Cost Rate or by reason of any Regulatory Change, to

52 maintain reserves against any other category of liabilities which includes deposits by reference to which the interest rate on Eurocurrency Loans or LIBO Rate CAF Advances is determined as provided in this Agreement or against any category of extensions of credit or other assets of such Bank which includes any LIBO Rate CAF Advances or Eurocurrency Loans) (such reserves are collectively called "Reserves") the Company shall pay or, if such Eurocurrency Loans are to Affiliates, such Affiliates shall pay to such Bank an amount (reasonably estimated by such Bank) for each day during each Interest Period for such LIBO Rate CAF Advances or Eurocurrency Loans equal to the product of the following: (i) the principal amount of each LIBO Rate CAF Advance or Eurocurrency Loan to which such Interest Period relates; multiplied by (ii) the difference between (A) a fraction, the numerator of which is the LIBO Rate (expressed as a decimal) applicable to such LIBO Rate CAF Advance or Eurocurrency Loan and the denominator of which is one (1) minus such Bank's Actual Reserve Cost (defined below) (expressed as a decimal) and (B) the LIBO Rate; multiplied by (iii) 1/360. For the purposes of this Section 10.3(b), the "Bank's Actual Reserve Cost" (which shall be reasonably estimated by the relevant Bank) shall be equal to the cost actually incurred by such Bank from time to time during such Interest Period as a result of the requirement that such Bank maintain Reserves with respect to such LIBO Rate CAF Advance or Eurocurrency Loan. (c) If any Governmental Authority of the jurisdiction of any Foreign Currency (or any other jurisdiction in which the funding operations of any Bank shall be conducted with respect to such Foreign Currency) shall have in effect any reserve, liquid asset or similar requirement with respect to any category of deposits or liabilities customarily used to fund loans in such Foreign Currency, or by reference to which interest rates applicable to loans in such Foreign Currency are determined, and the result of such requirement shall be to increase the cost to such Bank of making or maintaining any Foreign Currency Loan in such Foreign Currency, and such Bank shall deliver to the Company a notice requesting compensation under this paragraph, then the Company will pay or cause the relevant Affiliate to pay to such Bank on each Interest Payment Date with respect to each affected Foreign Currency Loan an amount that will compensate such Bank for such additional cost. (d) Notwithstanding any other provision of this Agreement, if, after the date hereof, there shall have occurred any change in national or international financial, political or economic conditions (including the imposition of or any change in exchange controls, but excluding conditions otherwise covered by this Section 10.3) or currency exchange rates which would make it impracticable for the Required Banks to make or maintain Foreign Currency Loans denominated in the relevant currency to, or for the account of, the Company or any Affiliate, then, by written notice to the Company or such Affiliate and to the Administrative Agent:

53 (i) such Bank or Banks may declare that Foreign Currency Loans (in the affected currency or currencies) will not thereafter (for the duration of such unlawfulness) be made by such Bank or Banks hereunder (or be continued for additional Interest Periods), whereupon any request for a Foreign Currency Loan (in the affected currency or currencies) or to continue a Foreign Currency Loan (in the affected currency or currencies), as the case may be, for an additional Interest Period) shall, as to such Bank or Banks only, be of no force and effect, unless such declaration shall be subsequently withdrawn; and (ii) such Bank may require that all outstanding Foreign Currency Loans (in the affected currency or currencies), made by it be converted to Base Rate Loans or Loans denominated in United States dollars, as the case may be (unless repaid by the Company or the relevant Affiliate as described below), in which event all such Foreign Currency Loans (in the affected currency or currencies) shall be converted to Base Rate Loans or Loans denominated in United States dollars, as the case may be, as of the effective date of such notice as provided below and at the Exchange Rate on the date of such conversion or, at the option of the Company or the Affiliate, repaid on the last day of the then current Interest Period with respect thereto or, if earlier, the date on which the applicable notice becomes effective. In the event any Bank shall exercise its rights under this paragraph (d), all payments and prepayments of principal that would otherwise have been applied to repay the converted Foreign Currency Loans of such Bank shall instead be applied to repay the Base Rate Loans or Loans denominated in United States dollars, as the case may be, made by such Bank resulting from such conversion. For purposes of Section 10.3(d), a notice to the Company or Affiliate by any Bank shall be effective as to each Foreign Currency Loan made by such Bank, if lawful, on the last day of the Interest Period currently applicable to such Foreign Currency Loan; in all other cases such notice shall be effective on the date of receipt thereof by the Company or Affiliate. (e) Each Bank shall take reasonable steps, including without limitation, the designation of a different Eurodollar Lending Office or Foreign Currency Lending Office (unless it would otherwise be disadvantageous to the Bank in its reasonable judgment) if such steps would avoid the need for or reduce the amount of any payment that otherwise would be due under Section 10.3(a), 10.3(b) or 10.3(c). Any amounts payable by the Company or any Affiliate under Sections 10.3(a), 10.3(b) or 10.3(c) shall be remitted after the end of each Interest Period, within 30 days after submission by the Bank to the Company and such Affiliate (with a copy to the Administrative Agent) of a written statement setting forth the amount thereof. (f) From time to time during the term of this Agreement, upon the request of the Company, each Bank shall provide to the Company (with a copy to the Administrative Agent) its best estimate of such Bank's Actual Reserve Cost incurred or to be incurred with respect to Eurocurrency Loans in the principal amounts specified in the Company's request.

 10.4 WITHHOLDING TAXES (a) Each Bank agrees to take reasonable measures, unless it would otherwise be disadvantageous to such Bank in its reasonable judgment to avoid or minimize withholding taxes in connection with any payments made to such Bank hereunder, including without limitation designating another office of the Bank as the lending office for a Loan. (b) If the Company or any Affiliate shall be required by law to deduct or withhold any taxes from or in respect of any sum payable hereunder to the Administrative Agent or any Bank, then, subject to Sections 10.4(e) and 10.4(f): (i) the Company or the Affiliate, as applicable, shall make such deductions; (ii) the Company or the Affiliate, as applicable, shall pay the full amount deducted to the relevant taxation authority in accordance with applicable law, and shall provide to the Administrative Agent or such Bank upon its request any official receipts or other evidence of payment thereof that the Company or such Affiliate may obtain or have in its possession; and (iii) if (A) the Administrative Agent or such Bank notifies the Company (pursuant to Section 2.6 or 2.12) at the time that the Company (on behalf of itself or an Affiliate) gives a notice of Borrowing or a notice to extend or convert any Loan that such Bank will require a Gross-up for withholding taxes in connection with such Loan, as so extended or converted, if applicable, (B) no such notice was given by the Administrative Agent or any Bank, but after a notice of Borrowing, extension or conversion pursuant to Section 2.6 or 2.12 in respect of such Loan was given a change in applicable law or regulation, or a change in the interpretation or administration thereof by any governmental or comparable authority, occurs that requires the Company or any Affiliate to so deduct or withhold taxes from or in respect of any sum payable to the Administrative Agent or such Bank or (C) payments made with respect to Letters of Credit are subject to deduction for withholding taxes, then the sum payable to the Administrative Agent or such Bank after the Company or the Affiliate makes all required deductions shall be increased by an amount such that the Administrative Agent or such Bank receives a total amount equal to the sum it would have received had no such deductions been made. If neither the Administrative Agent nor the affected Bank notifies the Company at or prior to the time that the Company (on behalf of itself or an Affiliate) gives a notice of Borrowing or a notice to extend or convert a Loan, as applicable, that the Administrative Agent or such Bank will require a Gross-up in connection with such Loan, as so extended or converted, if applicable, no Gross-up in respect of such Loan will be paid to the Administrative Agent or such Bank, except to the extent that a subsequent change in applicable law or regulation, or a change in the interpretation or administration thereof by any governmental or comparable authority, requires the Company or any Affiliate to deduct or withhold taxes (or an increased amount thereof) from or in respect of any sum payable to the Administrative Agent or such Bank in respect of such Loan. Notwithstanding anything contained in this Section 10.4, in the event that the Company shall fail to comply with its obligations under Section 7.2(b) with respect to a Loan, the

55 Company shall pay (or cause its Affiliate to pay) to the Administrative Agent or affected Bank an amount such that the Administrative Agent or such Bank receives the amount it would have received had no such deductions been made with respect to payments in connection with such Loan. (c) If a Bank or the Bank's lending office is a foreign person (i.e., a person organized or incorporated under the laws of a country other than that under which the Company is incorporated, if it is the borrower, or an Affiliate is incorporated or organized, if such Affiliate is the borrower), such Bank agrees that: (i) it shall promptly deliver to the Administrative Agent and either the Company or the Affiliate such accurate and complete signed forms or documentation as may be required from time to time by any applicable law, treaty, rule or regulation as a condition to exemption or other relief from or reduction of tax for withholding purposes; and (ii) it shall, before or promptly after the occurrence of any event (including the passing of time) requiring a change in or renewal of the most recent forms or documentation previously delivered by such Bank, deliver to the Administrative Agent and either the Company or the Affiliate, as applicable, accurate and complete signed copies of such forms or documentation. (d) To the extent that, as determined in good faith by the Administrative Agent or any Bank in its sole discretion and without any obligation to disclose its tax records, taxes withheld and paid in accordance with this Section 10.4 for which a Gross-up has been paid have been irrevocably utilized by the Administrative Agent or such Bank (either as credits or deductions) to reduce its tax liabilities and such utilization is consistent with its overall tax policies, the Administrative Agent or such Bank shall pay to the Company or the relevant Affiliate, as the case may be, an amount equal to such reduction obtained to the extent of such Gross-up paid by the Company or the Affiliate to the Administrative Agent or such Bank as aforesaid. (e) Notwithstanding anything herein to the contrary, the Company and the Affiliates will not be required to pay any Gross-up in respect of taxes described below: (i) if the obligation to pay such Gross-up would not have arisen but for a failure by a Bank to comply with its obligations under Section 10.4(c) in respect of the applicable lending office; or (ii) if a Bank shall have delivered to the Company or an Affiliate any form or documentation required by Section 10.4(c) pursuant to which the Bank claims exemption from withholding tax by any jurisdiction or under any treaty of such jurisdiction, and the Bank shall not at any time be entitled to exemption from deduction or withholding of taxes by such jurisdiction in respect of payment by the Company or any Affiliate hereunder for the account of such lending office for any reason other than a change in such jurisdiction's law or regulations or any applicable tax treaty or regulations or in the official interpretation of any such law, treaty or regulations by any Governmental

56 Authority charged with the interpretation or administration thereof after the date of delivery of such form or documentation. (f) In the event any Bank sells or grants a participation in its rights under this Agreement or any Loan hereunder, such Bank agrees to undertake sole responsibility for complying with any withholding tax requirements relating to the purchaser thereof imposed by any jurisdiction, including, without limitation, those imposed by Sections 1441 and 1442 of the United States Internal Revenue Code of 1986, as amended. 10.5 REPLACEMENT OF BANKS. The Company shall be permitted to replace any Bank that (a) requests reimbursement for amounts owing pursuant to Section 10.3 or 10.4(b) or (b) defaults in its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Bank shall have taken no action under Section 10.3(e) or 10.4(a) so as to eliminate the continued need for payment of amounts owing pursuant to Section 10.3 or 10.4(b), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Bank on or prior to the date of replacement, (v) the Company shall be liable to such replaced Bank under Section 2.18 if any Eurocurrency Loan owing to such replaced Bank shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Bank, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Bank shall be obligated to make such replacement in accordance with the provisions of Section 9.1 (provided that the Company shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Company shall pay all additional amounts (if any) required pursuant to Section 10.3 or 10.4(b), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Company, the Administrative Agent or any other Bank shall have against the replaced Bank. SECTION 11. THE AGENTS 11.1 APPOINTMENT Each Bank hereby irrevocably designates and appoints the Administrative Agent as the agent of such Bank under this Agreement, and each such Bank irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Bank, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent.

57 11.2 DELEGATION OF DUTIES The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care in consultation with the Company. 11.3 EXCULPATORY PROVISIONS Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Banks for any recitals, statements, representations or warranties made by the Company or any Affiliate or any officer thereof contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or for any failure of the Company or any Affiliate to perform its obligations hereunder. The Agents shall not be under any obligation to any Bank to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Company or any Affiliate. 11.4 RELIANCE BY ADMINISTRATIVE AGENT The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person or persons and upon advice and statements of legal counsel (including counsel to the Company or any Affiliate), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Required Banks (or, if so specified by this Agreement, all Banks) as it deems appropriate or it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Banks (or, if so specified by this Agreement, all Banks), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Banks and all future holders of the Loans.

 11.5 NOTICE OF DEFAULT The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy unless the Administrative Agent has received notice from a Bank, the Company or an Affiliate referring to this Agreement, describing such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Banks. The Administrative Agent shall take such action with respect to such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy as shall be reasonably directed by the Required Banks (or, if so specified by this Agreement, all Banks); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy as it shall deem advisable in the best interests of the Banks. 11.6 NON-RELIANCE ON AGENTS AND OTHER BANKS Each Bank expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of the Company or any Affiliate, shall be deemed to constitute any representation or warranty by any Agent to any Bank. Each Bank represents to the Agents that it has, independently and without reliance upon any Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Company and its Affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Bank also represents that it will, independently and without reliance upon any Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company and its Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Banks by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Company and its Affiliates that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates. 11.7 INDEMNIFICATION The Banks agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Company and the Affiliates and without limiting the obligation of the Company and the Affiliates to do so), ratably according to their respective Aggregate Exposure

59 Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, the Loans, this Agreement, any documents contemplated by or referred to herein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder. 11.8 AGENT IN ITS INDIVIDUAL CAPACITY Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company or an Affiliate as though such Agent were not an Agent. With respect to Loans made or renewed by it, each Agent shall have the same rights and powers under this Agreement as any Bank and may exercise the same as though it were not an Agent, and the terms "Bank" and "Banks" shall include each Agent in its individual capacity. 11.9 SUCCESSOR ADMINISTRATIVE AGENT The Administrative Agent may resign as Administrative Agent upon 45 days' notice to the Banks and the Company. If the Administrative Agent shall resign as Administrative Agent under this Agreement, then the Required Banks shall appoint from among the Banks a successor administrative agent for the Banks, which successor administrative agent shall (unless an Event of Default under Section 8.1(a) or Section 8.3 with respect to the Company shall have occurred and be continuing) be subject to approval by the Company (which approval shall not be unreasonably withheld or delayed), whereupon such successor administrative agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor administrative agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor administrative agent has accepted appointment as Administrative Agent by the date that is 45 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Banks shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Banks appoint a successor administrative agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 11 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

60 11.10 SYNDICATION AGENT The Syndication Agent shall not have any duties or responsibilities hereunder in its capacity as such. SECTION 12. MISCELLANEOUS 12.1 NOTICES Unless otherwise specified herein all notices, requests, demands or other communications to or from the parties hereto shall be in writing and shall be deemed to have been duly given and made, in the case of a letter, upon delivery or three days after deposit in the mail registered first class mail, postage prepaid; and in the case of a facsimile, when a facsimile is sent and receipt is telephonically confirmed; provided, however, that notices pursuant to Section 2.6, 2.8 or 2.12 or any other notices herein which are given by telephone shall not be effective until received by the party to whom notice is given. Unless otherwise specified herein, any such notice, request, demand, or communication shall be delivered or addressed as follows: (a) if to the Company, to it at 5500 Auto Club Drive, Dearborn, Michigan 48126 U.S.A., Attention: Treasurer (or facsimile number 313-390-3322, Attention: Treasurer); (b) if to an Affiliate, to it at the address or facsimile number of the Affiliate designated in the Accession Memorandum of such Affiliate; (c) if to the Administrative Agent, to it at the Notice Office; and (d) if to the Banks, to each Bank at the address set forth in the administrative questionnaire delivered to the Administrative Agent; or at such other address or facsimile number as either party hereto may designate by written notice to the other party hereto. 12.2 TERM OF AGREEMENT The term of this Agreement shall be until the termination of the Commitments or until the payment in full of the Loans, CAF Advances and Reimbursement Obligations and expiration or termination of all Letters of Credit, whichever occurs last, provided that the obligations of the Company or any Affiliate with respect to any payment required to be made by it under this Agreement shall survive the term of this Agreement. 12.3 NO WAIVERS No failure or delay by the Administrative Agent or any Bank 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.

61 12.4 NEW YORK LAW AND JURISDICTION (a) THIS AGREEMENT AND EACH ACCESSION MEMORANDUM SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK. (b) THE COMPANY AND THE AFFILIATES AND THE ADMINISTRATIVE AGENT AND THE BANKS EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND THE APPELLATE COURTS FROM ANY THEREOF, FOR PURPOSES OF ANY ACTION ARISING UNDER THIS AGREEMENT OR ANY ACCESSION MEMORANDUM, OR REGARDING ANY LOANS MADE HEREUNDER, AND EACH HEREBY AGREES THAT ANY DISPUTES RELATING TO THIS AGREEMENT OR ANY ACCESSION MEMORANDUM OR ANY LOANS MADE HEREUNDER SHALL BE RESOLVED ONLY IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK. EACH OF THE FOREGOING PARTIES HEREBY STIPULATES THAT THE VENUES REFERENCED IN THIS SECTION 12.4(b) ARE CONVENIENT AND EACH WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE RELATING TO THE VENUE OR CONVENIENCE OF SUCH COURTS. IF FOR ANY REASON CLAIMS HEREUNDER CANNOT BE PURSUED IN ANY OF THE FOREGOING COURTS OF NEW YORK, ALL REFERENCES IN THIS SECTION 12.4(b) TO THE COURTS OF NEW YORK SHALL INSTEAD BE DEEMED TO BE REFERENCES TO THE COURTS OF THE STATE OF MICHIGAN AND OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN. ENFORCEMENT OF FINAL, NONAPPEALABLE JUDGMENTS RECEIVED IN ANY OF THE FOREGOING COURTS MAY ALSO BE SOUGHT IN ANY OTHER APPROPRIATE COURT OR JURISDICTION. (c) The Secretary of the Company shall be the agent for service of process with regard to all claims hereunder by the Administrative Agent or Banks against any Affiliate. 12.5 ENTIRE AGREEMENT This Agreement, together with any Accession Memoranda, constitutes the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes any prior discussions, negotiations, agreements and understandings. The parties hereto acknowledge that the general banking or business conditions or any similar bank lending rules or requirements of any organization not having the force of law, now or hereafter in effect shall not be applicable to this Agreement, the Accession Memoranda or any Loans made hereunder to the Company or any Affiliate by the Banks or any other office, branch or affiliate included in the term "Bank".

62 12.6 PAYMENT OF CERTAIN EXPENSES (a) Except to the extent otherwise agreed upon in writing by the parties hereto, the Company agrees to pay or reimburse the Administrative Agent for all its out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent, with statements with respect to the foregoing to be submitted to the Company prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate. (b) The Company, with respect to an Event of Default and Event of Default - Bankruptcy and Loans to it, or an Affiliate, with respect to an Affiliate Event of Default by such Affiliate and Loans to such Affiliate, will (i) upon the occurrence of an Event of Default, Event of Default - Bankruptcy, or Affiliate Event of Default, as applicable, pay all reasonable out-of-pocket expenses incurred by the Administrative Agent and the Banks (including counsel fees) in connection with such Event of Default, Event of Default - Bankruptcy, or Affiliate Event of Default and collection and other enforcement proceedings resulting therefrom; and (ii) pay all stamp and other taxes, if any, which may be determined to be payable in connection with the execution and delivery of this Agreement and any Accession Memoranda, or in connection with any modification of any Accession Memoranda or this Agreement or any waiver or consent under or in respect of this Agreement or any Accession Memoranda, and will save the Administrative Agent and the Banks harmless against any loss or liability (including interest and penalties) resulting from nonpayment or delay in payment of any such taxes. (c) If an Affiliate borrows a Foreign Currency Loan denominated in the euro from a Foreign Currency Lending Office that is not located in the same Participating Member State as the Affiliate, the Affiliate will pay all reasonable out-of-pocket expenses incurred by the Banks in making such cross-border Loan (but limited solely to expenses directly attributable to the cross-border nature of such Loan, and not including any withholding taxes which are addressed separately by Section 10.4). Each Bank shall take reasonable steps, including without limitation, the designation for purposes of such Loan of a Foreign Currency Lending Office located in a different country (unless it would otherwise be disadvantageous to such Bank in its reasonable judgment) if such steps would avoid or reduce such expenses. (d) The Company and the Affiliate jointly and severally agree to pay, indemnify, and hold each Bank and the Administrative Agent and their respective officers, directors, employees, affiliates, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution,

63 delivery, enforcement, performance and administration of this Agreement, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any environmental law applicable to the operations of the Company or any of its Subsidiaries or any of their respective owned or leased properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against the Company or any Affiliate (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that neither the Company nor any Affiliates shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Company and its Affiliates agree not to assert and to cause their Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to environmental laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 12.6 shall be payable not late than 10 days after written demand therefor. (e) The obligations of the Company and the Affiliates under this Section 12.6 shall survive payment of the Loans. 12.7 JUDGMENT CURRENCY If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from a party borrowing or making Loans hereunder in the currency expressed to be payable hereunder (for purposes of this Section 12.7, the "specified currency") into another currency, the rate of exchange used shall be the Spot Rate on the day that final, nonappealable judgment is given. The obligations of such parties hereunder in respect of any sum due to another party hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Eurodollar Business Day following receipt by a party of any sum adjudged to be so due in such other currency such party may in accordance with normal, reasonable banking or foreign exchange procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such party, in the specified currency, the party which owed such sum agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify the party to which the sum was owed against such loss. 12.8 CHANGES, WAIVERS, ETC.; ADJUSTMENTS (a) Neither this Agreement nor any provision hereof may be amended, supplemented, changed, waived, discharged or terminated orally, but only by a statement in writing signed by the Company and the Required Banks or, with the consent of the Required Banks, the Company and the Administrative Agent; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan or CAF Advance, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, or increase the amount

64 or extend the termination date of any Bank's Commitment, in each case without the written consent of each Bank directly affected thereby; (ii) eliminate or reduce the voting rights of any Bank under this Section 12.8 without the written consent of such Bank; (iii) reduce any percentage specified in the definition of Required Banks, consent to the assignment or transfer by the Company of any of its rights and obligations under this Agreement, or release the Company from its guarantee obligations under Section 4 in each case without the written consent of all Banks; (iv) add currencies as Foreign Currencies under this Agreement without the written consent of all Banks; (v) amend, modify or waive any provision of Section 11 without the written consent of each Agent; or (vi) amend, modify or waive any provision of Section 3 without the written consent of each Issuing Bank. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Banks and shall be binding upon the Company, the Affiliates, the Banks, the Agents and all future holders of the Loans. In the case of any waiver, the Company, the Affiliates, the Banks and the Administrative Agent shall be restored to their former position and rights hereunder, and any default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other default or Event of Default, or impair any right consequent thereon. (b) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Bank, if any Bank (a "Benefitted Bank") shall receive any payment of all or part of the Obligations owing to it in a greater proportion than any such payment to any other Bank, if any, in respect of the Obligations owing to such other Bank, such Benefitted Bank shall purchase for cash from the other Banks a participating interest in such portion of the Obligations owing to each such other Bank as shall be necessary to cause such Benefitted Bank to share the excess payment ratably with each of the Banks; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Benefitted Bank, such purchase shall be rescinded and the purchase price returned, to the extent of such recovery, but without interest. 12.9 SEVERABILITY If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the extent permitted by law. 12.10 SUCCESSORS AND ASSIGNS This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. 12.11 COUNTERPARTS This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument. Complete sets of counterparts shall be delivered to the Company, the Administrative Agent and the Banks.

 12.12 THIRD PARTY BENEFICIARIES Each of the Affiliates of the Company and each office, branch or affiliate of the Administrative Agent and the Banks which make Loans or CAF Advances or issues Letters of Credit hereunder shall be a third party beneficiary of this Agreement. 12.13 ELECTRONIC RECORDING The parties to this Agreement may electronically record any telephone communications with one another relating to any preliminary or final notices of any Borrowing, CAF Advance Borrowing, or any extension and conversion of Loans pursuant to Section 2.6, 2.8 or 2.12. In the event that any electronically recorded final notice of Borrowing, CAF Advance Borrowing or extension or conversion differs from the terms of the corresponding written notice of Borrowing, CAF Advance Borrowing or extension or conversion, the terms of the electronically recorded notice shall control. 12.14 AGGREGATION OR COMPARISON OF AMOUNTS IN DIFFERENT CURRENCIES; CALCULATION OF CERTAIN FEES Whenever any provision of this Agreement requires the aggregation of two or more amounts denominated in different currencies (e.g., the aggregation of the principal amounts of Loans and CAF Advances outstanding or Letters of Credit issued in different currencies), or the comparison of two amounts denominated in different currencies (e.g., the requirement that the principal amount of Foreign Currency Loans or L/C Obligations not exceed an amount expressed in United States dollars), such amounts denominated in a Foreign Currency shall be notionally converted, for purposes of such aggregation or comparison, to the Equivalent thereof in United States dollars, such that the result of such aggregation or comparison shall be an amount or amounts expressed in United States dollars. Similarly, whenever any provision of this Agreement requires the calculation of a fee as a per annum percentage of a particular amount (e.g., the Utilization Fee), the amounts upon which such fee is to be calculated shall be notionally converted to the Equivalent thereof in United States dollars, so that the result of such calculation shall be a fee amount expressed in United States dollars. [THIS SPACE INTENTIONALLY LEFT BLANK]

66 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written. VISTEON CORPORATION By: /s/ Mary Winston ---------- ---- Mary Winston Title: Vice President & Treasurer JPMORGAN CHASE BANK, as Administrative Agent and as a Bank By: /s/ Julie S. Long ---------- Julie S. Long Title: Vice President BANK OF AMERICA, N.A., as Syndication Agent and as a Bank By: /s/ Lynn Stetson ---------- ---------- Title: Managing Director SIGNATURE PAGE TO THE FIVE-YEAR REVOLVING LOAN CREDIT AGREEMENT JUNE 20, 2002

EXHIBIT 10.25

364-DAY/1-YEAR TERM-OUT CREDIT AGREEMENT

DATED AS OF JUNE 20, 2002

AMONG

VISTEON CORPORATION, AS BORROWER,

THE SEVERAL BANKS
FROM TIME TO TIME PARTIES HERETO,

JPMORGAN CHASE BANK,
AS ADMINISTRATIVE AGENT,

AND

BANK OF AMERICA N.A.,
AS SYNDICATION AGENT

J.P. MORGAN SECURITIES INC. AND
BANC OF AMERICA SECURITIES, LLC,
AS JOINT LEAD ARRANGERS AND JOINT BOOKRUNNERS

TABLE OF CONTENTS

364-DAY/1-YEAR TERM-OUT CREDIT AGREEMENT

This 364-DAY/1-YEAR TERM-OUT CREDIT AGREEMENT, dated as of June 20, 2002, is among VISTEON CORPORATION, a Delaware corporation (the "Company"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Banks"), JPMORGAN CHASE BANK, a New York banking corporation, as administrative agent (the "Administrative Agent"), and BANK OF AMERICA N.A., as syndication agent (the "Syndication Agent").

The Company desires to obtain a revolving credit facility for itself and its Affiliates in the aggregate amount of U.S. $775,000,000 or the Equivalent thereof (as hereinafter defined) at any one time outstanding, and the Banks and Administrative Agent are willing to provide such revolving credit facility and to make Loans to the Company and the Affiliates, subject to the terms and conditions set forth below.

SECTION 1. DEFINITIONS

The following terms, as used herein, have the following respective meanings:

"Accession Memorandum" means a memorandum of an Affiliate substantially in the form of Exhibit A hereto evidencing the Affiliate's agreement to be bound by the terms of this Agreement; provided that such a memorandum shall contain such changes or additional provisions as may be deemed necessary by mutual agreement of the Administrative Agent, the Affiliate and the Company.

"Administrative Agent" has the meaning set forth in the preamble, it being understood that matters concerning Foreign Currency Loans will be administered by J.P. Morgan Europe Limited and therefore all notices concerning such Foreign Currency Loans will be required to be given at the Foreign Currency Notice Office.

"Affected Foreign Currency" has the meaning set forth in Section 10.1.

"Affiliate" means any direct or indirect majority-owned subsidiary of the Company and any partnership of which the Company or a direct or indirect majority-owned subsidiary of the Company is a general or unlimited partner. For purposes of this definition, "majority-owned" means ownership of more than 50% of the capital stock of or other equity interest in, or more than 50% of the voting power with respect to, an entity.

"Affiliate Event of Default" has the meaning set forth in Section 8.2.

"Agents" means the Administrative Agent and the Syndication Agent collectively.

"Aggregate Commitments" means, at any time, the aggregate amount of the Commitments then in effect. The original amount of the Aggregate Commitments is $775,000,000.

"Aggregate Exposure" means, with respect to any Bank at any time, an amount equal to the principal amount of such Bank's Commitment then in effect or, if the Commitments have been terminated, the principal amount of the Loans held by such Bank then outstanding.

"Aggregate Exposure Percentage" means, with respect to any Bank at any time, the ratio (expressed as a percentage) of such Bank's Aggregate Exposure at such time to the Aggregate Exposure of all Banks at such time.

"Aggregate Extensions of Credit" means at any time, the aggregate amount of Extensions of Credit of the Banks outstanding at such time.

"Aggregate Loans" means the total principal amount of all outstanding Loans.

"Agreement" means this 364-Day/1-Year Term-Out Credit Agreement, together with the exhibits hereto, as amended from time to time.

"Annual Report" has the meaning set forth in Section 7.1(a).

"Assignment and Acceptance" means an Assignment and Acceptance, substantially in the form of Exhibit G.

"Augmenting Bank" has the meaning set forth in Section 2.1(c).

"Available Commitment" means as to any Bank at any time, an amount equal to the excess, if any, of (a) such Bank's Commitment then in effect over (b) such Bank's Extensions of Credit then outstanding.

"Banks" has the meaning provided in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Banks shall be deemed to include any Conduit Bank.

"Bank's Actual Reserve Cost" has the meaning set forth in Section 10.3(b).

"Base Rate" means for any day the greater of (i) an annual rate of interest equal to that announced generally from time to time by the Administrative Agent at its Domestic Lending Office as its prime rate, base rate or equivalent rate and in effect on such day and (ii) the Federal Funds Effective Rate plus 0.50%.

"Base Rate Loan" means any loan hereunder denominated in United States dollars which the Company (on behalf of itself or an Affiliate) specifies pursuant to Section 2.6 or Section 2.12 as a Base Rate Loan.

"Base Rate Margin" means 0.00%.

"Benefitted Bank" has the meaning set forth in Section 12.8(b).

"Bilateral Revolving Credit Agreements" means the bilateral Five-Year Credit Agreements and the bilateral 364-Day/2-Year Term-Out Credit Agreement entered into between the Company and certain Banks prior to the Effective Date.

"Borrowing" means a borrowing hereunder consisting of a Loan made to the Company or an Affiliate by any Bank. A Borrowing is a "Domestic Borrowing" if such Loan is a Domestic Loan, a "Eurocurrency Borrowing" if such Loan is a Eurocurrency Loan or a "Foreign Currency Borrowing" if such Loan is a Foreign Currency Loan.

"CAF" means the competitive advance facility contemplated in Section 2.7.

"CAF Advance" means each CAF Advance made pursuant to Section 2.7.

"CAF Advance Availability Period" means the period from and including the Effective Date to and including the date which is 14 days prior to the Termination Date.

"CAF Advance Confirmation" means each confirmation by the Company of its acceptance of CAF Advance Offers, which confirmation shall be substantially in the form of Exhibit E and shall be delivered to the Administrative Agent by facsimile transmission.

"CAF Advance Interest Payment Date" means as to each CAF Advance, each interest payment date specified by the Company for such CAF Advance in the related CAF Advance Request.

"CAF Advance Maturity Date" means as to any CAF Advance, the date specified by the Company pursuant to Section 2.8(d)(ii) in its acceptance of the related CAF Advance Offer.

"CAF Advance Offer" means each offer by a Bank to make CAF Advances pursuant to a CAF Advance Request, which offer shall contain the information specified in Exhibit D and shall be delivered to the Administrative Agent by telephone, immediately confirmed by facsimile transmission.

"CAF Advance Request" means each request by the Company for Banks to submit bids to make CAF Advances, which request shall contain the information in respect of such requested CAF Advances specified in Exhibit C and shall be delivered to the Administrative Agent in writing, by facsimile transmission, or by telephone, immediately confirmed by facsimile transmission.

"CAF Borrowing Date" means any Domestic Business Day (in the case of Fixed Rate CAF Advances) or Eurodollar Business Day (in the case of LIBO Rate CAF Advances) or any Foreign Currency Business Day (in the case of CAF Advances denominated in a Foreign Currency) specified in a notice pursuant to Section 2.8(a) as a date on which the Company requests the Banks to make CAF Advances hereunder.

"Commitment" means, as to any Bank, the obligation of such Bank, if any, to make Loans in an aggregate principal amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite such Bank's name on Schedule 1 or in the Assignment and

Acceptance pursuant to which such Bank became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

"Commitment Quarter" means each of the respective three-month periods during the term of this Agreement ending on September 30, December 31, March 31 and June 30.

"Conduit Bank" means any special purpose corporation organized and administered by any Bank for the purpose of making Loans otherwise required to be made by such Bank and designated by such Bank in a written instrument; provided, that the designation by any Bank of a Conduit Bank shall not relieve the designating Bank of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Bank fails to fund any such Loan, and the designating Bank (and not the Conduit Bank) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Bank, and provided, further, that no Conduit Bank shall (a) be entitled to receive any greater amount pursuant to Section 2.18, 10.3, 10.4 or 12.6 than the designating Bank would have been entitled to receive in respect of the extensions of credit made by such Conduit Bank or (b) be deemed to have any Commitment.

"Consolidated EBITDA" means for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, (c) amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (d) depreciation and amortization expense, (e) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (f) any non-recurring expenses or losses, and (g) with respect to any discontinued operation, any loss resulting therefrom; and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (i) to the extent included in the statement of such Consolidated Net Income for such period, any non-recurring income or gains or (ii) with respect to any discontinued operation, any gain resulting therefrom, all as determined on a consolidated basis. For the purposes of calculating Consolidated EBITDA during any four quarter period in which a Material Acquisition or a Material Disposition has occurred, Consolidated EBITDA for such period shall be calculated after giving pro forma effect to such Material Acquisition or Material Disposition as if such Material Acquisition or Material Disposition occurred on the first day of such four quarter period.

"Consolidated Leverage Ratio" means as of the end of any fiscal quarter, the ratio of (a) Consolidated Total Debt as of such date to (b) Consolidated EBITDA for the period of four fiscal quarters ending as of such date.

"Consolidated Net Income" means for any period, the consolidated net income (or loss) of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Assets" means, as of the date of determination, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Company and its Subsidiaries at such date.

"Consolidated Total Debt" means, as of any date and without duplication, the aggregate principal amount of all Indebtedness of the Company and its Subsidiaries on a consolidated basis minus Consolidated Total Net Cash as of such date.

"Consolidated Total Net Cash" means, as of any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption "cash and cash equivalents" (or any like caption) on a consolidated balance sheet of the Company and its Subsidiaries at such date.

"Domestic Business Day" means any day, except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or obligated by law or regulation to close.

"Domestic Funding Office" means the office of the Administrative Agent specified in Exhibit F hereto or such other office as may be specified from time to time by the Administrative Agent by written notice to the Company and the Banks as its funding office for the purpose of funding or payment of Domestic Loans.

"Domestic Lending Office" means, as to any Bank, the office, branch or affiliate of such Bank in the continental United States as it may from time to time designate as the Domestic Lending Office by notice to the Administrative Agent.

"Domestic Loan" means any Loan made pursuant to Section 2.1 denominated in United States dollars which the Company (on behalf of itself or an Affiliate) specifies pursuant to Section 2.6 or Section 2.12 as a Base Rate Loan.

"Effective Date" means June 20, 2002.

"Equivalent" means, in relation to any amount in United States dollars, at any date, the amount obtained by converting such amount in United States dollars into a specified Foreign Currency at the Exchange Rate for such Foreign Currency, or vice versa, as applicable.

"ERISA" means the Employee Retirement Income Security Act of 1974 of the United States, as amended.

"Euro" means the single currency of participating Member States of the European Union that adopt a single currency in accordance with the Treaty on European Union signed on February 7, 1992.

"Eurocurrencies" means United States dollars and Foreign Currencies.

"Eurodollar Business Day" means any day, except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or obligated by law or regulation to close, on which commercial banks in New York City are open for trading in United States dollar deposits in the interbank eurodollar market.

"Eurodollar Funding Office" means the office of the Administrative Agent specified in Exhibit F hereto or such other office as may be specified from time to time by the Administrative Agent by written notice to the Company and the Banks as its funding office for the purpose of funding or payment of Eurocurrency Loans which are denominated in United States dollars.

"Eurodollar Lending Office" means, as to any Bank, the office, branch or affiliate of such Bank as it may from time to time designate as the Eurodollar Lending Office by notice to the Administrative Agent.

"Eurocurrency Loan" means any Loan made pursuant to Section 2.1 denominated in any Eurocurrency which the Company (on behalf of itself or an Affiliate) specifies pursuant to Section 2.6 or Section 2.12 as a Eurocurrency Loan.

"Eurocurrency Margin" means (i) prior to and including the Termination Date, 0.605%, and (ii) after the Termination Date, 0.855%; provided, however, that in the event the Commitments are terminated pursuant to Section 8.1 or after the Termination Date Loans remain outstanding hereunder, the Eurocurrency Margin shall automatically be increased for any period during which Loans may be outstanding after such termination or the Termination Date, as the case may be, by an amount equal to 0.12%.

"Eurocurrency Tranche" means the collective reference to Eurocurrency Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default" has the meaning set forth in Section 8.1.

"Event of Default - Bankruptcy" has the meaning set forth in Section 8.3.

"Exchange Rate" means on any day, with respect to any currency, the rate at which such currency may be exchanged into any other currency, as set forth at approximately 11:00 a.m., London time, on such date on the Reuters World Currency Page for such currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be selected by the Administrative Agent, or, in the event no such service is selected, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m., local time, on such date for the purchase of the relevant currency for delivery two Foreign Currency Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with the Company, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

"Extensions of Credit" means as to any Bank at any time, the aggregate principal amount of all Loans held by such Bank then outstanding.

"Facility Fee" has the meaning set forth in Section 2.3(a).

"Federal Funds Effective Rate" means for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Domestic Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Domestic Business Day, the average of the quotations for the day of such transactions received by JPMorgan Chase Bank from three federal funds brokers of recognized standing selected by it.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States, or any successor thereto.

"Fee Payment Date" means each of (a) the tenth Domestic Business Day following the last day of each Commitment Quarter and (b) the Termination Date.

"Five-Year Revolving Credit Agreement" means the Five-Year Revolving Loan Credit Agreement dated as of June 20, 2002 among Visteon Corporation, the several banks from time to time parties thereto, JPMorgan Chase Bank, as administrative agent, and Bank of America N.A., as syndication agent.

"Five Year Term Loan Agreement" means the $250,000,000 Five-Year Term Loan Credit Agreement, to be dated on or about June 24, 2002, among Visteon Corporation, the several banks from time to time parties thereto, JPMorgan Chase Bank, as administrative agent, and Bank of America N.A., as syndication agent.

"Fixed Rate CAF Advance" means any CAF Advance made pursuant to a Fixed Rate CAF Advance Request.

"Fixed Rate CAF Advance Request" means any CAF Advance Request requesting the Banks to offer to make CAF Advances at a fixed rate (as opposed to a rate composed of the LIBO Rate plus (or minus) a margin).

"Foreign Currency" means (a) with respect to Loans, British Pounds Sterling and the euro and (b) with respect to CAF Advances, British Pounds Sterling, euros and any other freely-convertible currency agreed upon by the Company, the Administrative Agent and the Bank making such CAF Advance.

"Foreign Currency Business Day" means any day, except a Saturday, Sunday or other day on which the commercial banks in London, England are authorized or obligated by law or regulation to close, on which the commercial banks in London, England are open for international business (including dealings in deposits in the relevant currency in the interbank eurocurrency market), provided that when used in connection with (a) Foreign Currency Loans or CAF Advances denominated in euros, the term "Foreign Currency Business Day" shall also exclude any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET) (or, if such clearing system ceases to be operative, such other clearing system (if any) determined by the Administrative Agent to be a suitable replacement) is not open for settlement of payment in euros and (b) CAF Advances denominated in any currency other than United States dollars, the term "Foreign Currency Business Day" shall also exclude any day on which banks in (i)

the jurisdiction of the account to which the proceeds of such CAF Advance are to be disbursed, and (ii) the jurisdiction in which payments of principal of and interest on such CAF Advance are to be made are authorized or required by law to remain closed.

"Foreign Currency Funding Office" means the office of the Administrative Agent specified in Exhibit F hereto or such other office as may be specified from time to time by the Administrative Agent by written notice to the Company and the Banks as its funding office for the purpose of funding or payment of Foreign Currency Loans or CAF Advances denominated in a Foreign Currency.

"Foreign Currency Lending Office" means, as to any Bank, the office, branch or affiliate of such Bank as it may from time to time designate as the Foreign Currency Lending Office by notice to the Administrative Agent.

"Foreign Currency Loans" means any Eurocurrency Loan hereunder denominated in a Foreign Currency.

"Foreign Currency Notice Office" means the Administrative Agent's office located at 125 London Wall, London or such other office in London as may be designated by the Administrative Agent by written notice to the Company and the Banks.

"GAAP" means generally accepted accounting principles in the United States as applied to the Company.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Gross-up" means the amount payable to the Administrative Agent or any Bank to account for required deductions for withholding taxes as provided in Section 10.4.

"Guarantee" means the guarantee and other obligations of the Company set forth in Section 4.

"Guaranteed Obligations" has the meaning set forth in Section 4.

"Increasing Bank" has the meaning set forth in Section 2.1(c).

"Indebtedness" means, as of any date, the amount outstanding on such date under notes, bonds, debentures, commercial paper, or other similar evidences of indebtedness for money borrowed.

"Interest Period" means with respect to each Eurocurrency Loan:

(a) initially, the period commencing on the date of Borrowing with respect to such Loan (or in the case of a Loan which has been converted into a Eurocurrency Loan, on the date specified in Section 2.12) and ending one, two, three or six months thereafter, as the Company (on behalf of itself or an Affiliate) may elect pursuant to Section 2.6 or Section 2.12; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period for such Borrowing and ending one, two, three or six months thereafter, as the Company (on behalf of itself or an Affiliate) may elect pursuant to Section 2.12;

provided, however, that:

(i) any such Interest Period which would otherwise end on a day which is not a Eurodollar Business Day (or a Foreign Currency Business Day, in the case of Loans denominated in a Foreign Currency) shall be extended to the next succeeding Eurodollar Business Day or Foreign Currency Business Day, as the case may be, unless such Eurodollar Business Day or Foreign Currency Business Day, as the case may be, falls in another calendar month, in which case such Interest Period shall end on the next preceding Eurodollar Business Day or Foreign Currency Business Day, as the case may be,

(ii) any such Interest Period which begins on the last Eurodollar Business Day or Foreign Currency Business Day, as the case may be, of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on a day which is the last Eurodollar Business Day or Foreign Currency Business Day, as the case may be, of the applicable calendar month; and

(iii) the Company (on behalf of itself or an Affiliate) may not elect an Interest Period that would end later than one year less one day after the Termination Date.

"LIBO Rate" means with respect to any Eurocurrency Loan or LIBO Rate CAF Advance for any Interest Period, the London interbank offered rate for deposits in the relevant currency appearing on Telerate Page 3750 (or in the case of a Foreign Currency Borrowing, the rate appearing on the Page for the applicable Foreign Currency) as of 11:00 a.m. (London, England time) two Eurodollar Business Days prior to the beginning of such Interest Period for the period commencing on the date of such Eurocurrency Loan or LIBO Rate CAF Advance and ending on a maturity date comparable to that of the applicable Interest Period. In the event that such rate does not appear on Page 3750 of the Telerate screen (or, in the case of Foreign Currencies, the applicable Page of the Telerate screen), the "LIBO Rate" shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered deposits in identical currencies at or about 11:00 a.m., local time, two Foreign Currency Business Days prior to the beginning of such Interest Period in the interbank eurocurrency market where its eurocurrency and foreign currency

and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"LIBO Rate CAF Advance" means any CAF Advance made pursuant to a LIBO Rate CAF Advance Request.

"LIBO Rate CAF Advance Request" means any CAF Advance Request requesting the Banks to offer to make CAF Advances at an interest rate equal to the LIBO Rate plus (or minus) a margin.

"Lien" means any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

"Loan" means any Domestic Loan or Eurocurrency Loan.

"Mandatory Cost Rate" has the meaning set forth in Section 10.3.

"Mark-to-Market Day" has the meaning set forth in Section 2.4.

"Material Acquisition" means any one or more acquisitions of any business entity or entities, or of any operating unit or units of any business entity or entities, that become consolidated with the Company in accordance with GAAP and that involve the payment of consideration (including, without limitation, the assumption of debt) by the Company and its Subsidiaries in excess of $25,000,000 in the aggregate during any Commitment Quarter.

"Material Disposition" means any one or more dispositions by the Company or a Subsidiary of any business entity or entities, or of any operating unit or units of the Company or a Subsidiary, that become unconsolidated with the Company in accordance with GAAP and that involve the receipt of consideration by the Company and its Subsidiaries in excess of $25,000,000 in the aggregate during any Commitment Quarter.

"Maturity Date" means (a) for any Base Rate Loan, the date which is one year less one day after the Termination Date or, (b) for any Eurocurrency Loan the last day of the final Interest Period for such Loan specified by the Company (on behalf of itself or an Affiliate) pursuant to Section 2.6 or Section 2.12.

"National Currency Unit" means a non-decimal expression of the euro based upon a fixed conversion rate between the euro and the former national currency of a Participating Member State, as contemplated by Council Regulation (EC) No. 1103/97 dated June 17, 1997.

"Normal Banking Hours" with respect to the Notice Office of the Administrative Agent means the period from 9:00 a.m. to 5:00 p.m. in the time zone in which the Notice Office is located on a Domestic Business Day.

"Note" means any promissory note evidencing Loans.

"Notice Office" means the office of the Administrative Agent in the continental United States specified as such in Exhibit F hereto or such other office of the Administrative Agent in the continental United States as it may hereafter designate as the Notice Office by notice to the Company.

"Obligations" means the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and CAF Advances and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company and any Affiliate, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, CAF Advances and all other obligations and liabilities of the Company (and its Affiliates) to the Administrative Agent or to any Bank, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other document made, delivered or given in connection herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Bank that are required to be paid by the Company pursuant hereto) or otherwise.

"Participant" has the meaning set forth in Section 9.2.

"Participating Member State" means a Member State of the European Union that has adopted, and is at the time of inquiry utilizing, the euro as its currency.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan" means an employee benefit plan or other plan (other than a multi-employer benefit plan) maintained by the Company for employees of the Company and certain Affiliates and covered by Title IV of ERISA.

"Quarterly Report" has the meaning set forth in Section 7.1(b).

"Register" has the meaning set forth in Section 2.13.

"Regulation D" has the meaning set forth in Section 10.3(a).

"Regulatory Change" has the meaning set forth in Section 10.3(a).

"Reportable Event" has the meaning set forth in Title IV of ERISA.

"Required Banks" means, at any time, holders of more than 50% of the Aggregate Exposures of all Banks then in effect, provided that, for purposes of declaring the Loans to be due and payable pursuant to Section 8, and for all purposes after the Loans and CAF Advances become due and payable pursuant to Section 8 or the Commitments expire or terminate, the CAF Advances of the Banks shall be included in their respective Aggregate Exposures in determining the Required Banks.

"Requirement of Law" means as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserves" has the meaning set forth in Section 10.3(b).

"Revolving Percentage" means, as to any Bank at any time, the percentage which such Bank's Commitment then constitutes of the Aggregate Commitments or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Bank's Extensions of Credit then outstanding constitutes of the aggregate principal amount of the Extensions of Credit then outstanding.

"Sale-Leasebacks" has the meaning set forth in Section 7.4.

"Senior Debt" has the meaning set forth in Section 7.6.

"Spot Rate" means, on any day, with respect to two currencies, the arithmetic mean of the buy and sell spot rates of exchange for the purchase and sale of such two currencies for each other as publicly or generally quoted by the Administrative Agent on the date of the determination, or if the Administrative Agent is not publicly or generally quoting such exchange rates on such date, then such rate as the Administrative Agent shall determine in good faith for purposes hereof.

"Subsidiary" means a corporation, partnership, limited liability company or other entity which would be consolidated on the balance sheets of the Company and its Subsidiaries in accordance with GAAP. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company. For purposes of the definition of "Consolidated Total Debt", "Subsidiary" shall be deemed to include the Special Purpose Borrower (as defined in the Five-Year Term Loan Agreement), if any.

"10-K Report" has the meaning set forth in Section 7.1(a).

"10-Q Report" has the meaning set forth in Section 7.1(b).

"Termination Date" has the meaning set forth in Section 2.1(b).

"United states dollars" and "$" mean the lawful currency of the United States.

"Utilization Fee" has the meaning set forth in Section 2.3(b).

SECTION 2. THE LOANS

2.1 THE COMMITMENT; TERMINATION DATE; INCREASE IN COMMITMENTS

(a) Subject to the terms and conditions set forth in this Agreement, each Bank agrees to make Domestic Loans and Eurocurrency Loans to the Company or any Affiliate, each from time

to time during the period from the date hereof to and including the Termination Date in amounts which (i) do not exceed the Bank's Commitment, (ii) do not cause the aggregate Equivalent principal amount of all Foreign Currency Loans then outstanding to exceed $400,000,000, and (iii) do not cause the sum of the aggregate Equivalent principal amount of Loans and CAF Advances then outstanding to exceed the Aggregate Commitments. Within the conditions specified in this Agreement, the Company or any Affiliate may borrow under this Section 2.1, repay under Sections 2.17 and 2.18 and reborrow under this Section 2.1. The date of Borrowing of any Loan or advance of any CAF Advance may not be after the Termination Date. After the Termination Date, the Banks shall not make any new Loans or CAF Advances to the Company or any Affiliate, however, the Company or any Affiliate may extend or convert (pursuant to Section 2.12) Loans or CAF Advances outstanding on the Termination Date.

(b) The "Termination Date" shall be June 19, 2003.

(c) The Company may from time to time elect to increase the Aggregate Commitments so long as, after giving effect thereto, the total amount of the Aggregate Commitments does not exceed $1,025,000,000. The Company may arrange for any such increase to be provided by one or more Banks (each Bank so agreeing, in its sole discretion, to an increase in its Commitment, an "Increasing Bank"), or by one or more banks, financial institutions or other entities (each such bank, financial institution or other entity, an "Augmenting Bank"), to increase their existing Commitments, or extend Commitments, provided that (i) each Augmenting Bank, shall be subject to the approval of the Company and the Administrative Agent and (ii) the Company and each applicable Increasing Bank or Augmenting Bank shall execute all such documentation as the Administrative Agent shall reasonably specify. Increases and new Commitments created pursuant to this clause (c) shall become effective on the date agreed by the Company, the Administrative Agent and the relevant Banks, and the Administrative Agent shall notify each affected Bank thereof. Notwithstanding the foregoing, no increase in the Aggregate Commitments (or in the Commitment of any Bank), shall become effective under this Section 2.1(c) unless, (i) on the proposed date of the effectiveness of such increase, the conditions set forth in paragraphs (iii) and (iv) of Section 5.1(a) and paragraphs (i) and (ii) of Section 5.1(b) shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a responsible officer of the Company and (ii) the Administrative Agent shall have received (with sufficient copies for each of the Banks) documents consistent with those delivered on the Effective Date under Section 6.1 as to the corporate power and authority of the Company and related matters to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Aggregate Commitments, (i) each relevant Increasing Bank and Augmenting Bank shall make available to the Administrative Agent such amounts in immediately available funds and in the relevant currency or currencies as the Administrative Agent shall determine, for the benefit of the other relevant Banks, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other relevant Banks, each Bank's portion of the outstanding Loans in each currency to equal its Revolving Percentage of such outstanding Loans in each such currency and (ii) the Company shall be deemed to have repaid and reborrowed all outstanding Loans as of the date of any increase in the relevant Commitments (with such reborrowing to consist of the Loans, with related Interest Periods if applicable, specified in a notice delivered by the Company in accordance with the requirements of Section 2.6). The deemed payments made pursuant to

clause (ii) of the immediately preceding sentence in respect of each Eurocurrency Loan shall be subject to indemnification by the Company pursuant to the provisions of Section 2.18 if the deemed payment occurs other than on the last day of the related Interest Periods.

2.2 PROCEEDS OF LOANS

The principal amount of each Loan shall be disbursed to the Company or an Affiliate, as applicable, on the date of Borrowing of such Loan in the currency in which the Loan is denominated in immediately available funds to the account of the Company or the Affiliate, as applicable, specified by the Company or the Affiliate (or the Company on behalf of the Affiliate) to the Administrative Agent from time to time.

2.3 FACILITY FEE; UTILIZATION FEE

(a) The Company shall pay to the Administrative Agent for the account of the Banks a facility fee (the "Facility Fee") for the period from the Effective Date to and including the Termination Date at a rate of 0.12% per annum multiplied by the Aggregate Commitments (regardless of whether any Loans are outstanding). The Facility Fee with respect to each Commitment Quarter shall be payable in arrears on each Fee Payment Date and shall be computed on the basis of a year of 365 (or 366) days for the actual number of days for which due. The Facility Fee shall be payable to the Administrative Agent and shall be transmitted via the National Automated Clearing House Association electronic payments network in the United States to an account in the continental United States specified by the Administrative Agent from time to time by notice to the Company.

(b) For any quarter during which

(i) the sum of the average principal amount of (A) Aggregate Extensions of Credit outstanding hereunder and (B) Aggregate Extensions of Credit (as defined in the Five-Year Revolving Credit Agreement), exceeds

(ii) 33 1/3% of the sum of (A) the Aggregate Commitments (as defined in the Five-Year Revolving Credit Agreement) and (B) the Aggregate Commitments hereunder or, if the Commitments have been terminated pursuant to Section 2.1(b), the sum of the Aggregate Extensions of Credit hereunder,

then the Company shall pay to the Administrative Agent for the account of the Banks a quarterly utilization fee (the "Utilization Fee") in the amount of 0.125% per annum multiplied by the daily average balance of the Aggregate Extensions of Credit outstanding hereunder during such quarter; provided, that if the Utilization Fee is applicable at the time the Commitments are terminated pursuant to Section 8.1 or Section 8.3, it shall remain applicable with respect to the Aggregate Extensions of Credit after the date the Commitments are so terminated. For any quarter in which the Utilization Fee is due, the Utilization Fee shall be calculated on a 360-day basis and payable quarterly in arrears on the applicable Fee Payment Date.

2.4 MARK-TO-MARKET

Five Domestic Business Days prior to the end of any Interest Period applicable to any Loan (or, if there are no Interest Periods for any such Loan, five Domestic Business Days prior to the next succeeding interest payment date for such Loan as specified in Section 2.15) (the "Mark-to-Market Day"), the Administrative Agent shall determine the aggregate amount of all outstanding Extensions of Credit and CAF Advances in United States dollars, and the Equivalent in United States dollars of all outstanding Extensions of Credit and CAF Advances in Foreign Currencies (calculated on the Mark-to-Market Day), and if such aggregate amount exceeds the Aggregate Commitments or, in the case of any Interest Period ending more than five Domestic Business Days after the Termination Date, the Aggregate Commitments in effect as of the Termination Date (as a result of a decrease in the value of the United States dollar as measured against the value of Foreign Currencies in which outstanding Extensions of Credit or CAF Advances are denominated), the Administrative Agent shall promptly notify the Company and, in the case of an Affiliate's Loan, the Affiliate, and, at the end of the applicable Interest Period or on the applicable interest payment date for such Loan, as the case may be, the Company, or the Affiliate (in the case of an Affiliate's Loan), shall prepay, in whole or in part, as necessary, the principal of such Loan in an amount such that after such prepayment such excess is eliminated; it being understood, however, that if prepayment of the entire principal amount of such Loan for which the current Interest Period is ending or for which interest thereon is coming due will not reduce the aggregate amount of outstanding Extensions of Credit and CAF Advances to the level required above, then only prepayment of the entire principal amount of such Loan shall be required. Notwithstanding that only the Loan for which the current Interest Period is ending or for which interest thereon is coming due will be required to be prepaid, in whole or in part, as required above, the Company or the Affiliate, as applicable, shall have the option in its discretion to reduce Extensions of Credit and CAF Advances to the required level by prepaying other Loans or causing other Affiliates to prepay other Loans.

2.5 OPTIONAL TERMINATION OR REDUCTION OF COMMITMENTS

The Company may at any time or from time to time, upon three Domestic Business Days' written notice to the Administrative Agent at the Notice Office, (a) terminate the Commitments if no Loans or CAF Advances are then outstanding hereunder or (b) reduce the unused portion of the Commitments; provided that no such termination or reduction of Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the sum of the Aggregate Extensions of Credit and outstanding CAF Advances would exceed the Aggregate Commitments. From the effective date of any such termination or reduction, the Facility Fee specified in Section 2.3 shall cease to accrue or shall be correspondingly reduced, provided that no such termination or reduction shall affect the Company's obligation to pay the Facility Fee to the extent theretofore accrued. If the Company terminates the Commitments in their entirety, such accrued Facility Fee shall be payable within 30 days after the effective date of such termination in the manner provided in Section 2.3. Any termination or reduction of the unused portion of the Commitments by the Company pursuant to this Section 2.5 shall be in an amount equal to $1,000,000, or a whole multiple thereof, and shall be irrevocable.

2.6 NOTICE OF BORROWING; PROCEDURE

With respect to each Domestic Borrowing, the Company (on behalf of itself or an Affiliate) shall give notice of the Borrowing to the Administrative Agent at the Notice Office no later than the date of such Borrowing, but not later than 11:00 a.m. (New York City time) on such date. With respect to each Eurocurrency Borrowing which is denominated in United States dollars, the Company (on behalf of itself or an Affiliate) shall give notice of the Borrowing to the Administrative Agent at the Notice Office no later than three Eurodollar Business Days prior to the date of such Borrowing, but not later than 11:00 a.m. (New York City time) on such date. With respect to each Foreign Currency Borrowing, the Company (on behalf of its Affiliate) shall give notice of the Borrowing to the Administrative Agent at the Foreign Currency Notice Office no later than three Foreign Currency Business Days prior to the date of such Borrowing, but not later than 3:00 p.m. (London, England time) on such date. In each case, the notice shall be given by telephone (and shall be promptly confirmed in a writing substantially in the form of Exhibit B hereto) and shall specify:

(a) the borrower;

(b) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing, a Eurodollar Business Day in the case of a Eurocurrency Borrowing which is denominated in United States dollars, or a Foreign Currency Business Day in the case of a Foreign Currency Borrowing;

(c) the amount of such Borrowing, which shall be not less than $1,000,000 or the Equivalent thereof on the date of notice and, if such Loan is to be a Eurocurrency Loan, the currency in which such Loan shall be denominated;

(d) whether the Loan comprising such Borrowing is to be a Base Rate Loan or a Eurocurrency Loan;

(e) if such Loan is to be a Eurocurrency Loan, the duration of the initial Interest Period; and

(f) whether any Bank has requested a Gross-up pursuant to the next succeeding sentence.

At the time that the Company (on behalf of itself or an Affiliate) gives a notice of Borrowing, each Bank shall telephonically notify the Company and the Administrative Agent whether such Bank will require a Gross-up for withholding taxes in connection with such Loan (as provided in Section 10.4). A notice of Borrowing, once given to the Administrative Agent, shall not be revocable by the Company or an Affiliate, except in the event that any Bank notifies the Company at the time the Company gives notice of the Borrowing that a Gross-up will be required, in which case, the Company (on behalf of itself or the Affiliate) may promptly withdraw the notice of Borrowing.

Upon receipt of any such notice of Borrowing from the Company, the Administrative Agent shall promptly notify each Bank thereof. Each Bank will make the amount of its pro rata share of each

Borrowing available to the Administrative Agent for the account of the Company (or Affiliate) at the Domestic Funding Office in the case of Domestic Loans, the Eurodollar Funding Office in the case of Eurocurrency Loans which are denominated in United States dollars and the Foreign Currency Funding Office in the case of Foreign Currency Loans, in each case prior to 12:00 Noon, local time, on the date of Borrowing requested by the Company in funds immediately available to the Administrative Agent. Such Borrowing will then be made available to the Company (or an Affiliate) by the Administrative Agent crediting the account of the Company (or such Affiliate) on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Banks and in like funds as received by the Administrative Agent.

2.7 CAF ADVANCES

During the CAF Availability Period and subject to the terms and conditions of this Agreement, the Company may borrow (a) Fixed Rate CAF Advances from time to time on any Domestic Business Day or, in the case of CAF Advances denominated in Foreign Currencies, any Foreign Currency Business Day and (b) LIBO Rate CAF Advances (to the extent, in the case of currencies other than United States dollars, the LIBO Rate can be determined pursuant to the first sentence of the definition thereof) from time to time on any Eurodollar Business Day or, in the case of CAF Advances denominated in Foreign Currencies, any Foreign Currency Business Day. CAF Advances may be borrowed in amounts such that the aggregate amount of Extensions of Credit and CAF Advances outstanding at any time shall not exceed the Aggregate Commitments at such time. Within the limits and on the conditions hereinafter set forth with respect to CAF Advances, the Company from time to time may borrow, repay and reborrow CAF Advances.

2.8 PROCEDURE FOR CAF ADVANCE BORROWING

(a) The Company shall request CAF Advances by delivering a CAF Advance Request to the Administrative Agent, not later than 12:00 Noon (New York City time) four Eurodollar Business Days prior to the proposed CAF Borrowing Date (in the case of a LIBO Rate CAF Advance Request), and not later than 10:00 A.M. (New York City time) one Domestic Business Day prior to the proposed CAF Borrowing Date (in the case of a Fixed Rate CAF Advance Request). Each CAF Advance Request in respect of any CAF Borrowing Date may solicit bids for CAF Advances on such CAF Borrowing Date in an aggregate principal amount of $1,000,000 or an integral multiple of $1,000,000 in excess thereof and having not more than three alternative CAF Advance Maturity Dates. The CAF Advance Maturity Date for each CAF Advance shall be the date set forth therefor in the relevant CAF Advance Request, which date shall be (i) not less than 7 days nor more than 360 days after the CAF Borrowing Date therefor, in the case of a Fixed Rate CAF Advance, (ii) one, two, three or six months after the CAF Borrowing Date therefor, in the case of a LIBO CAF Advance and (iii) not later than the Termination Date, in the case of any CAF Advance. The Administrative Agent shall notify each Bank promptly by facsimile transmission of the contents of each CAF Advance Request received by the Administrative Agent.

(b) In the case of a LIBO Rate CAF Advance Request, upon receipt of notice from the Administrative Agent of the contents of such CAF Advance Request, each Bank may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances at the applicable LIBO Rate plus (or minus) a margin determined by such Bank in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the Administrative Agent, before 10:30 A.M. (New York City time) on the day that is three Eurodollar Business Days before the proposed CAF Borrowing Date, setting forth:

(i) the maximum amount of CAF Advances for each CAF Advance Maturity Date and the aggregate maximum amount of CAF Advances for all CAF Advance Maturity Dates which such Bank would be willing to make (which amounts may, subject to Section 2.7, exceed such Bank's Commitment); and

(ii) the margin above or below the applicable LIBO Rate at which such Bank is willing to make each such CAF Advance.

The Administrative Agent shall advise the Company before 11:00 A.M. (New York City time) on the date which is three Eurodollar Business Days before the proposed CAF Borrowing Date of the contents of each such CAF Advance Offer received by it. If the Administrative Agent, in its capacity as a Bank, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the Company of the contents of its CAF Advance Offer before 10:15 A.M. (New York City time) on the date which is three Eurodollar Business Days before the proposed CAF Borrowing Date.

(c) In the case of a Fixed Rate CAF Advance Request, upon receipt of notice from the Administrative Agent of the contents of such CAF Advance Request, each Bank may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances at a rate of interest determined by such Bank in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the Administrative Agent before 9:30 A.M. (New York City time) on the proposed CAF Borrowing Date, setting forth:

(i) the maximum amount of CAF Advances for each CAF Advance Maturity Date, and the aggregate maximum amount for all CAF Advance Maturity Dates, which such Bank would be willing to make (which amounts may, subject to Section 2.7, exceed such Bank's Commitment); and

(ii) the rate of interest at which such Bank is willing to make each such CAF Advance.

The Administrative Agent shall advise the Company before 10:00 A.M. (New York City time) on the proposed CAF Borrowing Date of the contents of each such CAF Advance Offer received by it. If the Administrative Agent, in its capacity as a Bank, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the Company of the contents of its CAF Advance Offer before 9:15 A.M. (New York City time) on the proposed CAF Borrowing Date.

(d) Before 11:30 A.M. (New York City time) three Eurodollar Business Days before the proposed CAF Borrowing Date (in the case of CAF Advances requested by a LIBO Rate CAF Advance Request) and before 10:30 A.M. (New York City time) on the proposed CAF Borrowing Date (in the case of CAF Advances requested by a Fixed Rate CAF Advance Request), the Company, in its absolute discretion, shall:

(i) cancel such CAF Advance Request by giving the Administrative Agent telephone notice to that effect, or

(ii) by giving telephone notice to the Administrative Agent (immediately confirmed by delivery to the Administrative Agent of a CAF Advance Confirmation by facsimile transmission) (A) subject to the provisions of Section 2.8(e), accept one or more of the offers made by any Bank or Banks pursuant to Section 2.8(b) or Section 2.8(c), as the case may be, and (B) reject any remaining offers made by Banks pursuant to Section 2.8(b) or Section 2.8(c), as the case may be.

(e) The Company's acceptance of CAF Advances in response to any CAF Advance Offers shall be subject to the following limitations:

(i) the amount of CAF Advances accepted for each CAF Advance Maturity Date specified by any Bank in its CAF Advance Offer shall not exceed the maximum amount for such CAF Advance Maturity Date specified in such CAF Advance Offer;

(ii) the aggregate amount of CAF Advances accepted for all CAF Advance Maturity Dates specified by any Bank in its CAF Advance Offer shall not exceed the aggregate maximum amount specified in such CAF Advance Offer for all such CAF Advance Maturity Dates;

(iii) the Company may not accept offers for CAF Advances for any CAF Advance Maturity Date in an aggregate principal amount in excess of the maximum principal amount requested in the related CAF Advance Request; and

(iv) if the Company accepts any of such offers, it must accept offers based solely upon pricing for each relevant CAF Advance Maturity Date and upon no other criteria whatsoever, and if two or more Banks submit offers for any CAF Advance Maturity Date at identical pricing and the Company accepts any of such offers but does not wish to (or, by reason of the limitations set forth in Section 2.7, cannot) borrow the total amount offered by such Banks with such identical pricing, the Company shall accept offers from all of such Banks in amounts allocated among them pro rata according to the amounts offered by such Banks (with appropriate rounding, in the sole discretion of the Company, to assure that each accepted CAF Advance is an integral multiple of $1,000,000); provided that if the number of Banks that submit offers for any CAF Advance Maturity Date at identical pricing is such that, after the Company accepts such offers pro rata in accordance with the foregoing provisions of this paragraph, the CAF Advance to be made by any such Bank would be less than $5,000,000 principal amount, the number of such Banks shall be reduced by the Administrative Agent by lot until the CAF Advances to be

made by each such remaining Bank would be in a principal amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(f) If the Company notifies the Administrative Agent that a CAF Advance Request is cancelled pursuant to Section 2.8(d)(i), the Administrative Agent shall give prompt telephone notice thereof to the Banks.

(g) If the Company accepts pursuant to Section 2.8(d)(ii) one or more of the offers made by any Bank or Banks, the Administrative Agent promptly shall notify each Bank which has made such an offer of (i) the aggregate amount of such CAF Advances to be made on such CAF Borrowing Date for each CAF Advance Maturity Date and (ii) the acceptance or rejection of any offers to make such CAF Advances made by such Bank. Before 12:00 Noon (New York City time) on the CAF Borrowing Date specified in the applicable CAF Advance Request, each Bank whose CAF Advance Offer has been accepted shall make available to the Administrative Agent at its Domestic Funding Office in the case of Fixed Rate CAF Advances and its Eurodollar Funding Office in the case of LIBO Rate CAF Advances the amount of CAF Advances to be made by such Bank, in immediately available funds. The Administrative Agent will make such funds available to the Company as soon as practicable on such date at such office of the Administrative Agent. It shall be a condition to each CAF Advance, and each CAF Advance accepted by the Company shall be deemed to be a representation and warranty by the Company, that:

(i) the principal amount of such CAF Advance, when added to the aggregate principal amount of all Extensions of Credit and other CAF Advances then outstanding hereunder, shall not exceed the amount of the Aggregate Commitments, each such amount, if applicable, being expressed in the United States dollar Equivalent thereof on the date of the notice of Borrowing;

(ii) after giving effect to the making of such CAF Advance no Event of Default nor Event of Default - Bankruptcy and no event which, with the giving of notice or lapse of time or both, would become an Event of Default or an Event of Default - Bankruptcy shall have occurred and be continuing; and

(iii) the representations and warranties of the Company contained in this Agreement, except those contained in Sections 6.2(b) and 6.3, shall be true and correct in all material respects on and as of the date of such CAF Advance, except to the extent such representations and warranties expressly relate to an earlier date.

As soon as practicable after each CAF Borrowing Date, the Administrative Agent shall notify each Bank of the aggregate amount of CAF Advances advanced on such CAF Borrowing Date and the respective CAF Advance Maturity Dates thereof.

(h) Notwithstanding anything to the contrary in this Section 2.8, in the case of CAF Advances to be denominated in a Foreign Currency, the Company and the Administrative Agent shall agree upon such modification to the notice times, bid times, funding times, minimum amounts and other procedures set forth above in this Section 2.8 that are appropriate for the

relevant Foreign Currency; and the Administrative Agent shall advise the Banks and the Company of such modifications prior to the delivery of any CAF Advance Request soliciting bids for CAF Advances in such Foreign Currency.

2.9 CAF ADVANCE PAYMENTS

(a) The Company shall pay to the Administrative Agent, for the account of each Bank which has made a CAF Advance, on the applicable CAF Advance Maturity Date the then unpaid principal amount of such CAF Advance. The Company shall not have the right to prepay any principal amount of any CAF Advance without the consent of the Bank to which such CAF Advance is owed.

(b) The Company shall pay interest on the unpaid principal amount of each CAF Advance from the CAF Borrowing Date to applicable CAF Advance Maturity Date at the rate of interest specified in the CAF Advance Offer accepted by the Company in connection with such CAF Advance (calculated on the basis of a 360-day year for actual days elapsed), payable on each applicable CAF Advance Interest Payment Date.

(c) If any principal of, or interest on, any CAF Advance shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such CAF Advance shall, without limiting any rights of any Bank under this Agreement, bear interest from the date on which such payment was due at a rate per annum which is 1% above the rate which would otherwise be applicable to such CAF Advance until the stated CAF Advance Maturity Date of such CAF Advance, and for each day thereafter at a rate per annum which is 1% above the ABR, in each case until paid in full (as well after as before judgment). Interest accruing pursuant to this paragraph (c) shall be payable from time to time on demand.

2.10 CERTAIN RESTRICTIONS

A CAF Advance Request may request offers for CAF Advances to be made on not more than one CAF Borrowing Date and to mature on not more than three CAF Advance Maturity Dates. No CAF Advance Request may be submitted earlier than five Domestic Business Days after submission of any other CAF Advance Request.

2.11 PROMISE TO PAY CAF ADVANCES; EVIDENCE OF CAF ADVANCES

The Company unconditionally promises to pay to the Administrative Agent, for the account of each Bank that makes a CAF Advance, on the CAF Advance Maturity Date with respect thereto, the principal amount of such CAF Advance. The Company further unconditionally promises to pay interest on each CAF Advance and each Loan for the period from and including the CAF Borrowing Date of such CAF Advance on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, Section 2.9(b). Each Bank shall maintain in accordance with its usual practice appropriate records evidencing indebtedness of the Company to such Bank resulting from each CAF Advance of such Bank from time to time, including the amounts of principal and interest payable and paid to such Bank from time to time in respect of each such CAF Advance.

2.12 EXTENSION OF TERM OF LOANS; CONVERSION OF LOANS

(a) The Company may, at its option, elect (on behalf of itself or any Affiliate which has borrowed hereunder) (i) to extend any outstanding Eurocurrency Loan (such extended Eurocurrency Loan to be denominated in the same currency as that prior to such extension) or (ii) to convert any outstanding Base Rate Loan into a Eurocurrency Loan denominated in United States dollars, or any outstanding Eurocurrency Loan denominated in United States dollars into a Base Rate Loan, in each case, by giving notice to the Administrative Agent at the Notice Office and, in the case of Loans to be continued in a Foreign Currency, the Foreign Currency Notice Office of such election; provided, however, that the borrower must remain the same in connection with any extension or conversion of a Loan.

(b) An outstanding Loan may be converted pursuant to Section 2.12(a) only on a day which meets both of the following requirements:

(i) an outstanding Loan may only be converted on a day which is (A) if such outstanding Loan is a Domestic Loan, a Domestic Business Day or (B) if such outstanding Loan is a Eurocurrency Loan denominated in United States dollars, a Eurodollar Business Day; and

(ii) an outstanding Loan may only be converted into (A) a Domestic Loan on a Domestic Business Day or (B) a Eurocurrency Loan which is denominated in United States dollars on a Eurodollar Business Day.

Subject to the requirements of this Section 2.12(b), an outstanding Loan may be converted on the last day of the then-existing Interest Period for such Loan (if such Loan has an Interest Period) or at any time (if such Loan does not have an Interest Period), as provided in Section 2.12(b), or, in the case of a Loan having an Interest Period, at times other than the last day of an Interest Period, as provided in Section 2.12(f).

(c) The notice by the Company to the Administrative Agent of an election pursuant to Section 2.12(a) to extend any outstanding Loan, to convert any outstanding Loan on the last day of the then-existing Interest Period (if the outstanding Loan has an Interest Period) or to convert any outstanding Loan which does not have an Interest Period shall be given by telephone (and shall be promptly confirmed in a writing substantially in the form of Exhibit B hereto) as follows:

(i) if such outstanding Loan is to be extended and is a Eurocurrency Loan denominated in United States dollars, by giving notice no later than three Eurodollar Business Days prior to the last day of the then-existing Interest Period with respect to such Loan, but not later than 11:00 a.m. (New York City time) on such day;

(ii) if such outstanding Loan is to be extended and is a Foreign Currency Loan, by giving notice no later than three Foreign Currency Business Days prior to the last day of the then-existing Interest Period with respect to such Loan, but not later than 3:00 p.m. (London, England time) on such day;

(iii) if such outstanding Loan is a Eurocurrency Loan denominated in United States dollars and is to be converted into a Domestic Loan, by giving notice no later than the last day of the then-existing Interest Period with respect to such outstanding Loan not later than 11:00 a.m. (New York City time) on such day; and

(iv) if such outstanding Loan is a Domestic Loan which is to be converted into a Eurocurrency Loan denominated in United States dollars, by giving notice no later than three Eurodollar Business Days, but not later than 11:00 a.m. (New York City time) on such date, prior to the day on which the Company or the Affiliate, as applicable, desires the conversion of such outstanding Loan to be made effective; and

(d) Each notice given by the Company pursuant to this Section 2.12 shall specify:

(i) whether such outstanding Loan is to be extended or converted;

(ii) if such outstanding Loan is to be converted, the date such conversion should be effective;

(iii) if such outstanding Loan is to be extended and is a Eurocurrency Loan, the Interest Period for the Loan as so extended;

(iv) if such outstanding Loan is to be converted, whether such Loan is to be converted into a Base Rate Loan or Eurocurrency Loan denominated in United States dollars;

(v) if such outstanding Loan is to be converted into a Eurocurrency Loan denominated in United States dollars, the Interest Period therefor; and

(vi) whether the Administrative Agent or any Bank has requested a Gross-up pursuant to subsection (g) below.

(e) With respect to each outstanding Loan which shall be extended or converted pursuant to this Section 2.12:

(i) the Company or the Affiliate, whichever shall be the borrower, shall pay to the Administrative Agent for the account of each Bank all accrued and unpaid interest with respect to such outstanding Loan,

(A) if such Loan is a Eurocurrency Loan, on the last day of the then-existing Interest Period with respect to such outstanding Loan; or

(B) if such Loan is a Base Rate Loan, or if pursuant to Section 2.12(f) the Loan is being converted on a day other than the last day of the then-existing Interest Period, on the day such outstanding Loan is converted;

(ii) no repayment of the principal amount of such outstanding Loan shall be required; and

(iii) the Loan to be outstanding upon the extension or conversion of an outstanding Loan shall not be deemed to be a new Loan under Section 5.1 of this Agreement.

(f) Subject to the requirements of Sections 2.12(a) and 2.12(b), any outstanding Eurocurrency Loan denominated in United States dollars may be converted into a Base Rate Loan pursuant to this Section 2.12 at times other than the last day of an Interest Period; provided, however, that

(i) the Company's notice (on behalf of itself or an Affiliate) with respect to any such conversion shall be given no later than the date of such conversion, but not later than 11:00 a.m. (New York City time) on such date; and

(ii) the Company or the Affiliate, whichever is the borrower, shall reimburse each Bank on demand for any loss incurred by it as a result of the timing of any such conversion in an amount determined as provided in Section 2.18 with respect to prepayments.

(g) At the time that the Company (on behalf of itself or an Affiliate) gives a notice to extend or convert any Loan pursuant to the requirements of this Section 2.12, each Bank shall telephonically notify the Company and the Administrative Agent whether such Bank will require a Gross-up for withholding taxes in connection with such Loan as so extended or converted (as provided in Section 10.4). A notice to extend or convert any Loan, once given to the Administrative Agent, shall not be revocable by the Company or an Affiliate, except in the event that any Bank notifies the Company at the time the Company gives notice to extend or convert a Loan that a Gross-up will be required, in which case, the Company (on behalf of itself or the Affiliate) may promptly withdraw the notice to extend or convert the Loan.

(h) Notwithstanding anything to the contrary in the foregoing, if after the date an outstanding Loan is borrowed the country in whose currency the Loan is denominated becomes a Participating Member State, for so long as it remains a Participating Member State, the Loan shall remain outstanding in accordance with its terms but the outstanding amount of the Loan shall automatically be converted into the equivalent amount of the euro calculated using the fixed conversion rate established between the euro and the National Currency Unit for such country's former currency. In addition, for so long as it exists, the amount of such Loan denominated in the euro shall also be denominated in the equivalent amount of the National Currency Unit for such country's former currency, calculated in accordance with the same fixed conversion rate.

2.13 REGISTER

The Administrative Agent shall, on behalf of the Company and each Affiliate, maintain at one of its offices a register for the recordation of the names and addresses of the Banks and the Commitment of, and the principal amount of the Loans and CAF Advances owing to, each Bank from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Company, each Affiliate, the Administrative Agent and the Banks shall treat each Person whose name is recorded in the Register as the owner of the Loans (and any

Notes evidencing the Loans) and the CAF Advances recorded therein for all purposes of this Agreement. Any assignment of any Loan pursuant to Section 9.1, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and any Note evidencing such Loan shall expressly so provide). Any assignment or transfer of all or part of a Loan shall be registered on the Register only upon presentation of a duly executed Assignment and Acceptance and, if such Loan is evidenced by a Note, surrender of such Note for registration of assignment or transfer.

2.14 INTEREST RATES

(a) Each Loan shall bear interest on the outstanding principal amount thereof, as follows:

(i) with respect to each Base Rate Loan, at a fluctuating rate per annum equal to the sum of (x) the Base Rate in effect from time to time while such Base Rate Loan is outstanding and (y) the Base Rate Margin; and

(ii) with respect to each Eurocurrency Loan, during each Interest Period applicable thereto at a rate per annum equal to the sum of (x) the LIBO Rate applicable to such Interest Period and (y) the Eurocurrency Margin.

(b) Interest on Base Rate Loans shall be computed on the basis of a year of 365 (or 366) days and paid for the actual number of days for which due. Interest on Eurocurrency Loans shall be computed on the basis of a year of 360 days and paid for the actual number of days for which due, provided that interest on any Foreign Currency Loan or CAF Advance denominated in British Pounds Sterling shall be calculated on the basis of a year of 365 (or 366) days and paid for the actual number of days for which due. Interest for each Interest Period with respect to a Eurocurrency Loan shall be calculated from and including the first day thereof to but excluding the last day thereof.

2.15 INTEREST PAYMENT DATES

Interest on each Loan shall be payable as follows:

(a) with respect to each Base Rate Loan, on each March 31, June 30, September 30 and December 31 that such Loan is outstanding, and upon payment in full of such Loan; and

(b) with respect to each Eurocurrency Loan, (i) if the current Interest Period for such Eurocurrency Loan is one month, two months or three months, on the last day of such Interest Period or (ii) if the current Interest Period for such Eurocurrency Loan is six months, on the last day of the third month and on the last day of the sixth month of such Interest Period, and upon payment in full of such Loan.

2.16 OVERDUE PRINCIPAL AND INTEREST

Any overdue principal of the Loans and, to the extent permitted by law, overdue interest thereon, shall bear interest payable on demand for each day from the date payment thereof was due to the date of actual payment, as follows:

(a) with respect to each Base Rate Loan, at a rate per annum equal to 1% plus the sum of (x) the Base Rate in effect from time to time while such Loan is overdue and (y) the Base Rate Margin; and

(b) (i) with respect to overdue principal on each Eurocurrency Loan, at a daily rate, which shall be calculated by the Administrative Agent (whose determination shall be conclusive in the absence of manifest error) and shall be a rate per annum equal to the sum of (A) 1% plus (B) the Eurocurrency Margin plus (C) the LIBO Rate, and (ii) with respect to overdue interest on each Eurocurrency Loan, at the rate per annum equal to the sum of (X) 1% plus (Y) the Eurocurrency Margin plus (Z) the interest rate per annum at which deposits in the amount of such overdue interest are offered to the Administrative Agent by other leading banks, as determined by the Administrative Agent, in the interbank market in which the Eurocurrency is obtained for a period of one day, or if no such rate is available, one month (or, if such amount remains unpaid more than three Eurocurrency Business Days, then for such other period of time not longer than six months as the Administrative Agent may elect).

2.17 DATES FOR PAYMENT OR OPTIONAL PREPAYMENT OF PRINCIPAL

The Company and each Affiliate unconditionally promises to repay the unpaid principal amount of each Loan made to it on or before the Maturity Date. The Company or an Affiliate may, at its option, prepay the principal amount of any Loan, in whole or in part, without penalty or premium, as follows:

(a) with respect to any Base Rate Loan, on any Domestic Business Day, provided that the Company deliver an irrevocable notice of prepayment to the Administrative Agent no later than 11:00 a.m., New York City time, on such date, which notice shall specify the date and amount of prepayment; and

(b) with respect to any Eurocurrency Loan on the last day of any Interest Period therefore, provided that the Company deliver an irrevocable notice of prepayment to the Administrative Agent no later than 3:00 p.m., London, England time, three Eurocurrency Business Days prior to such date, which notice shall specify the date and amount of prepayment;

in each case together with accrued interest on the amount prepaid to the date of prepayment. Partial prepayments of any Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple thereof.

2.18 OPTIONAL PREPAYMENT ON OTHER DATES; REIMBURSEMENT FOR CERTAIN COSTS

The Company or an Affiliate, as applicable, may, at its option, prepay the principal amount of any Eurocurrency Loan, in whole or in part, at times other than those provided for in Section 2.17(b), in each case together with accrued interest on the amount prepaid to the date of prepayment; provided, however, that with respect to any such Loan, the Company or the Affiliate, whichever is the borrower, shall reimburse each Bank on demand for any loss incurred by such Bank as a result of the timing of such payment, including without limitation, any loss incurred in liquidating or re-employing deposits from third parties but excluding loss of the Eurocurrency Margin or any other profit for the period after such payment, provided that the amount of such loss shall in no event exceed the amount of interest that would have accrued from the date of prepayment to the last day of the then-current Interest Period in the absence of prepayment, and the relevant Bank shall have delivered to the Company and, if the borrower is an Affiliate, to such Affiliate, a written statement setting forth the basis for determining such loss, which written statement shall be conclusive in the absence of manifest error. Each Bank shall use its reasonable efforts to mitigate any loss resulting from any prepayment by the Company or an Affiliate.

2.19 METHOD OF PAYMENT

All payments required to be made pursuant to this Agreement shall be made in immediately available funds (i) with respect to the Facility Fee and the Utilization Fee, in United States dollars to the account in the continental United States designated by the Administrative Agent pursuant to Section 2.3, (ii) with respect to payments relating to Loans (including, without limitation, principal, interest, any Gross-up or any payments pursuant to Section 2.18 or 10.3) or CAF Advances, in the lawful currency of the country in which the Loan or CAF Advance is denominated, to the Administrative Agent for the account of the Banks at (A) the Domestic Funding Office, with respect to each Domestic Loan and each CAF Advance denominated in United States dollars, (B) the Eurodollar Funding Office, with respect to each Eurocurrency Loan which is denominated in United States dollars, (C) the Foreign Currency Funding Office, with respect to each Foreign Currency Loan or CAF Advance denominated in a Foreign Currency or (D) in each case, at such other location as may be agreed upon by the Administrative Agent and the Company and (iii) with respect to any other payment due hereunder, in such currency and in such place or office as may be required hereunder or as may otherwise be agreed upon by the Administrative Agent and the Company. The Administrative Agent shall distribute such payments to the Banks promptly upon receipt in like funds as received. Whenever any payment of principal of, or interest on, any Domestic Loan or of the Facility Fee shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended time. Whenever any payment of principal of, or interest on, any Eurocurrency Loan which is denominated in United States dollars shall be due on a day which is not a Eurodollar Business Day, the date for payment thereof shall be extended to the next succeeding Eurodollar Business Day, unless as a result thereof such date would fall in the next calendar month, in which case, such date shall be advanced to the next preceding Eurodollar Business Day, and, in the case of a payment of principal, interest thereon shall be payable to the date of payment as extended or advanced as the case may be. Whenever any payment of principal of, or interest on, any Foreign Currency Loan shall be due on a day which is not a Foreign Currency Business Day, the date for payment thereof

shall be extended to the next succeeding Foreign Currency Business Day, unless as a result thereof such date would fall in the next calendar month, in which case, such date shall be advanced to the next preceding Foreign Currency Business Day, and, in the case of a payment of principal, interest thereon shall be payable to the date of payment as extended or advanced as the case may be.

2.20 PRO RATA TREATMENT AND PAYMENTS

(a) Each Borrowing by the Company or any Affiliate from the Banks hereunder, each payment by the Company or any Affiliate on account of the Facility Fee or Utilization Fee and any reduction of the Commitments of the Banks shall be made pro rata according to the respective Revolving Percentages of the Banks.

(b) Each payment (including each prepayment) by the Company or any Affiliate on account of principal of and interest on the Loans shall be made pro rata according to the respective outstanding amounts of principal and interest then due and owing to the Banks.

(c) Unless the Administrative Agent shall have been notified in writing by any Bank prior to a Borrowing that such Bank will not make the amount that would constitute its share of such Borrowing available to the Administrative Agent, the Administrative Agent may assume that such Bank is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Company (or an Affiliate) a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing date such Bank shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Bank makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Bank with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Bank's share of such Borrowing is not made available to the Administrative Agent by such Bank within three Domestic Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover (i) in the case of amounts denominated in United States dollars, such amount with interest thereon at the rate per annum applicable to Base Rate Loans, on demand, from the Company or (ii) in the case of amounts denominated in Foreign Currencies, such amount with interest thereon at a rate determined by the Administrative Agent to be the cost to it of funding such amount, on demand, from the Company or the relevant Affiliate.

(d) Unless the Administrative Agent shall have been notified in writing by the Company or any Affiliate prior to the date of any payment due to be made by the Company or any Affiliate hereunder that the Company or such Affiliate will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Company or such Affiliate is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Banks their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Company or such Affiliate within three Domestic Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Bank to which any amount which was made

available pursuant to the preceding sentence (i) in the case of amounts denominated in United States dollars, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate and (ii) in the case of amounts denominated in Foreign Currencies, such amount with interest thereon at a rate per annum determined by the Administrative Agent to be the cost to it of funding such amount. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Bank against the Company or any Affiliate.

2.21 LIMITATION ON EUROCURRENCY TRANCHES

Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurocurrency Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, no more than fifteen Eurocurrency Tranches in any currency shall be outstanding at any one time.

2.22 REPAYMENT OF BILATERAL OBLIGATIONS; TERMINATION OF BILATERAL COMMITMENTS

The Commitment of each Bank hereunder and the other agreements contained herein are conditioned upon receipt by the Administrative Agent of evidence of repayment by the Company of all amounts of principal and interest outstanding under the Bilateral Revolving Credit Agreements. Subject to the foregoing, the Company, the Affiliates and the Banks agree that any commitment of any Bank to make loans to the Company and any Affiliate pursuant to the terms of any Bilateral Revolving Credit Agreement shall terminate as of the Effective Date, and each Bank party to one or more Bilateral Revolving Credit Agreements agrees to waive any notice required by such Bilateral Revolving Credit Agreement with regards to the Company's termination of such Bank's commitment. The termination of each Bank's commitment under its respective Bilateral Revolving Credit Agreement shall not affect or terminate any outstanding payment obligations of the Company or any Affiliate owing or arising under such Bilateral Revolving Credit Agreement, which obligations shall continue until satisfied in their entirety.

SECTION 3. [RESERVED]

SECTION 4. GUARANTEE OF LOANS TO AFFILIATES

(a) The Company hereby guarantees to the Administrative Agent, for the ratable benefit of the Banks and their affiliates, the due and punctual payment of the principal of and interest on any Loans made to any Affiliate under this Agreement and any other Obligations of any Affiliate to the Administrative Agent or any Bank under this Agreement or its Accession Memorandum (the "Guaranteed Obligations") when and as the same shall become due and payable, whether at maturity, upon declaration or otherwise, according to the terms thereof. Upon the occurrence of an Affiliate Event of Default with respect to an Affiliate under this Agreement, the Company shall on behalf of such Affiliate upon demand by the Administrative Agent punctually make any payment due and payable by such Affiliate under this Agreement or its Accession Memorandum, whether at maturity, upon declaration or otherwise; and any such payment shall be treated for the purposes of such Accession Memorandum and this Agreement (other than Section 10.4) as if such payment were made by the Affiliate.

(b) The Company hereby agrees that its obligations under this Section 4 shall be irrevocable and unconditional and that the Company shall not have the right to assert any defenses based upon the validity, regularity or enforceability of any Accession Memorandum or this Agreement or any Note, the absence of any attempt to collect from the defaulting Affiliate or other action to enforce the same, the waiver or consent by the Administrative Agent or any Bank with respect to any provisions thereof or hereof (other than with respect to this Section 4), or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Company or of a guarantor.

(c) With respect to its obligations under this Section 4, the Company waives filing of claims with a court, trustee or receiver in the event of receivership or bankruptcy of the defaulting Affiliate, diligence, presentment, demand of payment, protest or notice with respect to Guaranteed Obligations and all demands whatsoever (other than that provided for in subsection (a) above), and covenants that this Guarantee is a continuing guarantee and will not be discharged except by complete performance of the Guaranteed Obligations of the defaulting Affiliate and the obligations of the Company under this Guarantee.

(d) To the extent of any payment by the Company to the Administrative Agent or any Bank under this Section 4, the Company shall succeed to all corresponding claims that the Administrative Agent or such Bank may have and otherwise be subrogated to the rights of the Administrative Agent or such Bank against the defaulting Affiliate or any other person or security in connection with the Loans to such Affiliate, and the Administrative Agent and any such Bank shall use reasonable efforts to cooperate with the Company in seeking recovery under such claims.

(e) The Company's obligations under this Section 4 constitute a guarantee of payment and not of collection merely and shall remain in full force and effect with respect to any Affiliate until the Guaranteed Obligations of such Affiliate shall have been paid in full in accordance with the terms of the relevant Accession Memorandum and of this Agreement. If at any time any payment of any of the Guaranteed Obligations of an Affiliate is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of such Affiliate or otherwise, the Company's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had not been made.

(f) If demand for, or acceleration of the time for, payment by any Affiliate to the Administrative Agent or any Bank of any Guaranteed Obligations of such Affiliate is stayed upon the insolvency, bankruptcy, reorganization or proposed compromise or arrangement with creditors of such Affiliate, all such Guaranteed Obligations of which payment or performance is stayed that would otherwise be subject to demand for payment or acceleration shall nonetheless be payable by the Company under this Section 4 immediately on demand by the Administrative Agent or such Bank.

SECTION 5. CONDITIONS TO LOANS AND CAF ADVANCES

The obligation of each Bank to make each Loan or CAF Advance hereunder is subject to the performance by the Company or the Affiliate, whichever is the borrower, of all its obligations under this Agreement and to the satisfaction of the following further conditions:

5.1 EACH LOAN OR CAF ADVANCE TO THE COMPANY OR ANY AFFILIATE

(a) In the case of each Loan or CAF Advance proposed to be made hereunder to the Company or any Affiliate:

(i) the Administrative Agent shall have received the notice from the Company required by Section 2.6 or Section 2.8;

(ii) the principal amount of such Loan or CAF Advance, when added to the aggregate principal amount of all Loans and CAF Advances then outstanding hereunder, shall not exceed the amount of the Aggregate Commitments;

(iii) after giving effect to the making of such Loan or CAF Advance no Event of Default nor Event of Default - Bankruptcy and no event which, with the giving of notice or lapse of time or both, would become an Event of Default or an Event of Default - Bankruptcy shall have occurred and be continuing; and

(iv) the representations and warranties of the Company contained in this Agreement, except those contained in Sections 6.2(b) and 6.3, shall be true and correct in all material respects on and as of the date of such Loan or CAF Advance, as the case may be, except to the extent such representations and warranties expressly relate to an earlier date.

Each Borrowing by or CAF Advance to the Company or any Affiliate shall be deemed to be a representation and warranty by the Company or Affiliate that the conditions specified in clauses (ii), (iii) and (iv) above are satisfied on and as of the date of such Borrowing or CAF Advance.

(b) In addition to the conditions stated in Section 5.1(a) above, in the case of each Loan proposed to be made to any Affiliate:

(i) after giving effect to the making of such Loan, no Affiliate Event of Default with respect to such Affiliate and no event which, with the giving of notice or lapse of time or both, would become an Affiliate Event of Default with respect to such Affiliate shall have occurred and be continuing;

(ii) the representations and warranties of the Affiliate contained in its Accession Memorandum shall be true and correct in all material respects on and as of the date of such Loan, except to the extent such representations and warranties expressly relate to an earlier date; and

(iii) upon request of the Administrative Agent or any Bank, the Administrative Agent or such Bank, as the case may be, shall have received the latest available annual and interim financial statements for the Affiliate (certified, if available).

Each Borrowing by any Affiliate shall be deemed to be a representation and warranty by the Affiliate that the conditions specified in clauses (i) and (ii) above are satisfied on and as of the date of such Borrowing or issuance.

5.2 FIRST LOAN OR CAF ADVANCE TO THE COMPANY OR ANY AFFILIATE

(a) In the case of the first Loan or CAF Advance proposed to be made hereunder to the Company or any Affiliate:

(i) the Administrative Agent shall have received an opinion of the Vice President - General Counsel or an Assistant General Counsel of the Company, or, at the Company's option, other counsel (in which case, such counsel shall be satisfactory to the Administrative Agent), addressed to the Administrative Agent and Banks and in form satisfactory to the Administrative Agent in its reasonable judgment, to the effect that:

(A) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power under the laws of such State to enter into this Agreement, to borrow money and extend the Guarantee as contemplated by this Agreement, and to carry out the provisions of this Agreement;

(B) this Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery hereof by the Banks, is a valid and binding agreement of the Company enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting creditors' rights generally and by general equitable principles regardless of whether such enforceability is considered in a proceeding in equity or at law;

(C) the execution, delivery and performance by the Company of this Agreement will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under (in each case material to the Company and its subsidiaries considered as a whole), or result in the creation or imposition of any lien, charge or encumbrance (in each case material to the Company and its subsidiaries considered as a whole) upon any of the property or assets of the Company pursuant to the terms of, any indenture, mortgage, deed of trust, loan agreement, guarantee, lease financing agreement or other similar agreement or instrument known to such counsel under which the Company is a debtor or a guarantor, nor will such action result in any violation of the provisions of the Certificate of Incorporation or the By-Laws of the Company; and

(D) there is no consent, approval, authorization, order, registration or qualification of or with any Governmental Authority having jurisdiction over the

Company which is required for, and the absence of which would materially affect, the execution, delivery and performance of this Agreement; and

(ii) the Administrative Agent shall have received such additional documents as it may reasonably request relating to the existence and good standing of the Company under the laws of the States of Delaware and Michigan and to the authorization, execution and delivery of this Agreement in form and substance reasonably satisfactory to the Administrative Agent.

The documents referred to in this Section 5.2(a) shall be delivered to the Administrative Agent no later than the date of the first Loan or CAF Advance hereunder, except that if such Loan is a Eurocurrency Loan, the documents shall be delivered to the Bank at least two Eurodollar Business Days before such Loan.

(b) In addition to the conditions stated in Section 5.2(a) above, in the case of the first Loan proposed to be made to any Affiliate, the Administrative Agent shall have received:

(i) a duly executed Accession Memorandum of such Affiliate; and

(ii) such additional documents as it may reasonably request relating to the existence and good standing of the Affiliate under the laws of the jurisdiction of its incorporation or organization and to the authorization, execution and delivery of the Accession Memorandum, all in form and substance reasonably satisfactory to the Administrative Agent.

The documents referred to in this Section 5.2(b) shall be delivered to the Administrative Agent no later than the date of the first Loan to the Affiliate. Such documents, including executed documents, may be sent to the Administrative Agent by facsimile on the required date, with the originals to be sent by professional courier.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Administrative Agent and each Bank that:

6.1 CORPORATE AUTHORITY OF THE COMPANY, ETC.

(a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power under the laws of such State to execute and deliver this Agreement and to perform its obligations hereunder and thereunder, and is duly qualified and in good standing to do business as a foreign corporation in the State of Michigan;

(b) This Agreement has been duly authorized, executed and delivered on behalf of the Company and, assuming due authorization, execution and delivery by the Banks, is a valid and legally binding agreement of the Company;

(c) The execution, delivery and performance by the Company of this Agreement will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under (in each case material to the Company and its subsidiaries considered as a whole), or result in the creation or imposition of any lien, charge or encumbrance (in each case material to the Company and its subsidiaries considered as a whole) upon any of the property or assets of the Company pursuant to the terms of, any indenture, mortgage, deed of trust, loan agreement, guarantee, lease financing agreement or other similar agreement or instrument under which the Company is a debtor or a guarantor, nor will such action result in any violation of the provisions of the Certificate of Incorporation or the By-Laws of the Company; and

(d) There is no consent, approval, authorization, order, registration or qualification of or with any Governmental Authority having jurisdiction over the Company which is required for, and the absence of which would materially affect, the execution, delivery and performance of this Agreement.

6.2 FINANCIAL STATEMENTS

(a) The Company has furnished the Administrative Agent and each Bank with, and the Administrative Agent and each Bank hereby acknowledges receipt of, a copy of the audited consolidated balance sheet and the related consolidated statements of income, equity and cash flows of the Company and its Subsidiaries at December 31, 2001 and 2000, and such financial statements present fairly in all material respects the financial position of the Company and Subsidiaries at those dates, in conformity with GAAP; and

(b) As of the date of this Agreement there has not occurred any material adverse change in the financial position of the Company and its Subsidiaries considered as a whole, since December 31, 2001.

6.3 LITIGATION

As of the date of this Agreement there are no legal or governmental proceedings pending of which the Company or any of its Subsidiaries is the subject, and no such proceedings are known by the Company to be threatened or contemplated by Governmental Authorities or threatened by others, other than such proceedings which the Company believes will not have a material adverse effect upon the financial position of the Company and its Subsidiaries considered as a whole.

6.4 USE OF PROCEEDS

The proceeds of the Loans and CAF Advances will be used by the Company and its Affiliates for general corporate purposes including, without limitation, to support commercial paper issued by the Company. None of the proceeds of the Loans and CAF Advances will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock within the meaning of Regulation U of the Federal Reserve Board.

6.5 COMPLIANCE WITH ERISA

The Company has satisfied the minimum funding standards under ERISA with respect to its Plans and is in compliance in all material respects with the currently applicable provisions of ERISA.

SECTION 7. COVENANTS

During the term of this Agreement, unless compliance shall have been waived in writing in accordance with the terms of this Agreement, the Company agrees that:

7.1 REPORTS; CERTIFICATE AS TO DEFAULT

It will deliver to the Administrative Agent at the Notice Office:

(a) within 120 days after the end of each of its fiscal years copies of the Company's consolidated financial statements including consolidated results of operations and cash flows of the Company and its consolidated subsidiaries all as audited by the Company's independent certified public accountants (the "Annual Report"), provided that if and when the Company files an Annual Report on Form 10-K with the Securities and Exchange Commission (the "10-K Report"), copies of the 10-K Report will be delivered to the Administrative Agent in lieu of the Annual Report;

(b) within 70 days after the end of each of the first three quarters of each of its fiscal years, copies of the Company's consolidated financial statements including consolidated results of operations and cash flows of the Company and its consolidated subsidiaries (the "Quarterly Report"), provided that if and when the Company files a Quarterly Report on Form 10-Q with the Securities and Exchange Commission (the "10-Q Report"), copies of the 10-Q Report will be delivered to the Administrative Agent in lieu of the Quarterly Report; and

(c) simultaneously with the delivery of each Annual Report or 10-K Report (as applicable) referred to in (a) above, a certificate of an authorized officer of the Company (i) stating whether, to the knowledge of such officer, there exists on the date of the certificate any condition or event which then constitutes, or which after notice or lapse of time or both would constitute, an Event of Default or an Event of Default - Bankruptcy, and, if any such condition or event exists, specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto, and (ii) demonstrating compliance with the Consolidated Leverage Ratio set forth in Section 7.9 hereof.

(d) simultaneously with the delivery of each Quarterly Report or 10-Q Report (as applicable) referred to in (b) above, a certificate of an authorized officer of the Company demonstrating compliance with the Consolidated Leverage Ratio set forth in Section 7.9 hereof.

7.2 FURTHER INFORMATION

(a) From time to time while this Agreement is in effect, upon the reasonable request of the Administrative Agent or any Bank, officials of the Company will confer with officials of the Administrative Agent or such Bank and advise them as to matters bearing on the financial condition of the Company, or of any Affiliate to which Loans are then outstanding.

(b) The Company shall notify the Administrative Agent and each of the Banks at least two Foreign Currency Business Days prior to any Loan to any Affiliate in the event that any Gross-up with respect to such Loan could be required by any Bank pursuant to the terms of this Agreement.

7.3 LIENS

The Company shall not nor shall it permit any Subsidiary to directly or indirectly, create, incur, assume or suffer to exist any Indebtedness secured by a Lien upon any of its property or revenues, whether now owned or hereafter acquired, except Liens at any one time outstanding with respect to which the aggregate outstanding principal amount of the obligations secured thereby shall not exceed 15% of Consolidated Total Assets as reflected in the most recent Annual Report or 10-K Report delivered pursuant to Section 7.1(a); provided, however, that this Section 7.3 shall not apply to Indebtedness secured by:

(a) Liens on property of, or on any shares of stock of or Indebtedness of, any corporation existing at the time such corporation becomes a Subsidiary;

(b) Liens in favor of the Company or any Subsidiary;

(c) Liens in favor of any governmental body to secure progress, advance or other payments pursuant to any contract or provision of any statute;

(d) Liens on property, shares of stock or Indebtedness existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or any part of the purchase price thereof or to secure any Indebtedness incurred prior to, at the time of, or within 60 days after, the acquisition of such property or shares or Indebtedness for the purpose of financing all or any part of the purchase price thereof; and

(e) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the foregoing clauses (a) to (d), inclusive; provided, however, that such extension, renewal or replacement Lien shall be limited to all or a part of the same property, shares of stock or Indebtedness that secured the Lien extended, renewed or replaced (plus improvements on such property).

7.4 SALE-LEASEBACKS

The Company shall not nor shall it permit any Subsidiary to, directly or indirectly, enter into any arrangement with any bank, insurance company or other lender or investor (not

including the Company or any Subsidiary) providing for the leasing by the Company or any Subsidiary of any property owned by the Company or any Subsidiary (except for leases between the Company and a Subsidiary or between Subsidiaries), which property has been or is to be sold or transferred by the Company or such Subsidiary to such bank, insurance company or other lender or investor (not including the Company or any Subsidiary) ("Sale-Leasebacks"), except for Sale-Leasebacks consummated since the Effective Date and which are outstanding on the relevant date of determination (other than Sale-Leasebacks to the extent the proceeds thereof are used to refinance any Sale-Leaseback which was in existence on the date hereof) in an aggregate amount, which when combined with (but without duplication) the aggregate outstanding principal amount of obligations secured by a Lien upon any of the property or revenues of the Company or any of its Subsidiaries at the time of entering into any such Sale-Leaseback, shall not exceed 15% of Consolidated Total Assets as reflected in the most recent Annual Report or 10-K Report delivered pursuant to Section 7.1(a).

7.5 MERGERS AND CONSOLIDATIONS

The Company may consolidate with, or sell or convey all or substantially all its assets to, or merge with or into any other corporation, provided that in any such case (i) the successor corporation shall be a corporation organized and existing under the laws of the United States of America or a State thereof, (ii) such corporation shall expressly assume the due and punctual payment of the principal of and interest on all the Loans made to the Company hereunder, and the due and punctual performance and observance of all the covenants and conditions of this Agreement to be performed by the Company, including, without limitation, the Guarantee, by an instrument, satisfactory to the Administrative Agent in its reasonable judgment, executed and delivered to the Administrative Agent by such corporation, and (iii) such successor corporation shall not, immediately after such merger or consolidation or such sale or conveyance, be in default in the performance of any such covenant or condition and shall not immediately thereafter have outstanding any secured Indebtedness not expressly permitted by the provisions of Section 7.3.

7.6 ADDITIONAL COVENANTS

In the event that, at any time while this Agreement is in effect, the Company shall issue any indebtedness for borrowed money which is not by its terms subordinate and junior to other indebtedness of the Company ("Senior Debt") and such Senior Debt shall include, or be issued pursuant to a trust indenture or other agreement which includes, financial covenants not substantially provided for in this Agreement, the Company shall so advise the Administrative Agent. Thereupon, if the Administrative Agent shall so request by written notice to the Company, the Company, Administrative Agent and the Banks shall enter into an amendment to this Agreement providing for substantially the same financial covenants as those contained in such Senior Debt, trust indenture or other agreement, mutatis mutandis. Such amendment containing such financial covenants shall remain in effect so long as such covenants remain in effect with respect to such Senior Debt. As used in this Section 7.6 the term "financial covenant" shall mean a covenant on the part of the Company to the general effect that the Company shall maintain, on a consolidated basis and as of a specified date or dates, (a) a specified minimum net worth, (b) a ratio of debt to net worth not in excess of a specified maximum, (c) current assets in an amount not less

than a specified amount in excess of current liabilities or (d) any similar ratio or amount or similar measure for the same general purpose of stating a minimum financial condition.

7.7 ERISA

The Company will comply with the minimum funding standards under ERISA with respect to its Plans and will use its best efforts to comply in all material respects with all other applicable provisions of ERISA and the regulations and interpretations promulgated thereunder. The Company will deliver to the Administrative Agent within 30 days after any executive officer of the Company becomes aware of the occurrence of any Reportable Event (other than a reduction in active Plan participants) with respect to any Plan, a certificate signed by the Chief Financial Officer, the Vice President - Finance, the Controller or the Treasurer of the Company setting forth the details as to such Reportable Event and the action which the Company is taking and proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the Pension Benefit Guaranty Corporation.

7.8 NOTIFICATION

The Company will notify the Administrative Agent within 30 days after any executive officer of the Company becomes aware of any failure on the part of the Company duly to observe or perform any covenant contained in Section 7.3 or Section 7.4.

7.9 CONSOLIDATED LEVERAGE RATIO

The Company shall not permit the Consolidated Leverage Ratio to exceed 3.5 to 1.0 at the end of any fiscal quarter.

SECTION 8. DEFAULT

8.1 DEFAULTS RELATING TO THE COMPANY

In case one or more of the following "Events of Default" shall have occurred and be continuing, that is to say:

(a) default in any payment of principal of any Loan or CAF Advance to the Company as and when the same shall become due and payable, whether at maturity or upon required repayment or upon declaration or otherwise, and the continuance of such default for five Domestic Business Days in the case of a Domestic Loan or CAF Advance or five Eurodollar Business Days in the case of a Eurocurrency Loan; or

(b) default in the payment of any installment of interest upon any Loan or CAF Advance to the Company as and when the same shall become due and payable, and continuance of such default for a period of five Domestic Business Days in the case of a Domestic Loan or CAF Advance or five Eurodollar Business Days in the case of a Eurocurrency Loan; or

(c) failure on the part of the Company duly to observe or perform any covenant contained in Section 7.3 or Section 7.4 for 90 days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Administrative Agent or the Required Banks; or

(d) failure on the part of the Company duly to observe or perform any other of the covenants or agreements of this Agreement for a period of 30 days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Administrative Agent or the Required Banks; provided, however, that in the case of a default under Section 4, such 30-day grace period shall run from the date that demand for payment by the Administrative Agent was made upon the Company pursuant to Section 4; or

(e) any representation or warranty by the Company in this Agreement or in any certificate delivered pursuant hereto shall have proven to have been materially false or misleading; or

(f) a Reportable Event (other than a reduction in active Plan participants) shall have occurred with respect to any Plan and, within 30 days after the reporting of such Reportable Event to the Administrative Agent, the Administrative Agent shall have notified the Company in writing that the Administrative Agent has made a reasonable determination that such Reportable Event is likely to have a material adverse effect upon the financial position of the Company and its subsidiaries considered as a whole; or

(g) default in the payment of the principal of (or premium, if any, on) or interest on any other borrowing of the Company of $5,000,000 or more and such default continues for a period of 30 days, or any default with respect to any other borrowing of the Company of $5,000,000 or more and such default causes acceleration thereof; or

(h) more than 50% in voting power of the voting securities of the Company shall be held by (i) any person or persons who "act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities" of the Company within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, or (ii) persons whose election to the Board of Directors shall not have been recommended by the committee of the Board of Directors charged with such recommendations shall constitute a majority of the members of the Board of Directors of the Company;

then, and in each and every such case, with the consent of the Required Banks, the Administrative Agent may, or upon the request of the Required Banks, the Administrative Agent shall, by notice in writing to the Company, terminate the Commitments and/or declare the principal of all Loans and CAF Advances to the Company and Affiliates and all other amounts owing under this Agreement to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

8.2 DEFAULTS RELATING TO AFFILIATES

In case one or more of the following "Affiliate Events of Default" shall have occurred and be continuing with respect to an Affiliate, that is to say:

(a) default in any payment of principal of any Loan to such Affiliate as and when the same shall become due and payable, whether at maturity or upon required repayment or upon declaration or otherwise, and the continuance of such default for five Domestic Business Days in the case of a Domestic Loan or five Eurodollar Business Days in the case of a Eurocurrency Loan; or

(b) default in the payment of any installment of interest upon any Loan to such Affiliate as and when the same shall become due and payable, and continuance of such default for a period of five Domestic Business Days in the case of a Domestic Loans, five Eurodollar Business Days in the case of a Eurocurrency Loan; or

(c) any representation or warranty by such Affiliate in this Agreement, in its Accession Memorandum or in any certificate delivered in connection therewith shall have proven to have been materially false or misleading; or

(d) such Affiliate shall have entered against it by a court having jurisdiction in the premises a decree or order for relief in respect of the Affiliate in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Affiliate or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or

(e) such Affiliate shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Affiliate or for any substantial part of its property, or make any general assignment for the benefit of creditors, or fail generally to pay its debts as they become due, or take any corporate action in furtherance of any of the foregoing;

(f) an Event of Default under Section 8.1 shall have occurred and be continuing; or

(g) the Guarantee set forth in Section 4 shall no longer be in full force and effect;

then, (i) if such event is an Event of Default specified in clause (d) or (e), automatically all of the Loans to such Affiliate and all other amounts owing by the Affiliate under this Agreement (but not any Loans to the Company or any other Affiliate) shall immediately become due and payable, or (ii) if such event is any other Event of Default, with the consent of the Required Banks, the Administrative Agent may, or upon the request of the Required Banks, the Administrative Agent

shall, by notice in writing to the Company and the defaulting Affiliate, declare the principal of all outstanding Loans to such Affiliate and all other amounts owing by the Affiliate under this Agreement (but not any Loans to the Company or any other Affiliate) to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

8.3 DEFAULTS RELATING TO BANKRUPTCY OF THE COMPANY

In case one or more of the following "Events of Default - Bankruptcy" shall have occurred and be continuing with respect to the Company, that is to say:

(a) the Company shall have entered against it by a court having jurisdiction in the premises a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or

(b) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or make any general assignment for the benefit of creditors, or fail generally to pay its debts as they become due, or take any corporate action in furtherance of any of the foregoing;

then if such event is an Event of Default - Bankruptcy specified in either of section (a) or (b) of this Section 8.3 with respect to the Company, automatically the Commitments shall immediately terminate and the Loans and CAF Advances hereunder (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable.

8.4 [RESERVED]

SECTION 9. ASSIGNMENT; PARTICIPATIONS

9.1 ASSIGNMENT

(a) No Bank shall, without the consent of the Company and the Administrative Agent (in each case which consent shall not be unreasonably withheld; it being understood, however, that any concern that the Company may have regarding the availability of a currency as a result of exchange controls or otherwise is a reasonable basis for the Company to withhold its consent), transfer to any other office, branch or affiliate of the Bank or to any other financial institution, person or entity, all or any portion of the Extensions of Credit, CAF Advances or the

Commitment or any of the Bank's other rights and obligations under this Agreement; provided, however, that:

(i) without the consent of the Company, a Bank may transfer or assign (A) any of its Extensions of Credit or CAF Advances or any interest therein as a pledge to any Federal Reserve Bank or other similar central bank in another jurisdiction, provided that such pledge shall not release the Bank from its obligations hereunder and (B) all or any portion of the Extensions of Credit, any CAF Advance, the Commitment or any of the Bank's other rights and obligations under this Agreement to any one or more assignees that is a Bank immediately prior to giving effect to such assignment; and

(ii) without the consent of the Company, a Bank may transfer or assign all or any portion of the Loans, the Commitment or any of the Bank's other rights and obligations under this Agreement to any Person (A) five or more days after the occurrence and continuance of an Event of Default under Section 8.1(a) or Section 8.1(d) (in respect of Section 4) or (B) upon the occurrence and continuance of any Event of Default-Bankruptcy under Section 8.3.

(b) Assignments shall be subject to the following additional conditions:

(i) except in the case of an assignment to a Bank, an affiliate of a Bank or an assignment of the entire remaining amount of the assigning Bank's Commitments or Extensions of Credit, the amount of the Commitments or Extensions of Credit (without duplication) of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 and, after giving effect thereto, the assigning Bank shall have Commitments and Extensions of Credit (without duplication) in an aggregate amount of at least $5,000,000, in each case unless the Company and the Administrative Agent otherwise consent, provided that (1) no such consent of the Company shall be required if an Event of Default under Section 8.1(a) or Section 8.1(d) (in respect of Section 4) has occurred and is continuing for a period of at least five days or an Event of Default-Bankruptcy under Section 8.3 has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Bank and its affiliates, if any;

(ii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500;

(iii) the assignee, if it shall not be a Bank, shall deliver to the Administrative Agent an administrative questionnaire; and

(c) In the case of any assignment to financial institutions made without the consent of the Company, any such transferee or assignee of a Bank shall not be entitled to receive any greater interest or other payment by reason of Section 10.3 or 10.4 than such Bank would have been entitled to receive with respect to the rights so transferred or assigned unless such transfer

or assignment is made by reason of the provisions of Section 10.2, 10.3 or 10.4 requiring the Bank to designate a different lending office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

(d) Notwithstanding the foregoing, any Conduit Bank may assign any or all of the Loans or CAF Advance it may have funded hereunder to its designating Bank without the consent of the Company or the Administrative Agent and without regard to the limitations set forth in this Section 9.1. Each of the Company, each Affiliate, each Bank and the Administrative Agent hereby confirms that it will not institute against a Conduit Bank or join any other Person in instituting against a Conduit Bank any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Bank; provided, however, that each Bank designating any Conduit Bank hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Bank during such period of forbearance.

9.2 PARTICIPATION.

Each Bank shall have the right to sell to any bank or other financial institution (a "Participant") a participating interest in such Bank's Extensions of Credit, CAF Advances or Commitment held by such Bank; provided, however, that, following any such sale, (a) such Bank's obligations under this Agreement shall remain unmodified and fully effective and enforceable against such Bank, (b) such Bank shall remain solely responsible to the Company and its Affiliates for the performance of such obligations, including, without limitation, its Commitment and the obligation of such Bank to fund Loans hereunder, (c) the Administrative Agent and the Company and any Affiliates which have borrowed hereunder shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement, (d) such Bank shall retain the sole right and responsibility to enforce the obligations of the Company and Affiliates hereunder, including, without limitation, the sole right to approve of or consent to any action hereunder or any amendment, modification or waiver hereof, except that such Bank may grant to a Participant a joint right to approve of or consent to any action, amendment, modification or waiver that would (i) reduce the amount or extend the time for payment (other than pursuant to Section 2.12) of any principal of, or interest on, the Loans or any CAF Advance, (ii) increase the amount of such Bank's Commitment or (iii) reduce the amount of the Facility Fee or the Utilization Fee, in each case, from that in effect at the time of the sale of the participating interest, provided that if such Bank so grants to a Participant a right to approve of or consent to a reduction in the Facility Fee and Utilization Fee, the term of the participating interest sold to such Participant shall not extend beyond, and unless earlier terminated such participating interest shall automatically terminate on, the day immediately prior to the day and month of the Effective Date next following the sale of such participating interest, and (e) any such participating interest shall be in a minimum amount of $5,000,000 or the Equivalent thereof on the date the participating interest is sold. On the month and day of the Effective Date of each year (or, if any such month and day of the Effective Date is not a Domestic Business Day, on the next succeeding Domestic Business Day), each relevant Bank shall furnish to the Administrative Agent and the Company a written notice disclosing the name of each Participant which held a participating interest in such Bank's

Commitment or any Loan held by such Bank at any time during the 12-month period ended on the day immediately prior to the day and month of the Effective Date next preceding such date. A Participant shall not be entitled to receive any greater payment under Section 10.3 or 10.4 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. Any Participant that is a foreign person (i.e., a person organized or incorporated under the laws of a country other than that under which the Company is incorporated, if it is the borrower, or an Affiliate is incorporated or organized, if such Affiliate is the borrower) shall not be entitled to the benefits of Section 10.4 unless such Participant complies with Section 10.4(c).

SECTION 10. CHANGE IN CIRCUMSTANCES

10.1 BASIS FOR DETERMINING INTEREST RATE INADEQUATE OR UNFAIR

The Banks shall have no obligation to make a new Eurocurrency Loan, to extend an outstanding Eurocurrency Loan or to convert an outstanding Loan into a Eurocurrency Loan if the Administrative Agent determines that:

(a) by reason of circumstances generally affecting all interbank markets for deposits in the currency in which the Eurocurrency Loan has been requested to be denominated (in the applicable amounts), LIBO Rates for such deposits are not being offered to the Banks for a term equal to any Interest Period for which such new Loan, extended Loan or converted Loan shall be requested by the Company or an Affiliate;

(b) based on notice received from the Required Banks, the LIBO Rate will not adequately and fairly reflect the cost to the Banks of maintaining or funding such new Loan, extended Loan or converted Loan as shall be requested by the Company or an Affiliate;

(c) deposits in the applicable currency are not generally available, or cannot be obtained by the Banks, in the applicable market (any Foreign Currency affected by the circumstances described in clause (a), (b) or (c) is referred to as an "Affected Foreign Currency").

Upon any such determination, the Administrative Agent shall give telecopy or telephonic notice thereof to the Company and the Banks as soon as practicable. If such notice is given (y) pursuant to clause (a) or (b) of this Section 10.1 in respect of Eurocurrency Loans denominated in United States dollars, then (i) any Eurocurrency Loans denominated in United States dollars requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (ii) any Base Rate Loans that were to have been converted on the first day of such Interest Period to Eurocurrency Loans denominated in United States dollars shall be continued as Base Rate Loans and (iii) any outstanding Eurocurrency Loans denominated in United States dollars shall be converted, on the last day of the then-current Interest Period, to Base Rate Loans and (z) in respect of any Foreign Currency Loans, then (i) any Foreign Currency Loans in an Affected Foreign Currency requested to be made on the first day of such Interest Period shall not be made and (ii) any outstanding Foreign Currency Loans in an Affected Foreign Currency shall be due and payable on the first day of such Interest Period. Until such relevant notice has been withdrawn by the Administrative Agent, no further Eurocurrency Loans denominated in United

States dollars or Foreign Currency Loans in an Affected Foreign Currency shall be made or continued as such, nor shall the Company have the right to convert Base Rate Loans to Eurocurrency Loans denominated in United States dollars.

10.2 ILLEGALITY

(a) If, after the date of this Agreement, the introduction of, or any change in, any applicable law or regulation or in the interpretation or administration thereof by any governmental, monetary, or regulatory authority charged with the interpretation or administration thereof or compliance by any Bank with any request or directive of any such authority shall make it unlawful for such Bank to make, maintain or fund any Loan or CAF Advance, such Bank shall give notice thereof to the Company and, if the Loan is to an Affiliate, to such Affiliate (in each case with a copy to the Administrative Agent). Before giving any notice pursuant to this Section 10.2, the relevant Bank shall designate a different lending office if such designation would avoid the need for giving such notice and it would not otherwise be disadvantageous to such Bank in its reasonable judgment. Upon receipt of such notice the Company shall or, if the Loan is to an Affiliate, the Affiliate shall on either (A) the last day of the then-current Interest Period applicable to such Loan or CAF Advance if such Bank may lawfully continue to maintain and fund such Loan to such day or (B) not later than the last date such Bank may lawfully continue to fund and maintain such Loan or CAF Advance, either (i) prepay in full, without premium or penalty, the then outstanding principal amount of each affected Loan or CAF Advance, together with accrued interest thereon, or (ii) convert such Loan into another category of Loan (which would not be unlawful for the relevant Banks to make) as provided in Section 2.12.

(b) Upon any prepayment of a CAF Advance or prepayment or conversion of a Loan made pursuant to Section 10.2(a) other than at the end of an Interest Period, the Company or the Affiliate, as applicable, shall reimburse the Bank upon demand for any loss incurred by it as a result of the timing of such prepayment or conversion, in the manner provided in Section 2.18.

10.3 INCREASED COST

(a) If (i) Regulation D of the Federal Reserve Board as in effect on the Effective Date ("Regulation D"), (ii) minimum reserve requirements of the Bank of England and/or the Financial Services Authority as in effect on the Effective Date ("Mandatory Cost Rate"), or (iii) after the date hereof, the adoption of any applicable law or regulation, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank with any request or directive of any such authority, central bank or comparable agency (a "Regulatory Change"):

(A) shall subject any Bank to any tax, duty or other charge with respect to Eurocurrency Loans or LIBO Rate CAF Advances or its obligation to make Eurocurrency Loans, or shall change the basis of taxation of payments to such Bank of the principal of or interest on Eurocurrency Loans or LIBO Rate CAF Advances or any other amounts due under this Agreement in respect of Eurocurrency Loans or LIBO Rate CAF Advances or its obligation to make Eurocurrency Loans (except for changes in the rate of tax on the

overall net income of such Bank or the Eurodollar Lending Office imposed by the jurisdictions in which such Bank's principal executive office or Eurodollar Lending Office are located); or

(B) shall impose, modify or cause to be applicable any reserve (including, without limitation, any imposed by the Federal Reserve Board), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, such Bank or the Eurodollar Lending Office or shall impose on such Bank (or the Eurodollar Lending Office) or all interbank markets applicable to such Eurocurrency Loans or LIBO Rate CAF Advances any other condition affecting the Eurocurrency Loans or LIBO Rate CAF Advances or its obligation to make Eurocurrency Loans;

and the result of any of the foregoing is to increase the cost to such Bank (or the Eurodollar Lending Office) of making or maintaining any Eurocurrency Loans or LIBO Rate CAF Advances, or to reduce the amount of any sum received or receivable by such Bank (or the Eurodollar Lending Office) under this Agreement, by an amount deemed by such Bank to be material, the Company shall pay or, if such Eurocurrency Loans are to Affiliates, such Affiliates shall pay to such Bank such additional amount or amounts as will compensate such Bank for any such increased cost or reduction incurred or suffered by such Bank from and after the later of (i) the date that is 15 days prior to receipt of notice from such Bank of such costs and (ii) the last date preceding receipt of such notice from such Bank on which interest was due and payable pursuant to Section 2.9 on any such LIBO Rate CAF Advance or Section 2.15 on any such Eurocurrency Loan. Any Bank which provides notice to the Company of increased costs pursuant to this Section 10.3(a) shall also provide a copy of such notice to the Administrative Agent.

(b) Without limiting the effect of the foregoing, so long as any Bank shall be required to maintain reserves against "Eurocurrency liabilities" under Regulation D (or, so long as such Bank may be required, by any Mandatory Cost Rate or by reason of any Regulatory Change, to maintain reserves against any other category of liabilities which includes deposits by reference to which the interest rate on Eurocurrency Loans or LIBO Rate CAF Advances is determined as provided in this Agreement or against any category of extensions of credit or other assets of such Bank which includes any LIBO Rate CAF Advances or Eurocurrency Loans) (such reserves are collectively called "Reserves") the Company shall pay or, if such Eurocurrency Loans are to Affiliates, such Affiliates shall pay to such Bank an amount (reasonably estimated by such Bank) for each day during each Interest Period for such LIBO Rate CAF Advances or Eurocurrency Loans equal to the product of the following:

(i) the principal amount of each LIBO Rate CAF Advance or Eurocurrency Loan to which such Interest Period relates; multiplied by

(ii) the difference between (A) a fraction, the numerator of which is the LIBO Rate (expressed as a decimal) applicable to such LIBO Rate CAF Advance or Eurocurrency Loan and the denominator of which is one (1) minus such Bank's Actual Reserve Cost (defined below) (expressed as a decimal) and (B) the LIBO Rate; multiplied by

(iii) 1/360.

For the purposes of this Section 10.3(b), the "Bank's Actual Reserve Cost" (which shall be reasonably estimated by the relevant Bank) shall be equal to the cost actually incurred by such Bank from time to time during such Interest Period as a result of the requirement that such Bank maintain Reserves with respect to such LIBO Rate CAF Advance or Eurocurrency Loan.

(c) If any Governmental Authority of the jurisdiction of any Foreign Currency (or any other jurisdiction in which the funding operations of any Bank shall be conducted with respect to such Foreign Currency) shall have in effect any reserve, liquid asset or similar requirement with respect to any category of deposits or liabilities customarily used to fund loans in such Foreign Currency, or by reference to which interest rates applicable to loans in such Foreign Currency are determined, and the result of such requirement shall be to increase the cost to such Bank of making or maintaining any Foreign Currency Loan in such Foreign Currency, and such Bank shall deliver to the Company a notice requesting compensation under this paragraph, then the Company will pay or cause the relevant Affiliate to pay to such Bank on each Interest Payment Date with respect to each affected Foreign Currency Loan an amount that will compensate such Bank for such additional cost.

(d) Notwithstanding any other provision of this Agreement, if, after the date hereof, there shall have occurred any change in national or international financial, political or economic conditions (including the imposition of or any change in exchange controls, but excluding conditions otherwise covered by this Section 10.3) or currency exchange rates which would make it impracticable for the Required Banks to make or maintain Foreign Currency Loans denominated in the relevant currency to, or for the account of, the Company or any Affiliate, then, by written notice to the Company or such Affiliate and to the Administrative Agent:

(i) such Bank or Banks may declare that Foreign Currency Loans (in the affected currency or currencies) will not thereafter (for the duration of such unlawfulness) be made by such Bank or Banks hereunder (or be continued for additional Interest Periods), whereupon any request for a Foreign Currency Loan (in the affected currency or currencies) or to continue a Foreign Currency Loan (in the affected currency or currencies), as the case may be, for an additional Interest Period) shall, as to such Bank or Banks only, be of no force and effect, unless such declaration shall be subsequently withdrawn; and

(ii) such Bank may require that all outstanding Foreign Currency Loans (in the affected currency or currencies), made by it be converted to Base Rate Loans or Loans denominated in United States dollars, as the case may be (unless repaid by the Company or the relevant Affiliate as described below), in which event all such Foreign Currency Loans (in the affected currency or currencies) shall be converted to Base Rate Loans or Loans denominated in United States dollars, as the case may be, as of the effective date of such notice as provided below and at the Exchange Rate on the date of such conversion or, at the option of the Company or the Affiliate, repaid on the last day of the then current Interest Period with respect thereto or, if earlier, the date on which the applicable notice becomes effective.

In the event any Bank shall exercise its rights under this paragraph (d), all payments and prepayments of principal that would otherwise have been applied to repay the converted Foreign Currency Loans of such Bank shall instead be applied to repay the Base Rate Loans or Loans denominated in United States dollars, as the case may be, made by such Bank resulting from such conversion. For purposes of Section 10.3(d), a notice to the Company or Affiliate by any Bank shall be effective as to each Foreign Currency Loan made by such Bank, if lawful, on the last day of the Interest Period currently applicable to such Foreign Currency Loan; in all other cases such notice shall be effective on the date of receipt thereof by the Company or Affiliate.

(e) Each Bank shall take reasonable steps, including without limitation, the designation of a different Eurodollar Lending Office or Foreign Currency Lending Office (unless it would otherwise be disadvantageous to the Bank in its reasonable judgment) if such steps would avoid the need for or reduce the amount of any payment that otherwise would be due under Section 10.3(a), 10.3(b) or 10.3(c). Any amounts payable by the Company or any Affiliate under Sections 10.3(a), 10.3(b) or 10.3(c) shall be remitted after the end of each Interest Period, within 30 days after submission by the Bank to the Company and such Affiliate (with a copy to the Administrative Agent) of a written statement setting forth the amount thereof.

(f) From time to time during the term of this Agreement, upon the request of the Company, each Bank shall provide to the Company (with a copy to the Administrative Agent) its best estimate of such Bank's Actual Reserve Cost incurred or to be incurred with respect to Eurocurrency Loans in the principal amounts specified in the Company's request.

10.4 WITHHOLDING TAXES

(a) Each Bank agrees to take reasonable measures, unless it would otherwise be disadvantageous to such Bank in its reasonable judgment to avoid or minimize withholding taxes in connection with any payments made to such Bank hereunder, including without limitation designating another office of the Bank as the lending office for a Loan.

(b) If the Company or any Affiliate shall be required by law to deduct or withhold any taxes from or in respect of any sum payable hereunder to the Administrative Agent or any Bank, then, subject to Sections 10.4(e) and 10.4(f):

(i) the Company or the Affiliate, as applicable, shall make such deductions;

(ii) the Company or the Affiliate, as applicable, shall pay the full amount deducted to the relevant taxation authority in accordance with applicable law, and shall provide to the Administrative Agent or such Bank upon its request any official receipts or other evidence of payment thereof that the Company or such Affiliate may obtain or have in its possession; and

(iii) if (A) the Administrative Agent or such Bank notifies the Company (pursuant to Section 2.6 or 2.12) at the time that the Company (on behalf of itself or an Affiliate) gives a notice of Borrowing or a notice to extend or convert any Loan that such Bank will require a Gross-up for withholding taxes in connection with such Loan, as so extended or converted, if applicable, or (B) no such notice was given by the

Administrative Agent or any Bank, but after a notice of Borrowing, extension or conversion pursuant to Section 2.6 or 2.12 in respect of such Loan was given a change in applicable law or regulation, or a change in the interpretation or administration thereof by any governmental or comparable authority, occurs that requires the Company or any Affiliate to so deduct or withhold taxes from or in respect of any sum payable to the Administrative Agent or such Bank, then the sum payable to the Administrative Agent or such Bank after the Company or the Affiliate makes all required deductions shall be increased by an amount such that the Administrative Agent or such Bank receives a total amount equal to the sum it would have received had no such deductions been made. If neither the Administrative Agent nor the affected Bank notifies the Company at or prior to the time that the Company (on behalf of itself or an Affiliate) gives a notice of Borrowing or a notice to extend or convert a Loan, as applicable, that the Administrative Agent or such Bank will require a Gross-up in connection with such Loan, as so extended or converted, if applicable, no Gross-up in respect of such Loan will be paid to the Administrative Agent or such Bank, except to the extent that a subsequent change in applicable law or regulation, or a change in the interpretation or administration thereof by any governmental or comparable authority, requires the Company or any Affiliate to deduct or withhold taxes (or an increased amount thereof) from or in respect of any sum payable to the Administrative Agent or such Bank in respect of such Loan. Notwithstanding anything contained in this Section 10.4, in the event that the Company shall fail to comply with its obligations under Section 7.2(b) with respect to a Loan, the Company shall pay (or cause its Affiliate to pay) to the Administrative Agent or affected Bank an amount such that the Administrative Agent or such Bank receives the amount it would have received had no such deductions been made with respect to payments in connection with such Loan.

(c) If a Bank or the Bank's lending office is a foreign person (i.e., a person organized or incorporated under the laws of a country other than that under which the Company is incorporated, if it is the borrower, or an Affiliate is incorporated or organized, if such Affiliate is the borrower), such Bank agrees that:

(i) it shall promptly deliver to the Administrative Agent and either the Company or the Affiliate such accurate and complete signed forms or documentation as may be required from time to time by any applicable law, treaty, rule or regulation as a condition to exemption or other relief from or reduction of tax for withholding purposes; and

(ii) it shall, before or promptly after the occurrence of any event (including the passing of time) requiring a change in or renewal of the most recent forms or documentation previously delivered by such Bank, deliver to the Administrative Agent and either the Company or the Affiliate, as applicable, accurate and complete signed copies of such forms or documentation.

(d) To the extent that, as determined in good faith by the Administrative Agent or any Bank in its sole discretion and without any obligation to disclose its tax records, taxes withheld and paid in accordance with this Section 10.4 for which a Gross-up has been paid have been irrevocably utilized by the Administrative Agent or such Bank (either as credits or deductions) to

reduce its tax liabilities and such utilization is consistent with its overall tax policies, the Administrative Agent or such Bank shall pay to the Company or the relevant Affiliate, as the case may be, an amount equal to such reduction obtained to the extent of such Gross-up paid by the Company or the Affiliate to the Administrative Agent or such Bank as aforesaid.

(e) Notwithstanding anything herein to the contrary, the Company and the Affiliates will not be required to pay any Gross-up in respect of taxes described below:

(i) if the obligation to pay such Gross-up would not have arisen but for a failure by a Bank to comply with its obligations under Section 10.4(c) in respect of the applicable lending office; or

(ii) if a Bank shall have delivered to the Company or an Affiliate any form or documentation required by Section 10.4(c) pursuant to which the Bank claims exemption from withholding tax by any jurisdiction or under any treaty of such jurisdiction, and the Bank shall not at any time be entitled to exemption from deduction or withholding of taxes by such jurisdiction in respect of payment by the Company or any Affiliate hereunder for the account of such lending office for any reason other than a change in such jurisdiction's law or regulations or any applicable tax treaty or regulations or in the official interpretation of any such law, treaty or regulations by any Governmental Authority charged with the interpretation or administration thereof after the date of delivery of such form or documentation.

(f) In the event any Bank sells or grants a participation in its rights under this Agreement or any Loan hereunder, such Bank agrees to undertake sole responsibility for complying with any withholding tax requirements relating to the purchaser thereof imposed by any jurisdiction, including, without limitation, those imposed by Sections 1441 and 1442 of the United States Internal Revenue Code of 1986, as amended.

10.5 REPLACEMENT OF BANKS. The Company shall be permitted to replace any Bank that (a) requests reimbursement for amounts owing pursuant to Section 10.3 or 10.4(b) or (b) defaults in its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Bank shall have taken no action under Section 10.3(e) or 10.4(a) so as to eliminate the continued need for payment of amounts owing pursuant to Section 10.3 or 10.4(b), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Bank on or prior to the date of replacement, (v) the Company shall be liable to such replaced Bank under Section 2.18 if any Eurocurrency Loan owing to such replaced Bank shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Bank, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Bank shall be obligated to make such replacement in accordance with the provisions of Section 9.1 (provided that the Company shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Company shall pay all additional amounts (if any) required pursuant to Section 10.3 or 10.4(b),

as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Company, the Administrative Agent or any other Bank shall have against the replaced Bank.

SECTION 11. THE AGENTS

11.1 APPOINTMENT

Each Bank hereby irrevocably designates and appoints the Administrative Agent as the agent of such Bank under this Agreement, and each such Bank irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Bank, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent.

11.2 DELEGATION OF DUTIES

The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care in consultation with the Company.

11.3 EXCULPATORY PROVISIONS

Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Banks for any recitals, statements, representations or warranties made by the Company or any Affiliate or any officer thereof contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or for any failure of the Company or any Affiliate to perform its obligations hereunder. The Agents shall not be under any obligation to any Bank to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Company or any Affiliate.

11.4 RELIANCE BY ADMINISTRATIVE AGENT

The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person or persons and upon advice and statements of legal counsel (including counsel to the Company or any Affiliate), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Required Banks (or, if so specified by this Agreement, all Banks) as it deems appropriate or it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Banks (or, if so specified by this Agreement, all Banks), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Banks and all future holders of the Loans.

11.5 NOTICE OF DEFAULT

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy unless the Administrative Agent has received notice from a Bank, the Company or an Affiliate referring to this Agreement, describing such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Banks. The Administrative Agent shall take such action with respect to such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy as shall be reasonably directed by the Required Banks (or, if so specified by this Agreement, all Banks); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy as it shall deem advisable in the best interests of the Banks.

11.6 NON-RELIANCE ON AGENTS AND OTHER BANKS

Each Bank expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of the Company or any Affiliate, shall be deemed to constitute any representation or warranty by any Agent to any Bank. Each Bank represents to the Agents that it has, independently and without reliance upon any Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of and

investigation into the business, operations, property, financial and other condition and creditworthiness of the Company and its Affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Bank also represents that it will, independently and without reliance upon any Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company and its Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Banks by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Company and its Affiliates that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

11.7 INDEMNIFICATION

The Banks agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Company and the Affiliates and without limiting the obligation of the Company and the Affiliates to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, the Loans, this Agreement, any documents contemplated by or referred to herein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

11.8 AGENT IN ITS INDIVIDUAL CAPACITY

Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company or an Affiliate as though such Agent were not an Agent. With respect to Loans made or renewed by it, each Agent shall have the same rights and powers under this Agreement as any Bank and may exercise the same as though it were not an Agent, and the terms "Bank" and "Banks" shall include each Agent in its individual capacity.

11.9 SUCCESSOR ADMINISTRATIVE AGENT

The Administrative Agent may resign as Administrative Agent upon 45 days' notice to the Banks and the Company. If the Administrative Agent shall resign as Administrative Agent under this Agreement, then the Required Banks shall appoint from among the Banks a successor administrative agent for the Banks, which successor administrative agent shall (unless an Event of Default under Section 8.1(a) or Section 8.3 with respect to the Company shall have occurred and be continuing) be subject to approval by the Company (which approval shall not be unreasonably withheld or delayed), whereupon such successor administrative agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor administrative agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor administrative agent has accepted appointment as Administrative Agent by the date that is 45 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Banks shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Banks appoint a successor administrative agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 11 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

11.10 SYNDICATION AGENT

The Syndication Agent shall not have any duties or responsibilities hereunder in its capacity as such.

SECTION 12. MISCELLANEOUS

12.1 NOTICES

Unless otherwise specified herein all notices, requests, demands or other communications to or from the parties hereto shall be in writing and shall be deemed to have been duly given and made, in the case of a letter, upon delivery or three days after deposit in the mail registered first class mail, postage prepaid; and in the case of a facsimile, when a facsimile is sent and receipt is telephonically confirmed; provided, however, that notices pursuant to Section 2.6, 2.8 or 2.12 or any other notices herein which are given by telephone shall not be effective until received by the party to whom notice is given. Unless otherwise specified herein, any such notice, request, demand, or communication shall be delivered or addressed as follows:

(a) if to the Company, to it at 5500 Auto Club Drive, Dearborn, Michigan 48126 U.S.A., Attention: Treasurer (or facsimile number 313-390-3322, Attention: Treasurer);

(b) if to an Affiliate, to it at the address or facsimile number of the Affiliate designated in the Accession Memorandum of such Affiliate;

(c) if to the Administrative Agent, to it at the Notice Office; and

(d) if to the Banks, to each Bank at the address set forth in the administrative questionnaire delivered to the Administrative Agent;

or at such other address or facsimile number as either party hereto may designate by written notice to the other party hereto.

12.2 TERM OF AGREEMENT

The term of this Agreement shall be until the termination of the Commitments or until the payment in full of the Loans and CAF Advances, whichever occurs last, provided that the obligations of the Company or any Affiliate with respect to any payment required to be made by it under this Agreement shall survive the term of this Agreement.

12.3 NO WAIVERS

No failure or delay by the Administrative Agent or any Bank 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.

12.4 NEW YORK LAW AND JURISDICTION

(a) THIS AGREEMENT AND EACH ACCESSION MEMORANDUM SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK.

(b) THE COMPANY AND THE AFFILIATES AND THE ADMINISTRATIVE AGENT AND THE BANKS EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND THE APPELLATE COURTS FROM ANY THEREOF, FOR PURPOSES OF ANY ACTION ARISING UNDER THIS AGREEMENT OR ANY ACCESSION MEMORANDUM, OR REGARDING ANY LOANS MADE HEREUNDER, AND EACH HEREBY AGREES THAT ANY DISPUTES RELATING TO THIS AGREEMENT OR ANY ACCESSION MEMORANDUM OR ANY LOANS MADE HEREUNDER SHALL BE RESOLVED ONLY IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK. EACH OF THE FOREGOING PARTIES HEREBY STIPULATES THAT THE VENUES REFERENCED IN THIS SECTION 12.4(b) ARE CONVENIENT AND EACH WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE RELATING TO THE VENUE OR CONVENIENCE OF SUCH COURTS. IF FOR ANY REASON CLAIMS HEREUNDER CANNOT BE PURSUED IN ANY OF THE FOREGOING COURTS OF NEW YORK, ALL REFERENCES IN THIS SECTION 12.4(b) TO THE COURTS OF NEW YORK SHALL INSTEAD BE DEEMED TO BE REFERENCES TO THE COURTS OF THE STATE OF

MICHIGAN AND OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN. ENFORCEMENT OF FINAL, NONAPPEALABLE JUDGMENTS RECEIVED IN ANY OF THE FOREGOING COURTS MAY ALSO BE SOUGHT IN ANY OTHER APPROPRIATE COURT OR JURISDICTION.

(c) The Secretary of the Company shall be the agent for service of process with regard to all claims hereunder by the Administrative Agent or Banks against any Affiliate.

12.5 ENTIRE AGREEMENT

This Agreement, together with any Accession Memoranda, constitutes the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes any prior discussions, negotiations, agreements and understandings. The parties hereto acknowledge that the general banking or business conditions or any similar bank lending rules or requirements of any organization not having the force of law, now or hereafter in effect shall not be applicable to this Agreement, the Accession Memoranda or any Loans made hereunder to the Company or any Affiliate by the Banks.

12.6 PAYMENT OF CERTAIN EXPENSES

(a) Except to the extent otherwise agreed upon in writing by the parties hereto, the Company agrees to pay or reimburse the Administrative Agent for all its out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent, with statements with respect to the foregoing to be submitted to the Company prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate.

(b) The Company, with respect to an Event of Default and Event of Default - Bankruptcy and Loans to it, or an Affiliate, with respect to an Affiliate Event of Default by such Affiliate and Loans to such Affiliate, will

(i) upon the occurrence of an Event of Default, Event of Default - Bankruptcy, or Affiliate Event of Default, as applicable, pay all reasonable out-of-pocket expenses incurred by the Administrative Agent and the Banks (including counsel fees) in connection with such Event of Default, Event of Default - Bankruptcy, or Affiliate Event of Default and collection and other enforcement proceedings resulting therefrom; and

(ii) pay all stamp and other taxes, if any, which may be determined to be payable in connection with the execution and delivery of this Agreement and any Accession Memoranda, or in connection with any modification of any Accession Memoranda or this Agreement or any waiver or consent under or in respect of this Agreement or any Accession Memoranda, and will save the Administrative Agent and the Banks harmless

against any loss or liability (including interest and penalties) resulting from nonpayment or delay in payment of any such taxes.

(c) If an Affiliate borrows a Foreign Currency Loan denominated in the euro from a Foreign Currency Lending Office that is not located in the same Participating Member State as the Affiliate, the Affiliate will pay all reasonable out-of-pocket expenses incurred by the Banks in making such cross-border Loan (but limited solely to expenses directly attributable to the cross-border nature of such Loan, and not including any withholding taxes which are addressed separately by Section 10.4). Each Bank shall take reasonable steps, including without limitation, the designation for purposes of such Loan of a Foreign Currency Lending Office located in a different country (unless it would otherwise be disadvantageous to such Bank in its reasonable judgment) if such steps would avoid or reduce such expenses.

(d) The Company and the Affiliate jointly and severally agree to pay, indemnify, and hold each Bank and the Administrative Agent and their respective officers, directors, employees, affiliates, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any environmental law applicable to the operations of the Company or any of its Subsidiaries or any of their respective owned or leased properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against the Company or any Affiliate (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that neither the Company nor any Affiliates shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Company and its Affiliates agree not to assert and to cause their Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to environmental laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 12.6 shall be payable not late than 10 days after written demand therefor.

(e) The obligations of the Company and the Affiliates under this Section 12.6 shall survive payment of the Loans.

12.7 JUDGMENT CURRENCY

If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from a party borrowing or making Loans hereunder in the currency expressed to be payable hereunder (for purposes of this Section 12.7, the "specified currency") into another currency, the rate of exchange used shall be the Spot Rate on the day that final, nonappealable judgment is given. The obligations of such parties hereunder in respect of any sum due to another party hereunder

shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Eurodollar Business Day following receipt by a party of any sum adjudged to be so due in such other currency such party may in accordance with normal, reasonable banking or foreign exchange procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such party, in the specified currency, the party which owed such sum agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify the party to which the sum was owed against such loss.

12.8 CHANGES, WAIVERS, ETC.; ADJUSTMENTS

(a) Neither this Agreement nor any provision hereof may be amended, supplemented, changed, waived, discharged or terminated orally, but only by a statement in writing signed by the Company and the Required Banks or, with the consent of the Required Banks, the Company and the Administrative Agent; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan or CAF Advance, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, or increase the amount or extend the termination date of any Bank's Commitment, in each case without the written consent of each Bank directly affected thereby; (ii) eliminate or reduce the voting rights of any Bank under this Section 12.8 without the written consent of such Bank; (iii) reduce any percentage specified in the definition of Required Banks, consent to the assignment or transfer by the Company of any of its rights and obligations under this Agreement, or release the Company from its guarantee obligations under Section 4 in each case without the written consent of all Banks; (iv) add currencies as Foreign Currencies under this Agreement without the written consent of all Banks; or (v) amend, modify or waive any provision of Section 11 without the written consent of each Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Banks and shall be binding upon the Company, the Affiliates, the Banks, the Agents and all future holders of the Loans. In the case of any waiver, the Company, the Affiliates, the Banks and the Administrative Agent shall be restored to their former position and rights hereunder, and any default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other default or Event of Default, or impair any right consequent thereon.

(b) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Bank, if any Bank (a "Benefitted Bank") shall receive any payment of all or part of the Obligations owing to it in a greater proportion than any such payment to any other Bank, if any, in respect of the Obligations owing to such other Bank, such Benefitted Bank shall purchase for cash from the other Banks a participating interest in such portion of the Obligations owing to each such other Bank as shall be necessary to cause such Benefitted Bank to share the excess payment ratably with each of the Banks; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Benefitted Bank, such purchase shall be rescinded and the purchase price returned, to the extent of such recovery, but without interest.

12.9 SEVERABILITY

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the extent permitted by law.

12.10 SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12.11 COUNTERPARTS

This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument. Complete sets of counterparts shall be delivered to the Company, the Administrative Agent and the Banks.

12.12 THIRD PARTY BENEFICIARIES

Each of the Affiliates of the Company and each office, branch or affiliate of the Administrative Agent and the Banks which make Loans or CAF Advances hereunder shall be a third party beneficiary of this Agreement.

12.13 ELECTRONIC RECORDING

The parties to this Agreement may electronically record any telephone communications with one another relating to any preliminary or final notices of any Borrowing, CAF Advance Borrowing, or any extension and conversion of Loans pursuant to Section 2.6, 2.8 or 2.12. In the event that any electronically recorded final notice of Borrowing, CAF Advance Borrowing or extension or conversion differs from the terms of the corresponding written notice of Borrowing, CAF Advance Borrowing or extension or conversion, the terms of the electronically recorded notice shall control.

12.14 AGGREGATION OR COMPARISON OF AMOUNTS IN DIFFERENT CURRENCIES; CALCULATION OF CERTAIN FEES

Whenever any provision of this Agreement requires the aggregation of two or more amounts denominated in different currencies (e.g., the aggregation of the principal amounts of Loans and CAF Advances outstanding in different currencies), or the comparison of two amounts denominated in different currencies (e.g., the requirement that the principal amount of Foreign Currency Loans not exceed an amount expressed in United States dollars), such amounts denominated in a Foreign Currency shall be notionally converted, for purposes of such aggregation or comparison, to the Equivalent thereof in United States dollars, such that the result of such aggregation or comparison shall be an amount or amounts expressed in United States dollars. Similarly, whenever any provision of this Agreement requires the calculation of a fee as

a per annum percentage of a particular amount (e.g., the Utilization Fee), the amounts upon which such fee is to be calculated shall be notionally converted to the Equivalent thereof in United States dollars, so that the result of such calculation shall be a fee amount expressed in United States dollars.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

VISTEON CORPORATION
By: /s/ Mary Winston

Mary Winston
Title: Vice President & Treasurer

JPMORGAN CHASE BANK, as Administrative Agent
and as a Bank

By: /s/ Julie S. Long

Julie S. Long
Title: Vice President

BANK OF AMERICA, N.A., as Syndication Agent
and as a Bank

By: /s/ Lynn Stetson

Title: Managing Director

SIGNATURE PAGE TO THE
364-DAY/1-YEAR TERM-OUT CREDIT AGREEMENT
JUNE 20, 2002

EXHIBIT 10.26

FIVE-YEAR TERM LOAN CREDIT AGREEMENT

DATED AS OF JUNE 25, 2002

AMONG

VISTEON CORPORATION, AS BORROWER,

THE SEVERAL BANKS
FROM TIME TO TIME PARTIES HERETO,

JPMORGAN CHASE BANK,
AS ADMINISTRATIVE AGENT,

AND

BANK OF AMERICA N.A.,
AS SYNDICATION AGENT

J.P. MORGAN SECURITIES INC. AND
BANC OF AMERICA SECURITIES, LLC,
AS JOINT LEAD ARRANGERS AND JOINT BOOKRUNNERS

TABLE OF CONTENTS

FIVE-YEAR TERM LOAN CREDIT AGREEMENT

This FIVE-YEAR TERM LOAN CREDIT AGREEMENT, dated as of June 25, 2002, is among VISTEON CORPORATION, a Delaware corporation (the "Company"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Banks"), JPMORGAN CHASE BANK, a New York banking corporation, as administrative agent (the "Administrative Agent"), and BANK OF AMERICA N.A., as syndication agent (the "Syndication Agent").

The Company desires to obtain a five-year term loan facility for itself in the aggregate amount of U.S. $250,000,000, and the Banks and Administrative Agent are willing to provide such term loan facility and to make Loans to the Company, subject to the terms and conditions set forth below.

SECTION 1. DEFINITIONS

The following terms, as used herein, have the following respective meanings:

"Accession Memorandum" means a memorandum of any Affiliate or a Special Purpose Borrower substantially in the form of Exhibit D hereto evidencing the agreement of the Affiliate or Special Purpose Borrower to be bound by the terms of this Agreement; provided that such a memorandum shall contain such changes or additional provisions as may be deemed necessary by mutual agreement of the Administrative Agent, Company, and the Affiliate or Special Purpose Borrower, as applicable, other than any changes to the interest rate applicable to any Loan, the Pricing Grid, any changes to or requests for additional financial covenants, any changes to or requests for collateral or other support for any Loan or any changes to the items described in Section 12.8(a).

"Affiliate" means any direct or indirect majority-owned subsidiary of the Company and any partnership of which the Company or a direct or indirect majority-owned subsidiary of the Company is a general or unlimited partner. For purposes of this definition, "majority-owned" means ownership of more than 50% of the capital stock of or other equity interest in, or more than 50% of the voting power with respect to, an entity.

"Affiliate Event of Default" has the meaning set forth in Section 8.2.

"Agents" means the Administrative Agent and the Syndication Agent collectively.

"Aggregate Exposure" means, with respect to any Bank at any time, an amount equal to the principal amount of such Bank's Loans then outstanding plus the amount of such Bank's Available Commitment then in effect or, if the Commitments have been terminated, the principal amount of such Bank's Loans.

"Aggregate Exposure Percentage" means, with respect to any Bank at any time, the ratio (expressed as a percentage) of such Bank's Aggregate Exposure at such time to the Aggregate Exposure of all Banks at such time.

"Aggregate Loans" means the total principal amount of all outstanding Loans.

"Agreement" means this Five-Year Term Loan Credit Agreement, together with the exhibits hereto, as amended from time to time.

"Annual Report" has the meaning set forth in Section 7.1(a).

"Assignment and Acceptance" means an Assignment and Acceptance, substantially in the form of Exhibit C.

"Availability Period" means the period from and including the Effective Date to the Commitment Termination Date.

"Available Commitment" means as to any Bank at any time during the Availability Period, an amount equal to the excess, if any, of (a) such Bank's Commitment then in effect over (b) the aggregate principal amount of such Bank's Loans then outstanding.

"Banks" has the meaning provided in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Banks shall be deemed to include any Conduit Bank.

"Bank's Actual Reserve Cost" has the meaning set forth in Section 10.3(b).

"Base Rate" means for any day the greater of (i) an annual rate of interest equal to that announced generally from time to time by the Administrative Agent at its Domestic Lending Office as its prime rate, base rate or equivalent rate and in effect on such day and (ii) the Federal Funds Effective Rate plus 0.50%.

"Base Rate Loan" means any Loan hereunder denominated in United States dollars which the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower specifies pursuant to Section 2.6 or Section 2.12 as a Base Rate Loan.

"Base Rate Margin" means the applicable amount as set forth on the Pricing Grid.

"Benefitted Bank" has the meaning set forth in Section 12.8(b).

"Bilateral Revolving Credit Agreements" means the bilateral Five-Year Credit Agreements and the bilateral 364-Day/2-Year Term-Out Credit Agreements entered into between the Company and certain Banks prior to June 20, 2002.

"Borrowing" means a borrowing hereunder consisting of a Loan made to the Company, any Affiliate or the Special Purpose Borrower by any Bank. A Borrowing is a "Domestic Borrowing" if such Loan is a Domestic Loan or a "Eurodollar Borrowing" if such Loan is a Eurodollar Loan.

"Commitment" means, as to any Bank, the obligation of such Bank, if any, to make Loans during the Availability Period in an aggregate principal amount not to exceed the amount set forth under the heading "Commitment" opposite such Bank's name on Schedule 1 or in the

Assignment and Acceptance pursuant to which such Bank became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

"Commitment Fee" has the meaning set forth in Section 2.3(a).

"Commitment Quarter" means each three-month period ending on September 30, December 31, March 31 and June 30 which falls (in whole or in part) within the Availability Period.

"Commitment Termination Date" has the meaning set forth in Section 2.1(b).

"Conduit Bank" means any special purpose corporation organized and administered by any Bank for the purpose of making Loans otherwise required to be made by such Bank and designated by such Bank in a written instrument; provided, that the designation by any Bank of a Conduit Bank shall not relieve the designating Bank of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Bank fails to fund any such Loan, and the designating Bank (and not the Conduit Bank) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Bank, and provided, further, that no Conduit Bank shall (a) be entitled to receive any greater amount pursuant to Section 2.18, 10.3, 10.4 or 12.6 than the designating Bank would have been entitled to receive in respect of the extensions of credit made by such Conduit Bank or (b) be deemed to have any Commitment.

"Consolidated EBITDA" means for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, (c) amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (d) depreciation and amortization expense, (e) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (f) any non-recurring expenses or losses, and (g) with respect to any discontinued operation, any loss resulting therefrom; and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (i) to the extent included in the statement of such Consolidated Net Income for such period, any non-recurring income or gains or (ii) with respect to any discontinued operation, any gain resulting therefrom, all as determined on a consolidated basis. For the purposes of calculating Consolidated EBITDA during any four quarter period in which a Material Acquisition or a Material Disposition has occurred, Consolidated EBITDA for such period shall be calculated after giving pro forma effect to such Material Acquisition or Material Disposition as if such Material Acquisition or Material Disposition occurred on the first day of such four quarter period.

"Consolidated Leverage Ratio" means as of the end of any fiscal quarter, the ratio of (a) Consolidated Total Debt as of such date to (b) Consolidated EBITDA for the period of four fiscal quarters ending as of such date.

"Consolidated Net Income" means for any period, the consolidated net income (or loss) of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Assets" means, as of the date of determination, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Company and its Subsidiaries at such date.

"Consolidated Total Debt" means, as of any date and without duplication, the aggregate principal amount of all Indebtedness of the Company and its Subsidiaries on a consolidated basis minus Consolidated Total Net Cash as of such date.

"Consolidated Total Net Cash" means, as of any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption "cash and cash equivalents" (or any like caption) on a consolidated balance sheet of the Company and its Subsidiaries at such date.

"Domestic Business Day" means any day, except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or obligated by law or regulation to close.

"Domestic Funding Office" means the office of the Administrative Agent specified in Exhibit B hereto or such other office as may be specified from time to time by the Administrative Agent by written notice to the Company, the Special Purpose Borrower and the Banks as its funding office for the purpose of funding or payment of Domestic Loans.

"Domestic Lending Office" means, as to any Bank, the office, branch or affiliate of such Bank in the continental United States specified as such in Exhibit B hereto or such other office, branch or affiliate of such Bank in the continental United States as it may hereafter designate as the Domestic Lending Office by notice to the Administrative Agent.

"Domestic Loan" means any Loan made pursuant to Section 2.1 which the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower specifies pursuant to Section 2.6 or Section 2.12 as a Base Rate Loan.

"Effective Date" means June 25, 2002.

"ERISA" means the Employee Retirement Income Security Act of 1974 of the United States, as amended.

"Eurodollar Business Day" means any day, except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or obligated by law or regulation to close, on which commercial banks in New York City are open for trading in United States dollar deposits in the interbank eurodollar market.

"Eurodollar Funding Office" means the office of the Administrative Agent specified in Exhibit B hereto or such other office as may be specified from time to time by the Administrative Agent by written notice to the Company, the Special Purpose Borrower and the Banks as its funding office for the purpose of funding or payment of Eurodollar Loans.

"Eurodollar Lending Office" means, as to any Bank, the office, branch or affiliate of such Bank specified as such in Exhibit B hereto or such other office, branch or affiliate of such Bank as it may hereafter designate as the Eurodollar Lending Office by notice to the Administrative Agent.

"Eurodollar Loan" means any Loan made pursuant to Section 2.1 which the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower specifies pursuant to Section 2.6 or Section 2.12 as a Eurodollar Loan.

"Eurodollar Margin" means the applicable amount as set forth on the Pricing Grid.

"Event of Default" has the meaning set forth in Section 8.1.

"Event of Default - Bankruptcy" has the meaning set forth in Section 8.3.

"Federal Funds Effective Rate" means for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Domestic Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Domestic Business Day, the average of the quotations for the day of such transactions received by JPMorgan Chase Bank from three federal funds brokers of recognized standing selected by it.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States, or any successor thereto.

"Fee Payment Date" means each of (a) the tenth Domestic Business Day following the last day of each Commitment Quarter and (b) the Commitment Termination Date.

"GAAP" means generally accepted accounting principles in the United States as applied to the Company.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Gross-up" means the amount payable to the Administrative Agent or any Bank to account for required deductions for withholding taxes as provided in Section 10.4.

"Guarantee" means the guarantee and other obligations of the Company set forth in Section 4.

"Guaranteed Obligations" has the meaning set forth in Section 4.

"Indebtedness" means, as of any date, the amount outstanding on such date under notes, bonds, debentures, commercial paper, or other similar evidences of indebtedness for money borrowed.

"Interest Period" means with respect to each Eurodollar Loan:

(a) initially, the period commencing on the date of Borrowing with respect to such Loan (or in the case of a Loan which has been converted into a Eurodollar Loan, on the date specified in Section 2.12) and ending one, two, three or six months thereafter, as the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower may elect pursuant to Section 2.6 or Section 2.12; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period for such Borrowing and ending one, two, three or six months thereafter, as the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower may elect pursuant to Section 2.12;

provided, however, that:

(i) any such Interest Period which would otherwise end on a day which is not a Eurodollar Business Day shall be extended to the next succeeding Eurodollar Business Day unless such Eurodollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Eurodollar Business Day;

(ii) any such Interest Period which begins on the last Eurodollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on a day which is the last Eurodollar Business Day of the applicable calendar month; and

(iii) neither the Company (on behalf of itself or an Affiliate) nor the Special Purpose Borrower may elect an Interest Period that would end later than the Maturity Date.

"LIBO Rate" means with respect to any Eurodollar Loan for any Interest Period, the London interbank offered rate for deposits in United States dollars appearing on Telerate Page 3750 as of 11:00 a.m. (London, England time) two Eurodollar Business Days prior to the beginning of such Interest Period for the period commencing on the date of such Eurodollar Loan and ending on a maturity date comparable to that of the applicable Interest Period. In the event that such rate does not appear on Page 3750 of the Telerate screen, the "LIBO Rate" shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered deposits in identical currencies at or about 11:00 a.m., New York City time, two Eurodollar Business Days prior to the beginning of such Interest Period in the interbank eurocurrency market where its eurocurrency and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Lien" means any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

"Loan" means any Domestic Loan or Eurodollar Loan.

"Mandatory Cost Rate" has the meaning set forth in Section 10.3.

"Material Acquisition" means any one or more acquisitions of any business entity or entities, or of any operating unit or units of any business entity or entities, that become consolidated with the Company in accordance with GAAP and that involve the payment of consideration (including, without limitation, the assumption of debt) by the Company and its Subsidiaries in excess of $25,000,000 in the aggregate during any fiscal quarter of the Company.

"Material Disposition" means any one or more dispositions by the Company or a Subsidiary of any business entity or entities, or of any operating unit or units of the Company or a Subsidiary, that become unconsolidated with the Company in accordance with GAAP and that involve the receipt of consideration by the Company and its Subsidiaries in excess of $25,000,000 in the aggregate during any fiscal quarter of the Company.

"Maturity Date" means June 25, 2007.

"New Corporate Offices" has the meaning set forth in Section 6.4.

"Normal Banking Hours" with respect to the Notice Office of the Administrative Agent means the period from 9:00 a.m. to 5:00 p.m. in the time zone in which the Notice Office is located on a Domestic Business Day.

"Note" means any promissory note evidencing Loans.

"Notice Office" means the office of the Administrative Agent in the continental United States specified as such in Exhibit B hereto or such other office of the Administrative Agent in the continental United States as it may hereafter designate as the Notice Office by notice to the Company, the Affiliates and the Special Purpose Borrower.

"Obligations" means the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, any Affiliate or the Special Purpose Borrower whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Company, each Affiliate and the Special Purpose Borrower to the Administrative Agent or to any Bank, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other document made, delivered or given in connection herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Bank that are required to be paid by the Company pursuant hereto) or otherwise.

"Operative Agreement" has the meaning set forth in the definition of Special Purpose Borrower.

"Participant" has the meaning set forth in Section 9.2.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan" means an employee benefit plan or other plan (other than a multi-employer benefit plan) maintained by the Company or its Subsidiaries (including the Company) for employees of the Company and its Subsidiaries (including the Company) and covered by Title IV of ERISA.

"Pricing Grid" means the pricing grid set forth below and based on the Company's long-term senior unsecured non-credit-enhanced debt ratings as provided by Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies, Inc. ("S&P") or Moody's Investors Service, Inc. ("Moody's"):

Long-Term Senior Unsecured Non-Credit-Enhanced Debt Rating Eurodollar Base Rate (higher of) Margin Margin S&P/Moody's (bps.) (bps.) ---------- ---------- --------- >BBB/Baa2 100.0 0.0 BBB/Baa2 112.5 12.5 The applicable Eurodollar Margin and Base Rate Margin shall be determined based upon the long-term senior unsecured non-credit-enhanced debt ratings as provided by the S&P or Moody's. In the event that the S&P and Moody's ratings of the Company are not equivalent, the applicable Eurodollar Margin and Base Rate Margin will be determined by the higher rating. In the event that either S&P or Moody's ceases to provide a long-term senior unsecured non-credit-enhanced debt rating for the Company, the applicable Eurodollar Margin and Base Rate Margin will be determined by reference to the rating issued by the other rating agency. For any period in which neither S&P nor Moody's provides a long-term senior unsecured non-credit-enhanced debt rating for the Company, the rating shall for purposes of this definition be 9 "Required Banks" means, at any time, holders of more than 50% of the Aggregate Exposures of all Banks then in effect. "Reserves" has the meaning set forth in Section 10.3(b). "Sale-Leasebacks" has the meaning set forth in Section 7.4. "Senior Debt" has the meaning set forth in Section 7.6. "Special Purpose Borrower" means any domestic special purpose entity which (i) owns the New Corporate Offices and the real estate incidental thereto and (ii) leases or otherwise conveys to the Company or any of its Subsidiaries the right to own, occupy or use the New Corporate Offices pursuant to the terms and conditions of an agreement (the "Operative Agreement") in form and substance reasonably acceptable to the Administrative Agent; provided, that the Company may not designate more than one Special Purpose Borrower hereunder during the term of this Agreement. The provisions of this Agreement applicable to a Special Purpose Borrower and any special purpose entity pursuant to the last paragraph of Section 8.2 shall only apply to any Special Purpose Borrower or any such special purpose entity from and after the date on which the Company designates a Special Purpose Borrower hereunder. "Subsidiary" means a corporation, partnership, limited liability company or other entity which would be consolidated on the balance sheets of the Company and its Subsidiaries in accordance with GAAP. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company. For purposes of the definition of "Consolidated Total Debt", "Subsidiary" shall be deemed to include the Special Purpose Borrower, if any. "10-K Report" has the meaning set forth in Section 7.1(a). "10-Q Report" has the meaning set forth in Section 7.1(b). "United States dollars" and "$" mean the lawful currency of the United States. SECTION 2. THE LOANS 2.1 THE COMMITMENT; COMMITMENT TERMINATION DATE (a) Subject to the terms and conditions set forth in this Agreement, each Bank agrees to make up to an aggregate of twenty (20) Loans to the Company, the Affiliates and the Special Purpose Borrower from time to time during the Availability Period in an aggregate principal amount not exceeding the amount of such Bank's Commitment. The Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower and notified to the Administrative Agent in accordance with Sections 2.6 and 2.12. The Commitments shall automatically be reduced on the date of any Borrowing (after giving effect to such Borrowing) by the amount of any such Borrowing.

10 (b) The "Commitment Termination Date" shall be December 31, 2005. The unused portion of the Commitment of each Bank, if any, shall automatically terminate on the Commitment Termination Date. 2.2 PROCEEDS OF LOANS The principal amount of each Loan shall be disbursed to the Company, an Affiliate or the Special Purpose Borrower, as applicable, on the date of Borrowing of such Loan in United States dollars in immediately available funds to the account of the Company, the Affiliate or the Special Purpose Borrower, as applicable, specified by the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower to the Administrative Agent from time to time. 2.3 COMMITMENT FEE The Company shall pay to the Administrative Agent for the account of each Bank a commitment fee (the "Commitment Fee") during the Availability Period at a rate per annum of 0.15% on the daily average undrawn amount of the Commitment of such Bank during the Commitment Quarter for which the Commitment Fee is being paid. The Commitment Fee with respect to each Commitment Quarter shall be payable in arrears on each Fee Payment Date and shall be computed on the basis of a year of 365 (or 366) days for the actual number of days for which due. The Commitment Fee shall be payable to the Administrative Agent and shall be transmitted via the National Automated Clearing House Association electronic payments network in the United States to an account in the continental United States specified by the Administrative Agent from time to

time by notice to the Company. 2.4 [RESERVED] 2.5 OPTIONAL TERMINATION OR REDUCTION OF COMMITMENTS The Company may at any time or from time to time during the Availability Period, upon three Domestic Business Days' written notice to the Administrative Agent at the Notice Office, (a) terminate the Commitments or (b) reduce the unused portion of the Commitments. From the effective date of any such termination or reduction, the Commitment Fee specified in Section 2.3 shall cease to accrue or shall be correspondingly reduced, provided that no such termination or reduction shall affect the Company's obligation to pay the Commitment Fee to the extent theretofore accrued. If the Company terminates the Commitments in their entirety, such accrued Commitment Fee shall be payable within 30 days after the effective date of such termination in the manner provided in Section 2.3. Any termination or reduction of the unused portion of the Commitments by the Company pursuant to this Section 2.5 shall be in an amount equal to $1,000,000, or a whole multiple thereof, and shall be irrevocable. 2.6 NOTICE OF BORROWING; PROCEDURE With respect to each Domestic Borrowing, the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower, as applicable, shall give notice of the Borrowing to the Administrative Agent at the Notice Office no later than the date of such Borrowing, but not later than 11:00 a.m. (New York City time) on such date. With respect to each Eurodollar Borrowing,

11 the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower shall give notice of the Borrowing to the Administrative Agent at the Notice Office no later than three Eurodollar Business Days prior to the date of such Borrowing, but not later than 11:00 a.m. (New York City time) on such date. In each case, the notice shall be given by telephone (and shall be promptly confirmed in a writing substantially in the form of Exhibit A-1, in the case of a Loan to the Company or an Affiliate, or Exhibit A-2, in the case of a Loan to the Special Purpose Borrower) and shall specify: (a) The borrower; (b) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing or a Eurodollar Business Day in the case of a Eurodollar Borrowing; (c) the amount of such Borrowing, which shall be not less than $5,000,000; (d) whether the Loan comprising such Borrowing is to be a Base Rate Loan or a Eurodollar Loan; (e) if such Loan is to be a Eurodollar Loan, the duration of the initial Interest Period; and (f) whether any Bank has requested a Gross-up pursuant to the next succeeding sentence. At the time that the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower gives a notice of Borrowing, each Bank shall telephonically notify the Company or the Special Purpose Borrower, as applicable, and the Administrative Agent whether such Bank will require a Gross-up for withholding taxes in connection with such Loan (as provided in Section 10.4). A notice of Borrowing, once given to the Administrative Agent, shall not be revocable by the Company (on behalf of itself or an Affiliate) or Special Purpose Borrower, except in the event that any Bank notifies the Company or Special Purpose Borrower at the time the it gives notice of the Borrowing that a Gross-up will be required, in which case, the Company (on behalf of itself or an Affiliate) may promptly withdraw the notice of Borrowing. Upon receipt of any such notice of Borrowing from the Company or the Special Purpose Borrower, the Administrative Agent shall promptly notify each Bank thereof. Each Bank will make the amount of its pro rata share of each Borrowing available to the Administrative Agent for the account of the Company, an Affiliate or the Special Purpose Borrower at the Domestic Funding Office in the case of Domestic Loans or the Eurodollar Funding Office in the case of Eurodollar Loans in each case prior to 12:00 Noon, local time, on the date of Borrowing requested by the Company or Special Purpose Borrower in funds immediately available to the Administrative Agent. Such Borrowing will then be made available to the Company, the Affiliate or the Special Purpose Borrower, whichever is the borrower, by the Administrative Agent crediting the account of the Company, the Affiliate or the Special Purpose Borrower on

12 the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Banks and in like funds as received by the Administrative Agent. 2.7 [RESERVED] 2.8 [RESERVED] 2.9 [RESERVED] 2.10 [RESERVED] 2.11 [RESERVED] 2.12 EXTENSION OF TERM OF LOANS; CONVERSION OF LOANS (a) The Company (on behalf of itself or any Affiliate which has borrowed hereunder) or Special Purpose Borrower may, at its option, elect (i) to extend any outstanding Eurodollar Loan or (ii) to convert any outstanding Base Rate Loan into a Eurodollar Loan or any outstanding Eurodollar Loan into a Base Rate Loan, in each case, by giving notice to the Administrative Agent at the Notice Office. (b) An outstanding Loan may be converted pursuant to Section 2.12(a) only on a day which meets both of the following requirements: (i) an outstanding Loan may only be converted on a day which is (A) if such outstanding Loan is a Domestic Loan, a Domestic Business Day or (B) if such outstanding Loan is a Eurodollar Loan, a Eurodollar Business Day; and (ii) an outstanding Loan may only be converted into (A) a Domestic Loan on a Domestic Business Day or (B) a Eurodollar Loan on a Eurodollar Business Day. Subject to the requirements of this Section 2.12(b), an outstanding Loan may be converted on the last day of the then-existing Interest Period for such Loan (if such Loan has an Interest Period) or at any time (if such Loan does not have an Interest Period), as provided in Section 2.12(b), or, in the case of a Loan having an Interest Period, at times other than the last day of an Interest Period, as provided in Section 2.12(f). (c) The notice by the Company or Special Purpose Borrower to the Administrative Agent of an election pursuant to Section 2.12(a) to extend any outstanding Loan, to convert any outstanding Loan on the last day of the then-existing Interest Period (if the outstanding Loan has an Interest Period) or to convert any outstanding Loan which does not have an Interest Period shall be given by telephone (and shall be promptly confirmed in a writing substantially in the form of Exhibit A hereto) as follows: (i) if such outstanding Loan is a Eurodollar Loan to be extended as such, by giving notice no later than three Eurodollar Business Days prior to the last day of the

13 then-existing Interest Period with respect to such Loan, but not later than 11:00 a.m. (New York City time) on such day; (ii) if such outstanding Loan is a Eurodollar Loan which is to be converted into a Domestic Loan, by giving notice not later than 11:00 a.m. (New York City time) on the last day of the then-existing Interest Period with respect to such outstanding Loan; and (iii) if such outstanding Loan is a Domestic Loan which is to be converted into a Eurodollar Loan, by giving notice no later than three Eurodollar Business Days, but not later than 11:00 a.m. (New York City time) on such date, prior to the day on which the Company, Affiliate or Special Purpose Borrower, as applicable, desires the conversion of such outstanding Loan to be made effective. (d) Each notice given by the Company or Special Purpose Borrower pursuant to this Section 2.12 shall specify: (i) whether such outstanding Loan is to be extended or converted; (ii) if such outstanding Loan is to be converted, the date such conversion should be effective; (iii) if such outstanding Loan is to be extended and is a Eurodollar Loan, the Interest Period for the Loan as so extended; (iv) if such outstanding Loan is to be converted, whether such Loan is to be converted into a Base Rate Loan or Eurodollar Loan; (v) if such outstanding Loan is to be converted into a Eurodollar Loan, the Interest Period therefor; and (vi) whether the Administrative Agent or any Bank has requested a Gross-up pursuant to subsection (g) below. (e) With respect to each outstanding Loan which shall be extended or converted pursuant to this Section 2.12: (i) the Company, the Affiliate or Special Purpose Borrower, whichever is the borrower, shall pay to the Administrative Agent for the account of each Bank all accrued and unpaid interest with respect to such outstanding Loan, (A) if such Loan is a Eurodollar Loan, on the last day of the then-existing Interest Period with respect to such outstanding Loan; or (B) if such Loan is a Base Rate Loan, or if pursuant to Section 2.12(f) the Loan is being converted on a day other than the last day of the then-existing Interest Period, on the day such outstanding Loan is converted;

14 (ii) no repayment of the principal amount of such outstanding Loan shall be required; and (iii) the Loan to be outstanding upon the extension or conversion of an outstanding Loan shall not be deemed to be a new Loan under Section 5.1 of this Agreement. (f) Subject to the requirements of Sections 2.12(a) and 2.12(b), any outstanding, Eurodollar Loan may be converted pursuant to this Section 2.12 at times other than the last day of an Interest Period; provided, however, that (i) the Company's or Special Purpose Borrower's notice with respect to any such conversion shall be given no later than in the case of a conversion of an outstanding Eurodollar Loan into a Domestic Loan, the date of such conversion, but not later than 11:00 a.m. (New York City time) on such date; and (ii) the Company, the Affiliate or the Special Purpose Borrower, whichever is the borrower, shall reimburse the Bank on demand for any loss incurred by it as a result of the timing of any such conversion in an amount determined as provided in Section 2.18 with respect to prepayments. (g) At the time that the Company (on behalf of itself or an Affiliate) or Special Purpose Borrower gives a notice to extend or convert any Loan pursuant to the requirements of this Section 2.12, each Bank shall telephonically notify the Company or the Special Purpose Borrower, as applicable, and the Administrative Agent whether such Bank will require a Gross-up for withholding taxes in connection with such Loan as so extended or converted (as provided in Section 10.4). A notice to extend or convert any Loan, once given to the Administrative Agent, shall not be revocable by the Company or Special Purpose Borrower, except in the event that any Bank notifies the Company or Special Purpose Borrower, as applicable, at the time it gives notice to extend or convert a Loan that a Gross-up will be required, in which case, the Company (on behalf of itself or the Affiliate) or Special Purpose Borrower, as applicable, may promptly withdraw the notice to extend or convert the Loan. 2.13 REGISTER The Administrative Agent shall, on behalf of the Company, the Affiliates and the Special Purpose Borrower, maintain at one of its offices a register for the recordation of the names and addresses of the Banks and the Commitment of, and the principal amount of the Loans owing to each Bank from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Company, the Affiliates, the Special Purpose Borrower, the Administrative Agent and the Banks shall treat each Person whose name is recorded in the Register as the owner of the Loans (and any Notes evidencing the Loans) recorded therein for all purposes of this Agreement. Any assignment of any Loan pursuant to Section 9.1, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and any Note evidencing such Loan shall expressly so provide). Any assignment or transfer of all or part of a Loan shall be registered on the Register only upon

15 presentation of a duly executed Assignment and Acceptance and, if such Loan is evidenced by a Note, surrender of such Note for registration of assignment or transfer. 2.14 INTEREST RATES (a) Each Loan shall bear interest on the outstanding principal amount thereof, as follows: (i) with respect to each Base Rate Loan, at a fluctuating rate per annum equal to the sum of (x) the Base Rate in effect from time to time while such Base Rate Loan is outstanding and (y) the Base Rate Margin; and (ii) with respect to each Eurodollar Loan, during each Interest Period applicable thereto at a rate per annum equal to the sum of (x) the LIBO Rate applicable to such Interest Period and (y) the Eurodollar Margin. (b) Interest on Base Rate Loans shall be computed on the basis of a year of 365 (or 366) days and paid for the actual number of days for which due. Interest on Eurodollar Loans shall be computed on the basis of a year of 360 days and paid for the actual number of days for which due. Interest for each Interest Period with respect to a Eurodollar Loan shall be calculated from and including the first day thereof to but excluding the last day thereof. 2.15 INTEREST PAYMENT DATES Interest on each Loan shall be payable as follows: (a) with respect to each Base Rate Loan, on each March 31, June 30, September 30 and December 31 that such Loan is outstanding, and upon payment in full of such Loan; and (b) with respect to each Eurodollar Loan, (i) if the current Interest Period for such Eurodollar Loan is one month, two months or three months, on the last day of such Interest Period or (ii) if the current Interest Period for such Eurodollar Loan is six months, on the last day of the third month and on the last day of the sixth month of such Interest Period, and upon payment in full of such Loan. 2.16 OVERDUE PRINCIPAL AND INTEREST Any overdue principal of the Loans and, to the extent permitted by law, overdue interest thereon, shall bear interest payable on demand for each day from the date payment thereof was due to the date of actual payment, as follows: (a) with respect to each Base Rate Loan, at a rate per annum equal to 1% plus the sum of (x) the Base Rate in effect from time to time while such Loan is overdue and (y) the Base Rate Margin; and (b) (i) with respect to overdue principal on each Eurodollar Loan, at a daily rate, which shall be calculated by the Administrative Agent (whose determination shall be conclusive

16 in the absence of manifest error) and shall be a rate per annum equal to the sum of (A) 1% plus (B) the Eurodollar Margin plus (C) the LIBO Rate, and (ii) with respect to overdue interest on each Eurodollar Loan, at the rate per annum equal to the sum of (X) 1% plus (Y) the Eurodollar Margin plus (Z) the interest rate per annum at which deposits in the amount of such overdue interest are offered to the Administrative Agent by other leading banks, as determined by the Administrative Agent, in the London interbank market for a period of one day, or if no such rate is available, one month (or, if such amount remains unpaid more than three Eurodollar Business Days, then for such other period of time not longer than six months as the Administrative Agent may elect). 2.17 DATES FOR PAYMENT OR OPTIONAL PREPAYMENT OF PRINCIPAL Each of the Company, each Affiliate and the Special Purpose Borrower unconditionally promises to repay the unpaid principal amount of each Loan made to it on the Maturity Date. Each of the Company, each Affiliate and the Special Purpose Borrower may, at its option, prepay the principal amount of any Loan made to it, in whole or in part, without penalty or premium, as follows: (a) with respect to any Base Rate Loan, on any Domestic Business Day, provided that the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower, as applicable, deliver an irrevocable notice of prepayment to the Administrative Agent no later than 11:00 a.m., New York City time, on such date, which notice shall specify the date and amount of prepayment; and (b) with respect to any Eurodollar Loan on the last day of any Interest Period therefor, provided that the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower, as applicable, deliver an irrevocable notice of prepayment to the Administrative Agent no later than 11:00 a.m., New York City time, three Eurodollar Business Days prior to such date, which notice shall specify the date and amount of prepayment; in each case together with accrued interest on the amount prepaid to the date of prepayment. Amounts prepaid on account of the Loans may not be reborrowed. Partial prepayments of any Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple thereof 2.18 OPTIONAL PREPAYMENT ON OTHER DATES; REIMBURSEMENT FOR CERTAIN COSTS The Company, an Affiliate or the Special Purpose Borrower, may, at its option, prepay the principal amount of any Eurodollar Loan made to it, in whole or in part, at times other than those provided for in Section 2.17(b), in each case together with accrued interest on the amount prepaid to the date of prepayment; provided, however, that with respect to any such Loan the Company, the Affiliate or the Special Purpose Borrower, whichever is the borrower, shall reimburse each Bank on demand for any loss incurred by such Bank as a result of the timing of such payment, including without limitation, any loss incurred in liquidating or re-employing deposits from third parties but excluding loss of the Eurodollar Margin or any other profit for the period after such payment, provided that the amount of such loss shall in no event exceed the amount of interest that would have accrued from the date of prepayment to the last day of the then-current Interest Period in the

17 absence of prepayment, and the relevant Bank shall have delivered to the Company and, if the Company is not the borrower, the Affiliate or the Special Purpose Borrower, as applicable, a written statement setting forth the basis for determining such loss, which written statement shall be conclusive in the absence of manifest error. The Bank shall use its reasonable efforts to mitigate any loss resulting from any prepayment by the Company, the Affiliate or the Special Purpose Borrower. 2.19 METHOD OF PAYMENT All payments required to be made pursuant to this Agreement shall be made in immediately available funds (i) with respect to the Commitment Fee, in United States dollars to the account in the continental United States designated by the Administrative Agent pursuant to Section 2.3, (ii) with respect to payments relating to Loans (including, without limitation, principal, interest, any Gross-up or any payments pursuant to Section 2.18 or 10.3), in United States dollars to the Administrative Agent for the account of the Banks at (A) the Domestic Funding Office, with respect to each Domestic Loan, (B) the Eurodollar Funding Office, with respect to each Eurodollar Loan or (C) at such other location as may be agreed upon by the Administrative Agent and the Company, the Affiliate or the Special Purpose Borrower, as applicable, and (iii) with respect to any other payment due hereunder, in such currency and in such place or office as may be required hereunder or as may be agreed upon by the Administrative Agent and the Company, an Affiliate or the Special Purpose Borrower, as applicable. The Administrative Agent shall distribute such payments to the Banks promptly upon receipt in like funds as received. Whenever any payment of principal of, or interest on, any Domestic Loan or of the Commitment Fee shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended time. Whenever any payment of principal of, or interest on, any Eurodollar Loan shall be due on a day which is not a Eurodollar Business Day, the date for payment thereof shall be extended to the next succeeding Eurodollar Business Day, unless as a result thereof such date would fall in the next calendar month, in which case, such date shall be advanced to the next preceding Eurodollar Business Day, and, in the case of a payment of principal, interest thereon shall be payable to the date of payment as extended or advanced as the case may be. 2.20 PRO RATA TREATMENT AND PAYMENTS (a) Each Borrowing by the Company, any Affiliate or the Special Purpose Borrower from the Banks hereunder, each payment by the Company, an Affiliate or the Special Purpose Borrower on account of the Commitment Fee and any reduction of the Commitments of the Banks shall be made pro rata according to the respective undrawn Commitments of the Banks. (b) Each payment (including each prepayment) by the Company on account of principal of and interest on the Loans shall be made pro rata according to the respective outstanding amounts of principal and interest then due and owing to the Banks. (c) Unless the Administrative Agent shall have been notified in writing by any Bank prior to a Borrowing that such Bank will not make the amount that would constitute its

18 share of such Borrowing available to the Administrative Agent, the Administrative Agent may assume that such Bank is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Company a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing date, such Bank shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Bank makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Bank with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Bank's share of such Borrowing is not made available to the Administrative Agent by such Bank within three Domestic Business Days after such Borrowing date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans, on demand, from the Company, the Affiliate or the Special Purpose Borrower, as applicable. (d) Unless the Administrative Agent shall have been notified in writing by the Company, the Affiliate or the Special Purpose Borrower, as applicable, prior to the date of any payment due to be made by it hereunder that the Company, the Affiliate or the Special Purpose Borrower, as applicable, will not make such payment to the Administrative Agent, such Administrative Agent may assume that the Company, the Affiliate or the Special Purpose Borrower, as applicable, is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Banks their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Company, the Affiliate or the Special Purpose Borrower within three Domestic Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Bank to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Bank against the Company, any Affiliate or the Special Purpose Borrower, as applicable. 2.21 REPAYMENT OF BILATERAL OBLIGATIONS; TERMINATION OF BILATERAL COMMITMENTS The Commitment of each Bank hereunder and the other agreements contained herein are conditioned upon receipt by the Administrative Agent of evidence of repayment by the Company of all amounts of principal and interest outstanding under those Bilateral Revolving Credit Agreements which have not been previously terminated. Subject to the foregoing, the Company, the Affiliates and the Banks agree that any commitment of any Bank to make loans to the Company and any Affiliate pursuant to the terms of any Bilateral Revolving Credit Agreement, to the extent not previously terminated, shall terminate as of the Effective Date, and each Bank party to one or more Bilateral Revolving Credit Agreements whose commitment has not been previously terminated agrees to waive any notice required by such Bilateral Revolving Credit Agreement with regards to the Company's termination of such Bank's commitment. The termination of each such Bank's commitment under its respective Bilateral Revolving Credit Agreement shall not affect or terminate any outstanding payment obligations of the Company or

19 any Affiliate owing or arising under such Bilateral Revolving Credit Agreement, which obligations shall continue until satisfied in their entirety. SECTION 3. [RESERVED] SECTION 4. GUARANTEE OF LOANS TO AFFILIATES AND THE SPECIAL PURPOSE BORROWER (a) The Company hereby guarantees to the Administrative Agent, for the ratable benefit of the Banks and their affiliates, the due and punctual payment of the principal of and interest on any Loans made to any Affiliate or Special Purpose Borrower under this Agreement and any other Obligations of any Affiliate or Special Purpose Borrower to the Administrative Agent or any Bank under this Agreement or its Accession Memorandum (the "Guaranteed Obligations") when and as the same shall become due and payable, whether at maturity, upon declaration or otherwise, according to the terms thereof. Upon the occurrence of an Affiliate Event of Default with respect to an Affiliate or Special Purpose Borrower hereunder, the Company shall on behalf of the Affiliate or Special Purpose Borrower, as applicable, upon demand by the Administrative Agent punctually make any payment due and payable by the Affiliate or Special Purpose Borrower under this Agreement or its Accession Memorandum, whether at maturity, upon declaration or otherwise; and any such payment shall be treated for the purposes of such Accession Memorandum and this Agreement (other than Section 10.4) as if such payment were made by the Affiliate or Special Purpose Borrower, as applicable. (b) The Company hereby agrees that its obligations under this Section 4 shall be irrevocable and unconditional and that the Company shall not have the right to assert any defenses based upon (i) the validity, regularity or enforceability of any Accession Memorandum or this Agreement or any Note, (ii) the absence of any attempt to collect from the defaulting Affiliate or Special Purpose Borrower, as applicable, or other action to enforce the same, (iii) any dispute between the Company and the Affiliate or Special Purpose Borrower or any Person holding an ownership interest in the Special Purpose Borrower, including any claim by the Company against the Special Purpose Borrower or Person holding an ownership interest in the Special Purpose Borrower in connection with the Special Purpose Borrower's conduct in respect to the New Corporate Offices, (iv) the waiver or consent by the Administrative Agent or any Bank with respect to any provisions thereof or hereof (other than with respect to this Section 4), or (v) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of the Company or of a guarantor. (c) With respect to its obligations under this Section 4, the Company waives filing of claims with a court, trustee or receiver in the event of receivership or bankruptcy of the defaulting Affiliate or Special Purpose Borrower, diligence, presentment, demand of payment, protest or notice with respect to Guaranteed Obligations and all demands whatsoever (other than that provided for in subsection (a) above), and covenants that this Guarantee is a continuing guarantee and will not be discharged except by complete performance of the Guaranteed

20 Obligations of the defaulting Affiliate or the Special Purpose Borrower and the obligations of the Company under this Guarantee. (d) To the extent of any payment by the Company to the Administrative Agent or any Bank under this Section 4, the Company shall succeed to all corresponding claims that the Administrative Agent or such Bank may have and otherwise be subrogated to the rights of the Administrative Agent or such Bank against the defaulting Affiliate or Special Purpose Borrower or any other person or security in connection with the Loans to the defaulting Affiliate or Special Purpose Borrower, and the Administrative Agent and any such Bank shall use reasonable efforts to cooperate with the Company in seeking recovery under such claims. (e) The Company's obligations under this Section 4 constitute a guarantee of payment and not of collection merely and shall remain in full force and effect with respect to each Affiliate and Special Purpose Borrower until the Guaranteed Obligations of such Affiliates and Special Purpose Borrower shall have been paid in full in accordance with the terms of the relevant Accession Memorandum and of this Agreement. If at any time any payment of any of the Guaranteed Obligations of an Affiliate or the Special Purpose Borrower is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Affiliate or Special Purpose Borrower or otherwise, the Company's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had not been made. (f) If demand for, or acceleration of the time for, payment by the Affiliate or Special Purpose Borrower to the Administrative Agent or any Bank of any Guaranteed Obligations of the Affiliate or Special Purpose Borrower is stayed upon the insolvency, bankruptcy, reorganization or proposed compromise or arrangement with creditors of the Affiliate or Special Purpose Borrower, all such Guaranteed Obligations of which payment or performance is stayed that would otherwise be subject to demand for payment or acceleration shall nonetheless be payable by the Company under this Section 4 immediately on demand by the Administrative Agent or such Bank. SECTION 5. CONDITIONS TO LOANS The obligation of each Bank to make each Loan hereunder is subject to the performance by the Company, the Affiliate or the Special Purpose Borrower, whichever is the borrower, of all its obligations under this Agreement and to the satisfaction of the following further conditions: 5.1 EACH LOAN TO THE COMPANY, AN AFFILIATE OR THE SPECIAL PURPOSE BORROWER (a) In the case of each Loan proposed to be made hereunder to the Company, an Affiliate or the Special Purpose Borrower: (i) the Administrative Agent shall have received the notice from the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower required by Section 2.6;

21 (ii) the principal amount of such Loan, when added to the aggregate principal amount of all Loans then outstanding hereunder, shall not exceed the aggregate undrawn amount of the Commitments; (iii) after giving effect to the making of such Loan no Event of Default nor Event of Default - Bankruptcy and no event which, with the giving of notice or lapse of time or both, would become an Event of Default or an Event of Default - Bankruptcy shall have occurred and be continuing; and (iv) the representations and warranties of the Company contained in this Agreement, except those contained in Sections 6.2(b) and 6.3, shall be true and correct in all material respects on and as of the date of such Loan, except to the extent such representations and warranties expressly relate to an earlier date. Each Borrowing by the Company, an Affiliate or the Special Purpose Borrower shall be deemed to be a representation and warranty by the Company that the conditions specified in clauses (ii), (iii) and (iv) above are satisfied on and as of the date of such Borrowing. (b) In addition to the conditions stated in Section 5.1(a) above, in the case of each Loan proposed to be made to any Affiliate or the Special Purpose Borrower: (i) after giving effect to the making of such Loan, no Affiliate Event of Default with respect to such Affiliate or Special Purpose Borrower and no event which, with the giving of notice or lapse of time or both, would become an Affiliate Event of Default with respect to such Affiliate or Special Purpose Borrower shall have occurred and be continuing; (ii) the representations and warranties of the Affiliate or Special Purpose Borrower, as applicable, contained in its Accession Memorandum shall be true and correct in all material respects on and as of the date of such Loan, except to the extent such representations and warranties expressly relate to an earlier date; (iii) in the case of Loans to the Special Purpose Borrower, the Company and the Special Purpose Borrower shall have delivered certificates of an authorized officer of the Company and Special Purpose Borrower representing: (A) in the case of the Company, that the Guarantee contained in Section 4 constitutes the valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms; (B) in the case of the Special Purpose Borrower, that such entity (i) owns the New Corporate Offices and the real estate incidental thereto, (ii) leases or otherwise conveys to the Company or any of the Company's Subsidiaries the right to occupy and use the New Corporate Offices pursuant to an agreement under which no default (or event which with the passage of time could constitute a default) exists and is continuing, (iii) conducts no business or operations and owns no assets other than those operations and assets incidental to the development and

22 ownership of the New Corporate Offices and (iv) has no Indebtedness other than obligations imposed by operation of law, obligations with respect to its capital stock, Loans outstanding hereunder and Indebtedness to the Company or any Subsidiary thereof; (C) the matters contained in clauses (i) and (ii) above; and (iv) upon request of the Administrative Agent or any Bank, the Administrative Agent or such Bank, as the case may be, shall have received the latest available annual and interim financial statements for the Affiliate or Special Purpose Borrower (certified, if available). Each Borrowing by any Affiliate or the Special Purpose Borrower shall be deemed to be a representation and warranty by such Affiliate or Special Purpose Borrower that the conditions specified in clauses (i) and (ii) above are satisfied on and as of the date of such Borrowing. 5.2 FIRST LOAN TO THE COMPANY, AN AFFILIATE OR THE SPECIAL PURPOSE BORROWER (a) In the case of the first Loan proposed to be made hereunder to the Company: (i) the Administrative Agent shall have received an opinion of the Vice President - General Counsel or an Assistant General Counsel of the Company or, at the Company's option, other counsel (in which case, such counsel shall be satisfactory to the Administrative Agent), addressed to the Administrative Agent and Banks and in form satisfactory to the Administrative Agent in its reasonable judgment, to the effect that: (A) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power under the laws of such State to enter into this Agreement, to borrow money and extend the Guarantee as contemplated by this Agreement, and to carry out the provisions of this Agreement; (B) this Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery hereof by the Banks, is a valid and binding agreement of the Company enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting creditors' rights generally and by general equitable principles regardless of whether such enforceability is considered in a proceeding in equity or at law; (C) the execution, delivery and performance by the Company of this Agreement will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under (in each case material to the Company and its Subsidiaries considered as a whole), or result in the creation or imposition of any lien, charge or encumbrance (in each case material to the Company and its respective Subsidiaries considered as a whole) upon any of the property or assets of the Company pursuant to the terms of, any indenture, mortgage, deed of trust,

23 loan agreement, guarantee, lease financing agreement or other similar agreement or instrument known to such counsel under which the Company is a debtor or a guarantor, nor will such action result in any violation of the provisions of the Certificate of Incorporation or the By-Laws of the Company; and (D) there is no consent, approval, authorization, order, registration or qualification of or with any Governmental Authority having jurisdiction over the Company which is required for, and the absence of which would materially affect, the execution, delivery and performance of this Agreement; and (ii) the Administrative Agent shall have received such additional documents as it may reasonably request relating to the existence and good standing of the Company under the laws of the States of Delaware and Michigan and to the authorization, execution and delivery of this Agreement by the Company in form and substance reasonably satisfactory to the Administrative Agent. The documents referred to in this Section 5.2(a) shall be delivered to the Administrative Agent no later than the date of the first Loan hereunder, except that if such Loan is a Eurodollar Loan, the documents shall be delivered to the Bank at least two Eurodollar Business Days before such Loan. (b) In addition to the conditions stated in Section 5.2(a) above, in the case of the first Loan proposed to be made to any Affiliate or the Special Purpose Borrower, the Administrative Agent shall have received: (i) a duly executed Accession Memorandum of such Affiliate or the Special Purpose Borrower; (ii) in the case of a Loan to the Special Purpose Borrower, an opinion of counsel with respect to the Special Purpose Borrower in form and substance substantially similar to the opinion delivered with respect to the Company pursuant to Section 5.2(a)(i); (iii) in the case of a Loan to the Special Purpose Borrower, a copy of the Operative Agreement in form and substance reasonably acceptable to the Administrative Agent; (iv) in the case of a Loan to the Special Purpose Borrower, information regarding the ownership structure of the Special Purpose Borrower; and (v) such additional documents as it may reasonably request relating to the existence and good standing of the Affiliate or Special Purpose Borrower under the laws of the jurisdiction of its incorporation or organization and to the authorization, execution and delivery of the Accession Memorandum, all in form and substance reasonably satisfactory to the Administrative Agent. (c) The documents referred to in this Section 5.2(b) shall be delivered to the Administrative Agent no later than the date of the first Loan to the Affiliate or Special Purpose

24 Borrower, as applicable, except (i) that if such Loan is a Eurodollar Loan, the documents shall be delivered to the Bank at least three Eurodollar Business Days before the date of Borrowing of such Loan and (ii) the Operative Agreement shall be provided to the Administrative Agent at least fifteen Domestic Business Days prior to the date of the first Loan to the Special Purpose Borrower. SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE COMPANY The Company represents and warrants to the Administrative Agent and each Bank that: 6.1 CORPORATE AUTHORITY OF THE COMPANY (a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power under the laws of such State to execute and deliver this Agreement and to perform its obligations hereunder and thereunder, and is duly qualified and in good standing to do business as a foreign corporation in the State of Michigan; (b) This Agreement has been duly authorized, executed and delivered on behalf of the Company and, assuming due authorization, execution and delivery by the Banks, is a valid and legally binding agreement of the Company; (c) The execution, delivery and performance by the Company of this Agreement will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under (in each case material to the Company and its Subsidiaries considered as a whole), or result in the creation or imposition of any lien, charge or encumbrance (in each case material to the Company and its Subsidiaries considered as a whole) upon any of the property or assets of the Company pursuant to the terms of, any indenture, mortgage, deed of trust, loan agreement, guarantee, lease financing agreement or other similar agreement or instrument under which the Company is a debtor or a guarantor, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-Laws of the Company; and (d) There is no consent, approval, authorization, order, registration or qualification of or with any Governmental Authority having jurisdiction over the Company which is required for, and the absence of which would materially affect, the execution, delivery and performance of this Agreement. 6.2 FINANCIAL STATEMENTS (a) The Company has furnished the Administrative Agent and each Bank with, and the Administrative Agent and each Bank hereby acknowledges receipt of, a copy of the audited consolidated balance sheet and the related consolidated statements of income, equity and cash flows of the Company and its Subsidiaries at December 31, 2001 and 2000, and such financial statements present fairly in all material respects the financial position of the Company and Subsidiaries at those dates, in conformity with GAAP; and

25 (b) As of the date of this Agreement there has not occurred any material adverse change in the financial position of the Company and its Subsidiaries considered as a whole, since December 31, 2001. 6.3 LITIGATION As of the date of this Agreement there are no legal or governmental proceedings pending of which the Company or any of its Subsidiaries is the subject, and no such proceedings are known by the Company to be threatened or contemplated by Governmental Authorities or threatened by others, other than such proceedings which the Company believes will not have a material adverse effect upon the financial position of the Company and its Subsidiaries considered as a whole. 6.4 USE OF PROCEEDS The proceeds of the Loans to the Company, the Affiliates and the Special Purpose Borrower will be used by such borrower primarily to finance the construction of the Company's new corporate headquarters in southeastern Michigan (the "New Corporate Offices") or, in the case of Loans to the Company, for the purpose of making investments in or a loan to an Affiliate or the Special Purpose Borrower for the purpose of financing construction of the New Corporate Offices. None of the proceeds of the Loans will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock within the meaning of Regulation U of the Federal Reserve Board. 6.5 COMPLIANCE WITH ERISA The Company has satisfied the minimum funding standards under ERISA with respect to its Plans and is in compliance in all material respects with the currently applicable provisions of ERISA. SECTION 7. COVENANTS During the term of this Agreement, unless compliance shall have been waived in writing in accordance with the terms of this Agreement, the Company agrees that: 7.1 REPORTS; CERTIFICATE AS TO DEFAULT It will deliver to the Administrative Agent at the Notice Office: (a) within 120 days after the end of each of the Company's fiscal years copies of the Company's consolidated financial statements including consolidated results of operations and cash flows of the Company and its consolidated Subsidiaries all as audited by the Company's independent certified public accountants (the "Annual Report"), provided that if and when the Company files an Annual Report on Form 10-K with the Securities and Exchange Commission (the "10-K Report"), copies of the 10-K Report will be delivered to the Administrative Agent in lieu of the Annual Report;

26 (b) within 70 days after the end of each of the first three quarters of each of the Company's fiscal years, copies of the Company's consolidated financial statements including consolidated results of operations and cash flows of the Company and its consolidated Subsidiaries (the "Quarterly Report"), provided that if and when the Company files a Quarterly Report on Form 10-Q with the Securities and Exchange Commission (the "10-Q Report"), copies of the 10-Q Report will be delivered to the Administrative Agent in lieu of the Quarterly Report; and (c) simultaneously with the delivery of each Annual Report or 10-K Report (as applicable) referred to in (a) above, a certificate of an authorized officer the Company (i) stating whether, to the knowledge of such officer, there exists on the date of the certificate any condition or event which then constitutes, or which after notice or lapse of time or both would constitute an Event of Default, Affiliate Event of Default or an Event of Default - Bankruptcy, and if any such condition or event exists, specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto, and (ii) demonstrating compliance with the Consolidated Leverage Ratio set forth in Section 7.9 hereof. (d) simultaneously with the delivery of each Quarterly Report or 10-Q Report (as applicable) referred to in (b) above, a certificate of an authorized officer of the Company demonstrating compliance with the Consolidated Leverage Ratio set forth in Section 7.9 hereof. 7.2 FURTHER INFORMATION (a) From time to time while this Agreement is in effect, upon the reasonable request of the Administrative Agent or any Bank, officials of the Company will confer with officials of the Administrative Agent or such Bank and advise them as to matters bearing on the financial condition of the Company or any Affiliate or the Special Purpose Borrower to which Loans are then outstanding. (b) The Company, the Affiliate or the Special Purpose Borrower, whichever is the borrower, shall notify the Administrative Agent and each of the Banks at least two Eurodollar Business Days prior to any Loan to any borrower in the event that any Gross-up with respect to such Loan could be required by any Bank pursuant to the terms of this Agreement. 7.3 LIENS The Company shall not, nor shall it permit any Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Indebtedness secured by a Lien upon any of its property or revenues, whether now owned or hereafter acquired, except Liens at any one time outstanding with respect to which the aggregate outstanding principal amount of the obligations secured thereby shall not exceed 15% of Consolidated Total Assets as reflected in the most recent Annual Report or 10-K Report delivered pursuant to Section 7.1(a); provided, however, that this Section 7.3 shall not apply to Indebtedness secured by: (a) Liens on property of, or on any shares of stock of or Indebtedness of, any corporation existing at the time such corporation becomes a Subsidiary;

27 (b) Liens in favor of the Company or any Subsidiary; (c) Liens in favor of any governmental body to secure progress, advance or other payments pursuant to any contract or provision of any statute; (d) Liens on property, shares of stock or Indebtedness existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or any part of the purchase price thereof or to secure any Indebtedness incurred prior to, at the time of, or within 60 days after, the acquisition of such property or shares or Indebtedness for the purpose of financing all or any part of the purchase price thereof; and (e) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the foregoing clauses (a) to (d), inclusive; provided, however, that such extension, renewal or replacement Lien shall be limited to all or a part of the same property, shares of stock or Indebtedness that secured the Lien extended, renewed or replaced (plus improvements on such property). 7.4 SALE-LEASEBACKS The Company shall not, nor shall it permit any Subsidiary to, directly or indirectly, enter into any arrangement with any bank, insurance company or other lender or investor (not including the Company or any Subsidiary) providing for the leasing by the Company or any Subsidiary of any property owned by the Company or any Subsidiary (except for leases between the Company and a Subsidiary or between Subsidiaries), which property has been or is to be sold or transferred by the Company or such Subsidiary to such bank, insurance company or other lender or investor (not including the Company or any Subsidiary) ("Sale-Leasebacks"), except for Sale-Leasebacks consummated since the Effective Date and which are outstanding on the relevant date of determination (other than Sale-Leasebacks to the extent the proceeds thereof are used to refinance any Sale-Leaseback which was in existence on the date hereof) in an aggregate amount, which when combined with (but without duplication) the aggregate outstanding principal amount of obligations secured by a Lien upon any of the property or revenues of the Company or any of its Subsidiaries at the time of entering into any such Sale-Leaseback shall not exceed 15% of Consolidated Total Assets as reflected in the most recent Annual Report or 10-K Report delivered pursuant to Section 7.1(a). 7.5 MERGERS AND CONSOLIDATIONS The Company may consolidate with, or sell or convey all or substantially all its assets to, or merge with or into any other corporation, provided that in any such case (i) the successor corporation shall be a corporation organized and existing under the laws of the United States of America or a State thereof, (ii) such corporation shall expressly assume the due and punctual payment of the principal of and interest on all the Loans made to the Company hereunder, and the due and punctual performance and observance of all the covenants and conditions of this Agreement to be performed by the Company, including, without limitation, the Guarantee, by an instrument, satisfactory to the Administrative Agent in its reasonable judgment, executed and delivered to the Administrative Agent by such corporation, and (iii) such successor corporation

28 shall not, immediately after such merger or consolidation or such sale or conveyance, be in default in the performance of any such covenant or condition and shall not immediately thereafter have outstanding any secured Indebtedness not expressly permitted by the provisions of Section 7.3. 7.6 ADDITIONAL COVENANTS In the event that, at any time while this Agreement is in effect, the Company shall issue any indebtedness for borrowed money which is not by its terms subordinate and junior to other indebtedness of the Company ("Senior Debt") and such Senior Debt shall include, or be issued pursuant to a trust indenture or other agreement which includes, financial covenants not substantially provided for in this Agreement, the Company shall so advise the Administrative Agent. Thereupon, if the Administrative Agent shall so request by written notice to the Company, the Company, the Administrative Agent and the Banks shall enter into an amendment to this Agreement providing for substantially the same financial covenants as those contained in such Senior Debt, trust indenture or other agreement, mutatis mutandis. Such amendment containing such financial covenants shall remain in effect so long as such covenants remain in effect with respect to such Senior Debt. As used in this Section 7.6 the term "financial covenant" shall mean a covenant on the part of the Company to the general effect that the Company shall maintain, on a consolidated basis and as of a specified date or dates, (a) a specified minimum net worth, (b) a ratio of debt to net worth not in excess of a specified maximum, (c) current assets in an amount not less than a specified amount in excess of current liabilities or (d) any similar ratio or amount or similar measure for the same general purpose of stating a minimum financial condition. 7.7 ERISA The Company will comply with the minimum funding standards under ERISA with respect to its Plans and will use its best efforts to comply in all material respects with all other applicable provisions of ERISA and the regulations and interpretations promulgated thereunder. The Company will deliver to the Administrative Agent within 30 days after any executive officer of the Company becomes aware of the occurrence of any Reportable Event (other than a reduction in active Plan participants) with respect to any Plan, a certificate signed by the Chief Financial Officer, the Vice President - Finance, the Controller or the Treasurer of the Company setting forth the details as to such Reportable Event and the action which the Company is taking and proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the Pension Benefit Guaranty Corporation. 7.8 NOTIFICATION The Company will notify the Administrative Agent within 30 days after any executive officer of the Company becomes aware of any failure on the part of the Company duly to observe or perform any covenant contained in Section 7.3 or Section 7.4. 7.9 CONSOLIDATED LEVERAGE RATIO The Company shall not permit the Consolidated Leverage Ratio to exceed 3.5 to 1.0 at the end of any fiscal quarter.

29 7.10 AMENDMENTS TO THE OPERATIVE AGREEMENT The Company shall not amend the material terms of the Operative Agreement without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld). SECTION 8. DEFAULT 8.1 DEFAULTS RELATING TO THE COMPANY In case one or more of the following "Events of Default" shall have occurred and be continuing, that is to say: (a) default in any payment of principal of any Loan as and when the same shall become due and payable in accordance with the terms hereof, and the continuance of such default for five Domestic Business Days in the case of a Domestic Loan or five Eurodollar Business Days in the case of a Eurodollar Loan; or (b) default in the payment of any installment of interest upon any Loan as and when the same shall become due and payable, and continuance of such default for a period of five Domestic Business Days in the case of a Domestic Loan or five Eurodollar Business Days in the case of a Eurodollar Loan; or (c) failure on the part of the Company duly to observe or perform any covenant contained in Section 7.3 or Section 7.4 for 90 days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Administrative Agent or the Required Banks; or (d) failure on the part of the Company duly to observe or perform any other of the covenants or agreements of this Agreement for a period of 30 days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Administrative Agent or the Required Banks; provided, however, that in the case of a default under Section 4, such 30-day grace period shall run from the date that demand for payment by the Administrative Agent was made upon the Company pursuant to Section 4; or (e) any representation or warranty by the Company in this Agreement or in any certificate delivered pursuant hereto shall have proven to have been materially false or misleading; or (f) a Reportable Event (other than a reduction in active Plan participants) shall have occurred with respect to any Plan and, within 30 days after the reporting of such Reportable Event to the Administrative Agent, the Administrative Agent shall have notified the Company in writing that the Administrative Agent has made a reasonable determination that such Reportable Event is likely to have a material adverse effect upon the financial position of the Company and its subsidiaries considered as a whole; or

30 (g) default in the payment of the principal of (or premium, if any, on) or interest on any other borrowing of the Company of $5,000,000 or more and such default continues for a period of 30 days, or any default with respect to any other borrowing of the Company of $5,000,000 or more and such default causes acceleration thereof; or (h) more than 50% in voting power of the voting securities of the Company shall be held by (i) any person or persons who "act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities" of the Company within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, or (ii) persons whose election to the Board of Directors shall not have been recommended by the committee of the Board of Directors charged with such recommendations shall constitute a majority of the members of the Board of Directors of the Company; then, and in each and every such case, with the consent of the Required Banks, the Administrative Agent may, or upon the request of the Required Banks, the Administrative Agent shall, by notice in writing to the Company and the Special Purpose Borrower, terminate the Commitments and/or declare the principal of all Loans to the Company, any Affiliate and the Special Purpose Borrower and all other amounts owing under this Agreement to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived. 8.2 DEFAULTS RELATING TO THE AFFILIATES AND THE SPECIAL PURPOSE BORROWER In case one or more of the following "Affiliate Events of Default" shall have occurred and be continuing with respect to an Affiliate or the Special Purpose Borrower, that is to say: (a) default in any payment of principal of any Loan to such Affiliate or Special Purpose Borrower as and when the same shall become due and payable, whether at maturity or upon required repayment or upon declaration or otherwise, and the continuance of such default for five Domestic Business Days in the case of a Domestic Loan or five Eurodollar Business Days in the case of a Eurodollar Loan; or (b) default in the payment of any installment of interest upon any Loan to such Affiliate or Special Purpose Borrower as and when the same shall become due and payable, and continuance of such default for a period of five Domestic Business Days in the case of a Domestic Loans or five Eurodollar Business Days in the case of a Eurodollar Loan; or (c) any representation or warranty by such Affiliate or Special Purpose Borrower in this Agreement, in its Accession Memorandum or in any certificate delivered in connection therewith shall have proven to have been materially false or misleading; or (d) such Affiliate or Special Purpose Borrower shall have entered against it by a court having jurisdiction in the premises a decree or order for relief in respect of the Affiliate or Special Purpose Borrower in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Affiliate or for any substantial part of

its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or (e) such Affiliate or Special Purpose Borrower shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Affiliate or Special Purpose Borrower or for any substantial part of its property, or make any general assignment for the benefit of creditors, or fail generally to pay its debts as they become due, or take any corporate action in furtherance of any of the foregoing; or (f) an Event of Default under Section 8.1 shall have occurred and be continuing; or (g) the Guarantee set forth in Section 4 shall no longer be in full force and effect; or (h) with respect to the Special Purpose Borrower, the Special Purpose Borrower shall (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its development and ownership of the New Corporate Offices, (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except nonconsensual obligations imposed by operation of law, Loans outstanding hereunder, obligations with respect to its capital stock and Indebtedness to the Company or any Subsidiary thereof, (iii) own, lease, manage or otherwise operate any properties or assets other than the ownership, leasing, management and operation of the New Corporate Offices and the land related thereto, or (iv) fail to own the New Corporate Offices and the real estate incidental thereto; or (i) with respect to the Special Purpose Borrower, a default shall exist in respect to the Operative Agreement, such default continues for a period of 30 days or more and either the Special Purpose Borrower, the Company or any Affiliate party thereto shall take any action to exercise any right or remedy available to it due to such default; then, (i) if such event is an Event of Default specified in clause (d) or (e), automatically all of the Loans to such Affiliate or Special Purpose Borrower and all other amounts owing by such Affiliate or Special Purpose Borrower under this Agreement shall immediately become due and payable, or (ii) if such event is any other Event of Default, with the consent of the Required Banks, the Administrative Agent may, or upon the request of the Required Banks, the Administrative Agent shall, by notice in writing to the Company and the defaulting Affiliate or Special Purpose Borrower, declare the principal of all outstanding Loans to such Affiliate or Special Purpose Borrower and all other amounts owing by such Affiliate or Special Purpose Borrower under this Agreement (but not any Loans to the Company or any other Affiliate or, it is not the defaulting borrower, the Special Purpose Borrower) to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

32 Notwithstanding anything to the contrary in this Agreement or in any Accession Memorandum, the parties hereto acknowledge and agree that a special purpose entity (other than the Special Purpose Borrower) may own either the New Corporate Offices or the real estate upon which the New Corporate Offices are constructed and that such ownership shall be permitted under this Agreement and any Accession Memoranda subject to the following conditions: (a) such special purpose entity shall be subject to the same restrictions and requirements contained herein which are applicable to the Special Purpose Borrower (other than provisions relating solely to its role as a borrower under this Agreement) and shall confirm the same by executing and delivering to the Administrative Agent an agreement in form and substance reasonably satisfactory to the Administrative Agent (it being understood that, (i) such agreement shall be deemed to be an Accession Memorandum for purposes of Section 8.2, (ii) such special purpose entity shall be deemed to be a Special Purpose Borrower for purposes of Sections 4, 5.1, 5.2, 8.2 (other than 8.2(a), 8.2(b) and 8.2(i)) and 11 (other than 11.1, 11.5, 11.7, 11.8. 11.9 and 11.10) and (iii) notwithstanding clause (ii) or anything else contained herein, such special purpose entity shall be permitted to incur up to $40,000,000 in Indebtedness to purchase the land on which the New Corporate Offices are built or to refinance existing Indebtedness with respect to such land), and (b) the arrangements and agreements between such special purpose entity and the Special Purpose Borrower, the Company and the Company's Affiliates shall be reasonably satisfactory in all material respects to the Administrative Agent. 8.3 DEFAULTS RELATING TO BANKRUPTCY OF THE COMPANY In case one or more of the following "Events of Default - Bankruptcy" shall have occurred and be continuing with respect to the Company, that is to say: (a) the Company shall have entered against it by a court having jurisdiction in the premises a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or (b) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or make any general assignment for the benefit of creditors, or fail generally to pay its debts as they become due, or take any corporate action in furtherance of any of the foregoing; then automatically the Commitments, if any, shall immediately terminate and all Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable.

33 8.4 [RESERVED] SECTION 9. ASSIGNMENT; PARTICIPATIONS 9.1 ASSIGNMENT BY BANKS (a) No Bank shall, without the consent of the Company and the Administrative Agent (in each case which consent shall not be unreasonably withheld), transfer to any other office, branch or affiliate of the Bank or to any other financial institution, person or entity, all or any portion of the Loans, the Commitment or any of the Bank's other rights and obligations under this Agreement; provided, however, that: (i) without the consent of the Company, a Bank may transfer or assign (A) any of the Loans or any interest therein as a pledge to any Federal Reserve Bank or other similar central bank in another jurisdiction, provided that such pledge shall not release the Bank from its obligations hereunder and (B) all or any portion of the Loans, the Commitment or any of the Bank's other rights and obligations under this Agreement to any one or more assignees that is a Bank immediately prior to giving effect to such assignment; and (ii) without the consent of the Company, a Bank may transfer or assign all or any portion of the Loans, the Commitment or any of the Bank's other rights and obligations under this Agreement to any Person (A) five or more days after the occurrence and continuance of any Event of Default under Section 8.1(a) or Section 8.1(d) (in respect of Section 4) or (B) upon the occurrence and continuance of any Event of Default-Bankruptcy under Section 8.3. (b) Assignments shall be subject to the following additional conditions: (i) except in the case of an assignment to a Bank, an affiliate of a Bank or an assignment of the entire remaining amount of the assigning Bank's Commitments or Loans, the amount of the Commitments or Loans of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 and, after giving effect thereto, the assigning Bank shall have Commitments and Loans in an aggregate amount of at least $5,000,000, in each case unless the Company and the Administrative Agent otherwise consent, provided that (A) no such consent of the Company shall be required if an Event of Default under Section 8.1(a) or 8.1(d) (in respect of Section 4) has occurred and is continuing for a period of at least five days or an Event of Default-Bankruptcy under Section 8.3 has occurred and is continuing and (B) such amounts shall be aggregated in respect of each Bank and its affiliates, if any; (ii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500;

34 (iii) the assignee, if it shall not be a Bank, shall deliver to the Administrative Agent an administrative questionnaire; and (c) In the case of any assignment to financial institutions made without the consent of the Company, any such transferee or assignee of a Bank shall not be entitled to receive any greater interest or other payment by reason of Section 10.3 or 10.4 than such Bank would have been entitled to receive with respect to the rights so transferred or assigned unless such transfer or assignment is made by reason of the provisions of Section 10.2, 10.3 or 10.4 requiring the Bank to designate a different lending office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist. (d) Notwithstanding the foregoing, any Conduit Bank may assign any or all of the Loans it may have funded hereunder to its designating Bank without the consent of the Company or the Administrative Agent and without regard to the limitations set forth in this Section 9.1. Each of the Company, each Bank and the Administrative Agent hereby confirms that it will not institute against a Conduit Bank or join any other Person in instituting against a Conduit Bank any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Bank; provided, however, that each Bank designating any Conduit Bank hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Bank during such period of forbearance. 9.2 PARTICIPATION IN LOANS Each Bank shall have the right to sell to any bank or other financial institution (a "Participant") a participating interest in such Bank's Commitment or in the Loans held by such Bank; provided, however, that, following any such sale, (a) such Bank's obligations under this Agreement shall remain unmodified and fully effective and enforceable against such Bank, (b) such Bank shall remain solely responsible to the Company, the Affiliates and the Special Purpose Borrower for the performance of such obligations, including, without limitation, its Commitment and the obligation of such Bank to fund Loans hereunder, (c) the Administrative Agent and the Company, the Affiliates and the Special Purpose Borrower shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement, (d) such Bank shall retain the sole right and responsibility to enforce the obligations of the Company, the Affiliates and the Special Purpose Borrower hereunder, including, without limitation, the sole right to approve of or consent to any action hereunder or any amendment, modification or waiver hereof, except that such Bank may grant to a Participant a joint right to approve of or consent to any action, amendment, modification or waiver that would (i) reduce the amount or extend the time for payment (other than pursuant to Section 2.12) of any principal of, or interest on, the Loans, (ii) increase the amount of such Bank's Commitment or (iii) reduce the amount of the Commitment Fee, in each case, from that in effect at the time of the sale of the participating interest, provided that if such Bank so grants to a Participant a right to approve of or consent to a reduction in the Commitment Fee, the term of the participating interest sold to such Participant shall not extend beyond, and unless earlier terminated such participating interest shall automatically terminate on, the day immediately prior to the day and month of the Effective Date next following the sale of

35 such participating interest, and (e) any such participating interest shall be in a minimum amount of $5,000,000 on the date the participating interest is sold. On the month and day of the Effective Date of each year (or, if any such month and day of the Effective Date is not a Domestic Business Day, on the next succeeding Domestic Business Day), each relevant Bank shall furnish to the Administrative Agent and the Company a written notice disclosing the name of each Participant which held a participating interest in such Bank's Commitment or any Loan held by such Bank at any time during the 12-month period ended on the day immediately prior to the day and month of the Effective Date next preceding such date. A Participant shall not be entitled to receive any greater payment under Section 10.3 or 10.4 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. Any Participant that is a foreign person (i.e., a person organized or incorporated under the laws of a country other than the United States of America) shall not be entitled to the benefits of Section 10.4 unless such Participant complies with Section 10.4(c). 9.3 ASSIGNMENT BY THE COMPANY, AFFILIATES OR SPECIAL PURPOSE BORROWER None of the Company, the Affiliates or the Special Purpose Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Bank, provided that (a) the Company and any Affiliate may transfer existing Loans and obligations with respect thereto to the Special Purpose Borrower by written notice to the Administrative Agent at the time the Special Purpose Borrower delivers its Accession Memorandum to the Administrative Agent and complies with the other conditions set forth in Section 5.2(b) and (b) the Special Purpose Borrower may assign any Loans made or assigned to it to the Company or any Affiliate at any time upon written notice to the Administrative Agent. In the event of any assignment of Loans pursuant to this Section, the Administrative Agent make appropriate entries in the Register to reflect such transfer and the assignee shall be treated as the borrower of the assigned Loans for all purposes of this Agreement. In no event shall any assignment of Loans from the Company or an Affiliate to the Special Purpose Borrower, or from the Special Purpose Borrower to an Affiliate, pursuant to the terms of this Section 9.1(c) release the Company or the Affiliates from its other obligations under this Agreement including, in the case of the Company, its guarantee obligations under Section 4 with respect to the assigned Loans. SECTION 10. CHANGE IN CIRCUMSTANCES 10.1 BASIS FOR DETERMINING INTEREST RATE INADEQUATE OR UNFAIR The Banks shall have no obligation to make a new Eurodollar Loan, to extend an outstanding Eurodollar Loan or to convert an outstanding Loan into a Eurodollar Loan if the Administrative Agent determines that: (a) by reason of circumstances generally affecting all interbank markets for deposits in United States dollars (in the applicable amounts), LIBO Rates for such deposits are not being offered to the Banks for a term equal to any Interest Period for which such new Loan, extended Loan or converted Loan shall be requested by the Company, an Affiliate or the Special Purpose Borrower; or

36 (b) based on notice received from the Required Banks, the LIBO Rate will not adequately and fairly reflect the cost to the Banks of maintaining or funding such new Loan, extended Loan or converted Loan as shall be requested by the Company, an Affiliate or the Special Purpose Borrower. Upon any such determination, the Administrative Agent shall give telecopy or telephonic notice thereof to the Company, the Affiliate or the Special Purpose Borrower and the Banks as soon as practicable. If such notice is given pursuant to this Section 10.1, then (i) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (ii) any Base Rate Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as Base Rate Loans and (iii) any outstanding Eurodollar Loans shall be converted, on the last day of the then-current Interest Period, to Base Rate Loans. Until such relevant notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Company, the Affiliates or the Special Purpose Borrower have the right to convert Base Rate Loans to Eurodollar Loans. 10.2 ILLEGALITY (a) If, after the date of this Agreement, the introduction of, or any change in, any applicable law or regulation or in the interpretation or administration thereof by any governmental, monetary, or regulatory authority charged with the interpretation or administration thereof or compliance by any Bank with any request or directive of any such authority shall make it unlawful for such Bank to make, maintain or fund any Loan, such Bank shall give notice thereof to the Company and, if the Loan is to an Affiliate of the Special Purpose Borrower, to such Affiliate or Special Purpose Borrower (in each case with a copy to the Administrative Agent). Before giving any notice pursuant to this Section 10.2, the relevant Bank shall designate a different lending office if such designation would avoid the need for giving such notice and it would not otherwise be disadvantageous to such Bank in its reasonable judgment. Upon receipt of such notice the Company shall or, if the Loan is to an Affiliate or the Special Purpose Borrower, such Affiliate or Special Purpose Borrower shall on either (A) the last day of the then-current Interest Period applicable to such Loan if such Bank may lawfully continue to maintain and fund such Loan to such day or (B) not later than the last date such Bank may lawfully continue to fund and maintain such Loan, either (i) prepay in full, without premium or penalty, the then outstanding principal amount of each affected Loan, together with accrued interest thereon or (ii) convert such Loan into another category of Loan (which would not be unlawful for the relevant Banks to make) as provided in Section 2.12. (b) Upon any prepayment or conversion of a Loan made pursuant to Section 10.2(a) other than at the end of an Interest Period, the Company or the Affiliate or Special Purpose Borrower, as applicable, shall reimburse the Bank upon demand for any loss incurred by it as a result of the timing of such prepayment or conversion, in the manner provided in Section 2.18.

37 10.3 INCREASED COST (a) If (i) Regulation D of the Federal Reserve Board as in effect on the Effective Date ("Regulation D"), (ii) minimum reserve requirements of the Bank of England and/or the Financial Services Authority as in effect on the Effective Date ("Mandatory Cost Rate"), or (iii) after the date hereof, the adoption of any applicable law or regulation, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank with any request or directive of any such authority, central bank or comparable agency (a "Regulatory Change"): (A) shall subject any Bank to any tax, duty or other charge with respect to Eurodollar Loans or its obligation to make Eurodollar Loans, or shall change the basis of taxation of payments to such Bank of the principal of or interest on Eurodollar Loans or any other amounts due under this Agreement in respect of Eurodollar Loans or its obligation to make Eurodollar Loans (except for changes in the rate of tax on the overall net income of such Bank or the Eurodollar Lending Office imposed by the jurisdictions in which such Bank's principal executive office or Eurodollar Lending Office are located); or (B) shall impose, modify or cause to be applicable any reserve (including, without limitation, any imposed by the Federal Reserve Board), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, such Bank or the Eurodollar Lending Office or shall impose on such Bank (or the Eurodollar Lending Office) or all interbank markets applicable to such Eurodollar Loans any other condition affecting the Eurodollar Loans or its obligation to make Eurodollar Loans; and the result of any of the foregoing is to increase the cost to such Bank (or the Eurodollar Lending Office) of making or maintaining any Eurodollar Loans, or to reduce the amount of any sum received or receivable by such Bank (or the Eurodollar Lending Office) under this Agreement, by an amount deemed by such Bank to be material, the Company, the Affiliate or the Special Purpose Borrower, as applicable, shall pay to such Bank such additional amount or amounts as will compensate such Bank for any such increased cost or reduction incurred or suffered by such Bank from and after the later of (i) the date that is 15 days prior to receipt of notice from such Bank of such costs and (ii) the last date preceding receipt of such notice from such Bank on which interest was due and payable pursuant to Section 2.15 on any such Eurodollar Loan. Any Bank which provides notice to the Company, an Affiliate or the Special Purpose Borrower of increased costs pursuant to this Section 10.3(a) shall also provide a copy of such notice to the Administrative Agent. (b) Without limiting the effect of the foregoing, so long as any Bank shall be required to maintain reserves against "Eurodollar liabilities" under Regulation D (or, so long as such Bank may be required, by any Mandatory Cost Rate or by reason of any Regulatory Change, to maintain reserves against any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined as provided in this Agreement or

38 against any category of extensions of credit or other assets of such Bank which includes any Eurodollar Loans) (such reserves are collectively called "Reserves") the Company, an Affiliate or the Special Purpose Borrower, as applicable, shall pay to such Bank an amount (reasonably estimated by such Bank) for each day during each Interest Period for such Eurodollar Loans equal to the product of the following: (i) the principal amount of each Eurodollar Loan to which such Interest Period relates; multiplied by (ii) the difference between (A) a fraction, the numerator of which is the LIBO Rate (expressed as a decimal) applicable to such Eurodollar Loan and the denominator of which is one (1) minus such Bank's Actual Reserve Cost (defined below) (expressed as a decimal) and (B) the LIBO Rate; multiplied by (iii) 1/360. For the purposes of this Section 10.3(b), the "Bank's Actual Reserve Cost" (which shall be reasonably estimated by the relevant Bank) shall be equal to the cost actually incurred by such Bank from time to time during such Interest Period as a result of the requirement that such Bank maintain Reserves with respect to such Eurodollar Loan. (c) Each Bank shall take reasonable steps, including without limitation, the designation of a different Eurodollar Lending Office (unless it would otherwise be disadvantageous to the Bank in its reasonable judgment) if such steps would avoid the need for or reduce the amount of any payment that otherwise would be due under Section 10.3(a) or 10.3(b). Any amounts payable by the Company, an Affiliate or the Special Purpose Borrower under Sections 10.3(a) or 10.3(b) shall be remitted after the end of each Interest Period, within 30 days after submission by the Bank to the Company, the Affiliate or the Special Purpose Borrower, as applicable (with a copy to the Administrative Agent) of a written statement setting forth the amount thereof. (d) From time to time during the term of this Agreement, upon the request of the Company, each Bank shall provide to the Company (with a copy to the Administrative Agent) its best estimate of such Bank's Actual Reserve Cost incurred or to be incurred with respect to Eurodollar Loans in the principal amounts specified in the Company's request. 10.4 WITHHOLDING TAXES (a) Each Bank agrees to take reasonable measures, unless it would otherwise be disadvantageous to such Bank in its reasonable judgment to avoid or minimize withholding taxes in connection with any payments made to such Bank hereunder, including without limitation designating another office of the Bank as the lending office for a Loan. (b) If the Company, an Affiliate or the Special Purpose Borrower shall be required by law to deduct or withhold any taxes from or in respect of any sum payable hereunder to the Administrative Agent or any Bank, then, subject to Sections 10.4(e) and 10.4(f):

39 (i) the Company, Affiliate or Special Purpose Borrower, as applicable, shall make such deductions; (ii) the Company, Affiliate or Special Purpose Borrower, shall pay the full amount deducted to the relevant taxation authority in accordance with applicable law, and shall provide to the Administrative Agent or such Bank upon its request any official receipts or other evidence of payment thereof that the Company, Affiliate or Special Purpose Borrower, as applicable, may obtain or have in its possession; and (iii) if (A) the Administrative Agent or such Bank notifies the Company or Special Purpose Borrower (pursuant to Section 2.6 or 2.12) at the time that the Company (on behalf of itself or an Affiliate) or the Special Purpose Borrower gives a notice of Borrowing or a notice to extend or convert any Loan that such Bank will require a Gross-up for withholding taxes in connection with such Loan, as so extended or converted, if applicable, or (B) no such notice was given by the Administrative Agent or any Bank, but after a notice of Borrowing, extension or conversion pursuant to Section 2.6 or 2.12 in respect of such Loan was given a change in applicable law or regulation, or a change in the interpretation or administration thereof by any governmental or comparable authority, occurs that requires the Company, an Affiliate or the Special Purpose Borrower to so deduct or withhold taxes from or in respect of any sum payable to the Administrative Agent or such Bank, then the sum payable to the Administrative Agent or such Bank after the Company, the Affiliate or the Special Purpose Borrower, as applicable, makes all required deductions shall be increased by an amount such that the Administrative Agent or such Bank receives a total amount equal to the sum it would have received had no such deductions been made. If neither the Administrative Agent nor the affected Bank notifies the Company or Special Purpose Borrower at or prior to the time that the Company or Special Purpose Borrower gives a notice of Borrowing or a notice to extend or convert a Loan, as applicable, that the Administrative Agent or such Bank will require a Gross-up in connection with such Loan, as so extended or converted, if applicable, no Gross-up in respect of such Loan will be paid to the Administrative Agent or such Bank, except to the extent that a subsequent change in applicable law or regulation, or a change in the interpretation or administration thereof by any governmental or comparable authority, requires the Company, the Affiliate or the Special Purpose Borrower to deduct or withhold taxes (or an increased amount thereof) from or in respect of any sum payable to the Administrative Agent or such Bank in respect of such Loan. (c) If a Bank or the Bank's lending office is a foreign person (i.e., a person organized or incorporated under the laws of a country other than that under which the Company, the Affiliates or the Special Purpose Borrower is incorporated), such Bank agrees that: (i) it shall promptly deliver to the Administrative Agent and the Company, each Affiliate and the Special Purpose Borrower such accurate and complete signed forms or documentation as may be required from time to time by any applicable law, treaty, rule or regulation as a condition to exemption or other relief from or reduction of tax for withholding purposes; and

 (ii) it shall, before or promptly after the occurrence of any event (including the passing of time) requiring a change in or renewal of the most recent forms or documentation previously delivered by such Bank, deliver to the Administrative Agent and the Company, each Affiliate and the Special Purpose Borrower accurate and complete signed copies of such forms or documentation. (d) To the extent that, as determined in good faith by the Administrative Agent or any Bank in its sole discretion and without any obligation to disclose its tax records, taxes withheld and paid in accordance with this Section 10.4 for which a Gross-up has been paid have been irrevocably utilized by the Administrative Agent or such Bank (either as credits or deductions) to reduce its tax liabilities and such utilization is consistent with its overall tax policies, the Administrative Agent or such Bank shall pay to the Company, the Affiliate or the Special Purpose Borrower, as applicable, an amount equal to such reduction obtained to the extent of such Gross-up paid by the Company, Affiliate or Special Purpose Borrower, as applicable, to the Administrative Agent or such Bank as aforesaid. (e) Notwithstanding anything herein to the contrary, none of the Company, any Affiliate or the Special Purpose Borrower will be required to pay any Gross-up in respect of taxes described below: (i) if the obligation to pay such Gross-up would not have arisen but for a failure by a Bank to comply with its obligations under Section 10.4(c) in respect of the applicable lending office; or (ii) if a Bank shall have delivered to the Company, the Affiliate or the Special Purpose Borrower, as applicable, any form or documentation required by Section 10.4(c) pursuant to which the Bank claims exemption from withholding tax by any jurisdiction or under any treaty of such jurisdiction, and the Bank shall not at any time be entitled to exemption from deduction or withholding of taxes by such jurisdiction in respect of payment by the Company, Affiliate or Special Purpose Borrower, as applicable, hereunder for the account of such lending office for any reason other than a change in such jurisdiction's law or regulations or any applicable tax treaty or regulations or in the official interpretation of any such law, treaty or regulations by any Governmental Authority charged with the interpretation or administration thereof after the date of delivery of such form or documentation. (f) In the event any Bank sells or grants a participation in its rights under this Agreement or any Loan hereunder, such Bank agrees to undertake sole responsibility for complying with any withholding tax requirements relating to the purchaser thereof imposed by any jurisdiction, including, without limitation, those imposed by Sections 1441 and 1442 of the United States Internal Revenue Code of 1986, as amended. 10.5 REPLACEMENT OF BANKS. The Company or Special Purpose Borrower shall be permitted to replace any Bank that (a) requests reimbursement from it for amounts owing pursuant to Section 10.3 or

41 10.4(b) or (b) defaults in its obligation to make Loans to it hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Bank shall have taken no action under Section 10.3(e) or 10.4(a) so as to eliminate the continued need for payment of amounts owing pursuant to Section 10.3 or 10.4(b), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Bank on or prior to the date of replacement, (v) the Company or Special Purpose Borrower shall be liable to such replaced Bank under Section 2.18 if any Eurocurrency Loan owing to such replaced Bank shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Bank, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Bank shall be obligated to make such replacement in accordance with the provisions of Section 9.1 (provided that the Company or Special Purpose Borrower, as applicable, shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Company or Special Purpose Borrower shall pay all additional amounts (if any) required pursuant to Section 10.3 or 10.4(b), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Company, the Special Purpose Borrower, the Administrative Agent or any other Bank shall have against the replaced Bank. SECTION 11. THE AGENTS 11.1 APPOINTMENT Each Bank hereby irrevocably designates and appoints the Administrative Agent as the agent of such Bank under this Agreement, and each such Bank irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Bank, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent. 11.2 DELEGATION OF DUTIES The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care in consultation with the Company.

 11.3 EXCULPATORY PROVISIONS Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Banks for any recitals, statements, representations or warranties made by the Company, any Affiliate or the Special Purpose Borrower or any officer thereof contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or for any failure of the Company to perform its obligations hereunder. The Agents shall not be under any obligation to any Bank to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Company, any Affiliate or the Special Purpose Borrower. 11.4 RELIANCE BY ADMINISTRATIVE AGENT The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person or persons and upon advice and statements of legal counsel (including counsel to the Company, any Affiliate or the Special Purpose Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Required Banks (or, if so specified by this Agreement, all Banks) as it deems appropriate or it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Banks (or, if so specified by this Agreement, all Banks), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Banks and all future holders of the Loans. 11.5 NOTICE OF DEFAULT The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy unless the Administrative Agent has received notice from a Bank, the Company, an Affiliate or the Special Purpose Borrower referring to this Agreement, describing such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy and stating that such

43 notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Banks. The Administrative Agent shall take such action with respect to such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy as shall be reasonably directed by the Required Banks (or, if so specified by this Agreement, all Banks); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such default or Event of Default, Affiliate Event of Default or Event of Default-Bankruptcy as it shall deem advisable in the best interests of the Banks. 11.6 NON-RELIANCE ON AGENTS AND OTHER BANKS Each Bank expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of the Company, any Affiliate or the Special Purpose Borrower shall be deemed to constitute any representation or warranty by any Agent to any Bank. Each Bank represents to the Agents that it has, independently and without reliance upon any Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Company and made its own decision to make its Loans hereunder and enter into this Agreement. Each Bank also represents that it will, independently and without reliance upon any Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly required to be furnished to the Banks by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Company and its Affiliates or the Special Purpose Borrower that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates. 11.7 INDEMNIFICATION The Banks agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Company, the Affiliates or the Special Purpose Borrower and without limiting the obligation of the Company, the Affiliates and the Special Purpose Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment

44 of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, the Loans, this Agreement, any documents contemplated by or referred to herein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder. 11.8 AGENT IN ITS INDIVIDUAL CAPACITY Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company or an Affiliate as though such Agent were not an Agent. With respect to Loans made or renewed by it, each Agent shall have the same rights and powers under this Agreement as any Bank and may exercise the same as though it were not an Agent, and the terms "Bank" and "Banks" shall include each Agent in its individual capacity. 11.9 SUCCESSOR ADMINISTRATIVE AGENT The Administrative Agent may resign as Administrative Agent upon 45 days' notice to the Banks and the Company. If the Administrative Agent shall resign as Administrative Agent under this Agreement, then the Required Banks shall appoint from among the Banks a successor administrative agent for the Banks, which successor administrative agent shall (unless an Event of Default under Section 8.1(a) or Section 8.3 with respect to the Company shall have occurred and be continuing) be subject to approval by the Company (which approval shall not be unreasonably withheld or delayed), whereupon such successor administrative agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor administrative agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor administrative agent has accepted appointment as Administrative Agent by the date that is 45 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Banks shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Banks appoint a successor administrative agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 11 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. 11.10 SYNDICATION AGENT The Syndication Agent shall not have any duties or responsibilities hereunder in its capacity as such.

45 SECTION 12. MISCELLANEOUS 12.1 NOTICES Unless otherwise specified herein all notices, requests, demands or other communications to or from the parties hereto shall be in writing and shall be deemed to have been duly given and made, in the case of a letter, upon delivery or three days after deposit in the mail registered first class mail, postage prepaid; and in the case of a facsimile, when a facsimile is sent and receipt is telephonically confirmed; provided, however, that notices pursuant to Section 2.6, 2.8 or 2.12 or any other notices herein which are given by telephone shall not be effective until received by the party to whom notice is given. Unless otherwise specified herein, any such notice, request, demand, or communication shall be delivered or addressed as follows: (a) if to the Company, to it at 5500 Auto Club Drive, Dearborn, Michigan 48126 U.S.A., Attention: Treasurer (or facsimile number 313-390-3322, Attention: Treasurer); (b) if to an Affiliate or the Special Purpose Borrower, to it at the address or facsimile number designated in its Accession Memorandum; (c) if to the Administrative Agent, to it at the Notice Office; and (d) if to the Banks, to each Bank at the address set forth in the administrative questionnaire delivered to the Administrative Agent; or at such other address or facsimile number as either party hereto may designate by written notice to the other party hereto. 12.2 TERM OF AGREEMENT The term of this Agreement shall be until the payment in full of the Loans, provided that the obligations of the Company, the Affiliates and the Special Purpose Borrower with respect to any payment required to be made by it under this Agreement shall survive the term of this Agreement. 12.3 NO WAIVERS No failure or delay by the Administrative Agent or any Bank 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. 12.4 NEW YORK LAW AND JURISDICTION (a) THIS AGREEMENT AND EACH ACCESSION MEMORANDUM SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK.

 (b) THE COMPANY, THE AFFILIATES, THE SPECIAL PURPOSE BORROWER, THE ADMINISTRATIVE AGENT AND THE BANKS EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND THE APPELLATE COURTS FROM ANY THEREOF, FOR PURPOSES OF ANY ACTION ARISING UNDER THIS AGREEMENT OR ANY ACCESSION MEMORANDUM, OR REGARDING ANY LOANS MADE HEREUNDER, AND EACH HEREBY AGREES THAT ANY DISPUTES RELATING TO THIS AGREEMENT OR ANY ACCESSION MEMORANDUM OR ANY LOANS MADE HEREUNDER SHALL BE RESOLVED ONLY IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK. EACH OF THE FOREGOING PARTIES HEREBY STIPULATES THAT THE VENUES REFERENCED IN THIS SECTION 12.4(b) ARE CONVENIENT AND EACH WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE RELATING TO THE VENUE OR CONVENIENCE OF SUCH COURTS. IF FOR ANY REASON CLAIMS HEREUNDER CANNOT BE PURSUED IN ANY OF THE FOREGOING COURTS OF NEW YORK, ALL REFERENCES IN THIS SECTION 12.4(b) TO THE COURTS OF NEW YORK SHALL INSTEAD BE DEEMED TO BE REFERENCES TO THE COURTS OF THE STATE OF MICHIGAN AND OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN. ENFORCEMENT OF FINAL, NONAPPEALABLE JUDGMENTS RECEIVED IN ANY OF THE FOREGOING COURTS MAY ALSO BE SOUGHT IN ANY OTHER APPROPRIATE COURT OR JURISDICTION. (c) The Secretary of the Company shall be the agent for service of process with regard to all claims hereunder by the Administrative Agent or Banks against the Special Purpose Borrower or any Affiliate. 12.5 ENTIRE AGREEMENT This Agreement, together with any Accession Memoranda, constitutes the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes any prior discussions, negotiations, agreements and understandings. The parties hereto acknowledge that the general banking or business conditions or any similar bank lending rules or requirements of any organization not having the force of law, now or hereafter in effect shall not be applicable to this Agreement, the Accession Memoranda or any Loans made hereunder to the Company, an Affiliate or the Special Purpose Borrower by the Banks. 12.6 PAYMENT OF CERTAIN EXPENSES (a) Except to the extent otherwise agreed upon in writing by the parties hereto, the Company agrees to pay or reimburse the Administrative Agent for all its out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated

47 hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent, with statements with respect to the foregoing to be submitted to the Company prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate. (b) The Company, with respect to an Event of Default and Event of Default - Bankruptcy and Loans to it, or an Affiliate or the Special Purpose Borrower with respect to an Affiliate Event of Default by such entity and Loans to it, will (i) upon the occurrence of an Event of Default, Affiliate Event of Default or Event of Default - Bankruptcy, as applicable, pay all reasonable out-of-pocket expenses incurred by the Administrative Agent and the Banks (including counsel fees) in connection with such Event of Default, Affiliate Event of Default or Event of Default - Bankruptcy and collection and other enforcement proceedings resulting therefrom; and (ii) pay all stamp and other taxes, if any, which may be determined to be payable in connection with the execution and delivery of this Agreement and any Accession Memoranda, or in connection with any modification of this Agreement or any Accession Memoranda or any waiver or consent under or in respect of this Agreement or any Accession Memoranda, and will save the Administrative Agent and the Banks harmless against any loss or liability (including interest and penalties) resulting from nonpayment or delay in payment of any such taxes. (c) The Company, the Affiliate and the Special Purpose Borrower jointly and severally agree to pay, indemnify, and hold each Bank and the Administrative Agent and their respective officers, directors, employees, affiliates, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any environmental law applicable to the operations of the Company, the Affiliates, the Special Purpose Borrower or any of their Subsidiaries or any of their respective owned or leased properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against the Company, any Affiliate or the Special Purpose Borrower (all the foregoing in this clause (c), collectively, the "Indemnified Liabilities"), provided, that the Company, the Affiliates and the Special Purpose Borrower shall not have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, each of the Company, each Affiliate and the Special Purpose Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature,

48 under or related to environmental laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 12.6 shall be payable not late than 10 days after written demand therefor. (d) The obligations of the Company, the Affiliates and the Special Purpose Borrower under this Section 12.6 shall survive payment of the Loans. 12.7 [RESERVED] 12.8 CHANGES, WAIVERS, ETC.; ADJUSTMENTS (a) Neither this Agreement nor any provision hereof may be amended, supplemented, changed, waived, discharged or terminated orally, but only by a statement in writing signed by the Company and the Required Banks or, with the consent of the Required Banks, the Company and the Administrative Agent, it being agreed by the Company that in no event shall the Company enter into an agreement with the Special Purpose Borrower which subjects the Company's approval to an amendment of any part of this Agreement to the consent of the Special Purpose Borrower; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, or increase the amount or extend the termination date of any Bank's Commitment, in each case without the written consent of each Bank directly affected thereby; (ii) eliminate or reduce the voting rights of any Bank under this Section 12.8 without the written consent of such Bank; (iii) reduce any percentage specified in the definition of Required Banks, consent to the assignment or transfer by the Company of any of its rights and obligations under this Agreement (other than in accordance with and to the extent permitted by Section 9.3), or release the Company from its guarantee obligations under Section 4 in each case without the written consent of all Banks; (iv) amend, modify or waive any provision of Section 11 without the written consent of each Agent or (v) amend or modify the interest rate, maturity, amortization or principal amount outstanding on any Loan made or assigned to the Special Purpose Borrower without the Special Purpose Borrower's consent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Banks and shall be binding upon the Company, the Affiliates, the Special Purpose Borrower, the Banks, the Agents and all future holders of the Loans. In the case of any waiver, the Company, the Affiliates, the Special Purpose Borrower, the Banks and the Administrative Agent shall be restored to their former position and rights hereunder, and any default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other default or Event of Default, or impair any right consequent thereon. (b) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Bank, if any Bank (a "Benefitted Bank") shall receive any payment of all or part of the Obligations owing to it in a greater proportion than any such payment to any other Bank, if any, in respect of the Obligations owing to such other Bank, such Benefitted Bank shall purchase for cash from the other Banks a participating interest in such portion of the Obligations owing to each such other Bank as shall be necessary to cause such Benefitted Bank to share the excess payment ratably with each of the Banks; provided, however, that if all or any

 portion of such excess payment is thereafter recovered from such Benefitted Bank, such purchase shall be rescinded and the purchase price returned, to the extent of such recovery, but without interest. 12.9 SEVERABILITY If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the extent permitted by law. 12.10 SUCCESSORS AND ASSIGNS This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. 12.11 COUNTERPARTS This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument. Complete sets of counterparts shall be delivered to the Company, the Administrative Agent and the Banks. 12.12 THIRD PARTY BENEFICIARIES Any Special Purpose Borrower, each of the Affiliates of the Company and any office, branch or affiliate of the Administrative Agent and the Banks which make Loans hereunder shall be a third party beneficiary of this Agreement. 12.13 ELECTRONIC RECORDING The parties to this Agreement may electronically record any telephone communications with one another relating to any preliminary or final notices of any Borrowing or any extension and conversion of Loans pursuant to Section 2.6 or 2.12. In the event that any electronically recorded final notice of Borrowing or extension or conversion differs from the terms of the corresponding written notice of Borrowing or extension or conversion, the terms of the electronically recorded notice shall control. [THIS SPACE INTENTIONALLY LEFT BLANK]

 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written. VISTEON CORPORATION, as Company By: /s/ Mary Winston ---------- ---------- Mary Winston Title: Vice President & Treasurer JPMORGAN CHASE BANK, as Administrative Agent and Bank By: /s/ Julie S. Long ---------- Julie S. Long Title: Vice President BANK OF AMERICA, N.A., as Syndication Agent and as a Bank By: /s/ Matthew J. Ruly ---------- Title: Vice President SIGNATURE PAGE TO THE FIVE-YEAR TERM LOAN CREDIT AGREEMENT

Visteon Corporation and Subsidiaries
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(in millions)

	For the Years Ended December 31,				
	2002	2001	2000	1999	1998
Earnings					
Income/(loss) before income taxes, minority interest and	$ (117)	$ (169)	$ 439	$ 1,172	$ 1,116
change in accounting					
Earnings of non-consolidated affiliates	(44)	(24)	(56)	(47)	(26)
Cash dividends received from non-consolidated affiliates	16	12	17	24	17
Fixed charges	139	174	215	173	103
Capitalized interest, net of amortization	1	(2)	(3)	(1)	1
Earnings	$ (5)	$ (9)	$ 612	$ 1,321	$ 1,211

Fixed Charges					
Interest and related charges on debt	$ 109	$ 139	$ 176	$ 149	$ 86
Portion of rental expense deemed to be interest	30	35	39	24	17
Fixed charges	$ 139	$ 174	$ 215	$ 173	$ 103
Ratios					
Ratio of earnings to fixed charges*	N/A	N/A	2.8	7.6	11.8

* For the year ended December 31, 2002 and 2001 fixed charges exceeded earnings by $144 million and $183 million, respectively, resulting in a ratio of less than one.

EXHIBIT 21.1

SUBSIDIARIES OF VISTEON CORPORATION AS OF DECEMBER 31, 2002 *

Organization Jurisdiction
Atlantic Automotive Components, L.L.C. Michigan, U.S.A.
Visteon Climate Control Systems Limited Delaware, U.S.A
Visteon Domestic Holdings, LLC Delaware, U.S.A. LTD
Parts, Incorporated Tennessee, U.S.A.
Visteon Export Services, Inc. Barbados
Visteon Global Technologies, Inc. Delaware, U.S.A.
Visteon Holdings GmbH Germany
Visteon Deutschland GmbH Germany
Infinitive Speech Systems Corp. Delaware, U.S.A
Infinitive Speech Systems, U.K. England
VC Regional Assembly & Manufacturing Delaware, U.S.A.
Visteon International Holdings, Inc. Delaware, U.S.A.
Autopal s.r.o. Czech Republic
Brasil Holdings Ltda Brazil
Visteon Sistemas Automotivos

Ltda. Brazil
Duck Yang Industy Co., Ltd Korea
Halla Climate Control Corporation Korea
Visteon Korea Limited Korea
Visteon International Trading (Shanghai) Co., Ltd China
Jiangxi Fuchang Climate Systems, Ltd. China
Visteon Climate Control (Beijing) Co. Ltd. China
Visteon Amazonas Ltda. Brazil
Visteon Ardennes Industries SAS France
Visteon S.A. Argentina
Visteon Asia Holdings, Inc. Delaware, U.S.A.
Visteon Asia Pacific, Inc. Japan
Visteon Automotive Holdings, LLC Delaware, U.S.A.
Grupo Visteon, S. de R.L. de C.V. Mexico
Altec Electronica Chihuahua S.A. de C.V. Mexico
Autovidrio S.A. de C.V. Mexico
Carplastic S.A. de C.V. Mexico
Climate Systems Mexicana, S.A. de C.V. Mexico
Coclisa S.A. de C.V. Mexico
Lamosa S.A. de C.V. Mexico
Visteon Automotive Systems

India Private Limited
India Visteon Powertrain Control Systems India PL
India Visteon Canada, Inc.
Canada Halla Climate Control Canada Inc.
Canada Halla Climate Control (Portugal) Ar Condicinado, LDA Portugal
Visteon Caribbean, Inc. Puerto Rico Visteon European Holdings Corporation
Delaware, U.S.A.
Visteon Holdings Espana SI
Spain Cadiz Electronica, S.A. Spain
Visteon Sistemas Interiors Espana, S.L.
Spain
Visteon Holdings France SAS
France
Visteon Holdings Italia, s.r.l. Italy
Visteon Interior Systems Italia SpA
Italy
Visteon Interior Holdings France SAS
France
Visteon Systemes Interieur France, SA
France
Visteon Hungary Kft
Hungary
Visteon Philippines, Inc.
Philippines
Visteon Poland S.A.
Poland
Visteon Portugesa, Ltd. Bermuda
Visteon South Africa

Pty. Ltd.
South Africa
Visteon
(Thailand)
Co., Ltd.
Thailand
Halla
Climate
Control
(Thailand)
Company
Limited
Thailand
Visteon UK
Limited
England
Visteon
Global
Treasury,
Inc.
Delaware,
U.S.A.
Visteon LA
Holdings
Corp.
Delaware,
U.S.A.
Visteon
Systems, LLC
Delaware,
U.S.A.
Visteon AC
Holdings
Corp.
Delaware,
U.S.A.

8 Other U.S. Subsidiaries
11 Other Non-U.S. Subsidiaries

* Subsidiaries not shown by name in the above list, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-85406) and Form S-8 (Nos. 333-39756, 333-39758 and 333-40202) of Visteon Corporation of our report dated January 17, 2003, except for Note 18, as to which the date is January 27, 2003, relating to the financial statements, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Detroit, Michigan
February 10, 2003

EXHIBIT 24.1

VISTEON CORPORATION

Certificate of Assistant Secretary

The undersigned, Heidi A. Diebol-Hoorn, an Assistant Secretary of VISTEON CORPORATION, a Delaware corporation (the "Company"), DOES HEREBY CERTIFY that the following resolutions were adopted at a duly called meeting of the Board of Directors of the Company on February 12, 2003 and that the same are in full force and effect:

RESOLVED, that preparation of an Annual Report of the Company on Form 10-K for the year ended December 31, 2002 (the "10-K Report"), including exhibits and other documents, to be filed with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended, be and hereby is in all respects authorized and approved; that the draft 10-K Report be and hereby is approved in all respects; that the directors and appropriate officers of the Company, and each of them, be and hereby are authorized to sign and execute in their own behalf, or in the name and on behalf of the Company, or both, as the case may be, the 10-K Report, and any and all amendments thereto, with such changes therein as such directors and officers may deem necessary, appropriate or desirable, as conclusively evidenced by their execution thereof; and that the appropriate officers of the Company, and each of them, be and hereby are authorized to cause the 10-K Report and any such amendments, so executed, to be filed with the Commission.

RESOLVED, that each officer and director who may be required to sign and execute the 10-K Report or any amendment thereto or document in connection therewith (whether in the name and on behalf of the Company, or as an officer or director of the Company, or otherwise), be and hereby is authorized to execute a power of attorney appointing D. R. Coulson, P. G. Pfefferle, and S. L. Fox, and each of them, severally, his or her true and lawful attorney or attorneys to sign in his or her name, place and stead in any such capacity the 10-K Report and any and all amendments thereto and documents in connection therewith, and to file the same with the Commission, each of said attorneys to have power to act with or without the other, and to have full power and authority to do and perform in the name and on behalf of each of said officers and directors who shall have executed such power of attorney, every act whatsoever which such attorneys, or any of them, may deem necessary, appropriate or desirable to be done in connection therewith as fully and to all intents and purposes as such officers or directors might or could do in person.

WITNESS my hand as of this 14th day of February, 2003.

/s/ Heidi A. Diebol-Hoorn

Heidi A. Diebol-Hoorn
Assistant Secretary

(SEAL)

POWER OF ATTORNEY WITH RESPECT TO
ANNUAL REPORT OF VISTEON CORPORATION ON
FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2002

Each of the undersigned, a director or officer of VISTEON CORPORATION, appoints each of D. R. Coulson, P. G. Pfefferle, and S. L. Fox as his or her true and lawful attorney and agent to do any and all acts and things and execute any and all instruments which the attorney and agent may deem necessary or advisable in order to enable VISTEON CORPORATION to comply with the Securities Exchange Act of 1934, and any requirements of the Securities and Exchange Commission, in connection with the Annual Report of VISTEON CORPORATION on Form 10-K for the year ended December 31, 2002 and any and all amendments thereto, including, but not limited to, power and authority to sign his or her name (whether on behalf of VISTEON CORPORATION, or as a director or officer of VISTEON CORPORATION, or by attesting the seal of VISTEON CORPORATION, or otherwise) to such instruments and to such Annual Report and any amendments thereto, and to file them with the Securities and Exchange Commission. The undersigned ratifies and confirms all that any of the attorneys and agents shall do or cause to be done by virtue hereof. Any one of the attorneys and agents shall have, and may exercise, all the powers conferred by this instrument.

Each of the undersigned has signed his or her name as of the 12th day of February 2003.

/s/ Peter J. Pestillo
Peter J. Pestillo

/s/ Charles L. Schaffer
Charles L. Schaffer

/s/ William H. Gray, III
William H. Gray, III

/s/ Thomas T. Stallkamp
Thomas T. Stallkamp

/s/ Steven K. Hamp
Steven K. Hamp

/s/ Robert M. Teeter
Robert M. Teeter

/s/ Kathleen J. Hempel
Kathleen J. Hempel

/s/ Danierl R. Coulson
Daniel R. Coulson

/s/ Robert H. Jenkins
Robert H. Jenkins

/s/ Philip G. Pfefferle
Philip G. Pfefferle

/s/ Michael F. Johnston
Michael F. Johnston

RISK FACTORS

Visteon Corporation hereby avails itself of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

Visteon may, from time to time, make forward-looking statements, including statements projecting, forecasting or estimating company performance and industry trends. Visteon's forward-looking statements are not guarantees of future results and conditions but rather are subject to risks and uncertainties, including the following:

- Weak economic conditions in the United States, resulting in the current, cyclical decline in the vehicle production rate.

- Changes in the operations (including products, product planning and part sourcing), financial condition, results of operations or market share of Visteon's customers, particularly its largest customer, Ford Motor Company, which is undergoing a comprehensive "revitalization plan."

- Visteon's ability to increase sales to customers other than Ford; to maintain current business with, and to win future business from, Ford; to generate cost savings to offset agreed upon price reductions or price reductions to win additional business and, in general, to maintain and improve its operating performance; to recover engineering and tooling costs; to streamline and focus its product portfolio; to sustain technological competitiveness; to compete favorably with automotive parts suppliers with lower cost structures and greater ability to rationalize operations; and to exit non-performing businesses on satisfactory terms, particularly due to limited flexibility under existing labor agreements.

- Significant changes in the competitive environment in the major markets where Visteon procures materials, components or supplies or where its products are manufactured, distributed or sold, including the implementation of Internet-based purchasing initiatives.

- Legal and administrative proceedings, investigations and claims, including product liability, warranty, environmental and safety claims, and any recalls of products manufactured or sold by Visteon.

- Changes in economic conditions, currency exchange rates or political stability in foreign countries where Visteon procures materials, components or supplies or where its products are manufactured, distributed or sold.

- Shortages of materials or interruptions in transportation systems, labor strikes, work stoppages or other interruptions to or difficulties in the employment of labor in the major markets where Visteon purchases materials, components or supplies to manufacture its products or where its products are manufactured, distributed or sold.

- Changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, domestic and foreign, that may tax or otherwise increase the cost of, or otherwise affect, the manufacture, licensing, distribution, sale, ownership or use of Visteon's products or assets.

- Visteon's access to financial resources sufficient in order to make payments related to pensions and other postretirement employee benefits, retirement of outstanding debt and other contractual commitments, all at the levels and at the times planned by management.

- Possible terrorist attacks or acts of war, which could exacerbate other risks such as slowed vehicle production or interruptions in the transportation system, or fuel prices and supply.

- Other risks and uncertainties detailed from time to time in Visteon's Securities and Exchange Commission filings.

These risks and uncertainties are not the only ones facing Visteon. Additional risks and uncertainties not presently known to Visteon or currently believed to be immaterial also may adversely affect Visteon's business. Any risks and uncertainties that develop into actual events could have material adverse effects on Visteon's business, financial condition and results of operations. For these reasons, do not place undue reliance on forward-looking statements.

EXHIBIT 99.2

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. ss.1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chairman and Chief Executive Officer of Visteon Corporation (the "Company"), hereby certify, based on my knowledge, that Annual Report on Form 10-K of the Company for the year ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Peter J. Pestillo
- ----------------------------
Peter J. Pestillo
February 14, 2003

EXHIBIT 99.3

Written Statement of the Chief FINANCIAL Officer
Pursuant to 18 U.S.C. ss.1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Executive Vice President and Chief Financial Officer of Visteon Corporation (the "Company"), hereby certify, based on my knowledge, that Annual Report on Form 10-K of the Company for the year ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Daniel R. Coulson
- --------------------------
Daniel R. Coulson
February 14, 2003