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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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FORM 8-K

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

Date of report (Date of earliest event reported): May 24, 2010

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VISTEON CORPORATION

(Exact name of registrant as Specified in Charter)

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Delaware

(State or Other Jurisdiction  
of Incorporation)

1-15827

(Commission File  
Number)

38-3519512

(IRS Employer  
Identification No.)

One Village Center Drive, Van Buren Township, Michigan

(Address of Principal Executive Offices)

48111

(Zip Code)

(800) VISTEON

(Registrant's telephone number, including area code)

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events.**

As previously disclosed, on May 28, 2009, Visteon Corporation (“Visteon”) and certain of its domestic subsidiaries (collectively, the “Debtors”) filed voluntary petitions seeking relief pursuant to chapter 11 of Title 11 of the United States Code (“Chapter 11”) in the United States Bankruptcy Court for the District of Delaware (the “Court”) (Consolidated Case No. 09-11786). On May 24, 2010, the Debtors filed with the Court a third amended joint plan of reorganization (the “Third Amended Plan”) and a related third amended disclosure statement (the “Third Amended Disclosure Statement”) pursuant to Chapter 11. Copies of the Third Amended Plan and the Third Amended Disclosure Statement are attached hereto as Exhibits 99.1 and 99.2, respectively.

Copies of the Third Amended Plan and Third Amended Disclosure Statement are also publicly available and may be accessed free of charge at the Debtors’ private website at <http://www.kccllc.net/visteon>. The information set forth on the foregoing website shall not be deemed to be part of or incorporated by reference into this Form 8-K. The Debtors recommend that its stakeholders refer to the limitations and qualifications included in the Third Amended Plan and the Third Amended Disclosure Statement, as applicable, with respect to the information contained therein. Information contained in the Third Amended Plan and the Third Amended Disclosure Statement is subject to change, whether as a result of further amendments to the Third Amended Plan, actions of third parties, or otherwise.

Bankruptcy law does not permit solicitation of acceptances of the Third Amended Plan until the Court approves the Third Amended Disclosure Statement. Accordingly, this report is not intended to be, nor should it be construed as, a solicitation for a vote on the Third Amended Plan. The Third Amended Plan will become effective only if it receives the requisite stakeholder approval and if confirmed by the Court. There can be no assurance that the Court will approve the Third Amended Disclosure Statement, that the Debtors’ stakeholders will approve the Third Amended Plan, or that the Court will confirm the Third Amended Plan.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Third Amended Joint Plan of Reorganization, filed May 24, 2010.
99.2	Third Amended Disclosure Statement, filed May 24, 2010.

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### Limitation on Incorporation by Reference

The Third Amended Plan and Third Amended Disclosure Statement shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended. Registration statements or other documents filed with the U.S. Securities and Exchange Commission (“SEC”) shall not incorporate the Schedules and Statements or any other information set forth in this Current Report on Form 8-K by reference, except as otherwise expressly stated in such filing. This Current Report on Form 8-K will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

### Forward-Looking Statements

This Current Report on Form 8-K and the documents incorporated by reference into this Current Report, as well as other statements made by Visteon may contain forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, that reflect, when made, Visteon’s current views with respect to current events and financial performance. Such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to Visteon’s operations and business environment, which may cause the actual results of Visteon to be materially different from any future results, express or implied, by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following: (i) the ability of Visteon to continue as a going concern; (ii) the ability of Visteon to operate subject to the terms of the debtor in possession financing; (iii) Visteon’s ability to obtain court approval with respect to motions in the proceedings under chapter 11 of the United States Bankruptcy Code prosecuted by it from time to time; (iv) the ability of Visteon to develop, prosecute, confirm, and consummate one or more plans of reorganization; (v) risks associated with third parties proposing and confirming one or more plans of reorganization; (vi) risks associated with third parties seeking and obtaining the appointment of a chapter 11 trustee or to convert the cases to chapter 7 cases; (vii) Visteon’s ability to maintain contracts and leases that are critical to its operations; (viii) the potential adverse impact of Visteon’s restructuring on its liquidity or results of operations; (ix) the ability of Visteon to execute its business plans and strategy; (x) the ability of Visteon to attract, motivate, and/or retain key executives and associates; and (xi) increased competition in the automotive parts supply industry. Visteon undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Similarly, these and other factors, including the terms of any plan of reorganization ultimately confirmed, can affect the value of Visteon’s various prepetition liabilities, and securities. Additionally, no assurance can be given as to what values, if any, will be ascribed in the bankruptcy proceedings to each of these constituencies. A plan or plans of reorganization could result in holders of Visteon’s common stock or claims relating to prepetition liabilities receiving no distribution on account of their interest and cancellation of their interests and their claims. Under certain conditions specified in the Bankruptcy Code, a plan of reorganization may be confirmed notwithstanding its rejection by an impaired class of creditors or equity holders and notwithstanding the fact that certain creditors or equity holders do not receive or retain property on account of their claims or equity interests under the plan. In light of the foregoing, Visteon considers the value of the common stock and claims to be highly speculative and such claims or common stock may ultimately be determined to have no value. Accordingly, Visteon urges that appropriate caution be exercised with respect to existing and future investments in Visteon’s currently outstanding common stock or any claims relating to prepetition liabilities.

*SIGNATURE*

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VISTEON CORPORATION

May 27, 2010

By: /s/ Michael K. Sharnas

Name: Michael K. Sharnas

Title: Vice President and General Counsel

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## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Third Amended Joint Plan of Reorganization, filed May 24, 2010.
99.2	Third Amended Disclosure Statement, filed May 24, 2010.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

\_\_\_\_\_)  
In re: ) Chapter 11  
)  
VISTEON CORPORATION, et al.,<sup>1</sup> ) Case No. 09-11786 (CSS)  
)  
) Jointly Administered  
Debtors. )  
\_\_\_\_\_)

THIRD AMENDED JOINT PLAN OF REORGANIZATION  
OF VISTEON CORPORATION AND ITS DEBTOR AFFILIATES  
PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

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*Attorneys for the Debtors and Debtors in Possession*  
Dated: May 24, 2010

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Visteon Corporation (9512); ARS, Inc. (3590); Fairlane Holdings, Inc. (8091); GCM/Visteon Automotive Leasing Systems, LLC (4060); GCM/Visteon Automotive Systems, LLC (7103); Infinitive Speech Systems Corp. (7099); MIG-Visteon Automotive Systems, LLC (5828); SunGlas, LLC (0711); The Visteon Fund (6029); Tyler Road Investments, LLC (9284); VC Aviation Services, LLC (2712); VC Regional Assembly & Manufacturing, LLC (3058); Visteon AC Holdings Corp. (9371); Visteon Asia Holdings, Inc. (0050); Visteon Automotive Holdings, LLC (8898); Visteon Caribbean, Inc. (7397); Visteon Climate Control Systems Limited (1946); Visteon Domestic Holdings, LLC (5664); Visteon Electronics Corporation (9060); Visteon European Holdings Corporation (5152); Visteon Financial Corporation (9834); Visteon Global Technologies, Inc. (9322); Visteon Global Treasury, Inc. (5591); Visteon Holdings, LLC (8897); Visteon International Business Development, Inc. (1875); Visteon International Holdings, Inc. (4928); Visteon LA Holdings Corp. (9369); Visteon Remanufacturing Incorporated (3237); Visteon Systems, LLC (1903); Visteon Technologies, LLC (5291). The location of the Debtors' corporate headquarters and the service address for all the Debtors is: One Village Center Drive, Van Buren Township, Michigan 48111.

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## **INTRODUCTION**<sup>2</sup>

Visteon Corporation and the other Debtors in the above-captioned Chapter 11 Cases jointly propose the following Plan. Although proposed jointly for administrative purposes, the Plan constitutes a separate plan of reorganization for each Debtor for the resolution of outstanding Claims against, and Interests in, each Debtor pursuant to title 11 of the United States Code, 11 U.S.C. §§ 101—1532. Each Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. The classifications of Claims and Interests set forth in ARTICLE III hereof shall be deemed to apply separately with respect to each Plan proposed by each Debtor, as applicable. The Plan does not contemplate the substantive consolidation of any of the Debtors. The Plan contemplates Confirmation and Consummation through either of the Rights Offering Sub Plan or the Claims Conversion Sub Plan.

## **ARTICLE I.**

### **DEFINED TERMS AND RULES OF INTERPRETATION**

#### **A. Defined Terms**

1. **7.00% Senior Notes**: The 7.00% senior notes due March 10, 2014, issued by Visteon Corporation in the amount of \$450,000,000 pursuant to the 7.00% Senior Notes Indenture.
2. **7.00% Senior Notes Claims**: The Claims derived from or based upon the 7.00% Senior Notes Indenture.
3. **7.00% Senior Notes Indenture**: That certain supplemental indenture, dated as of March 10, 2004, by and between Visteon Corporation and J.P. Morgan Trust Company, N.A., as trustee.
4. **8.25% Senior Notes**: The 8.25% senior notes due August 1, 2010, issued by Visteon Corporation in the amount of \$700,000,000 pursuant to the 8.25% Senior Notes Indenture.
5. **8.25% Senior Notes Claims**: The Claims derived from or based upon the 8.25% Senior Notes Indenture.
6. **8.25% Senior Notes Indenture**: That certain indenture, dated as of June 23, 2000, by and between Visteon Corporation and Bank One Trust Company, N.A., as trustee, as amended.
7. **12.25% Senior Notes**: The 12.25% senior notes due December 31, 2016, issued by Visteon Corporation in the amount of \$206,386,000 pursuant to the 12.25% Senior Notes Indenture.

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<sup>2</sup> Capitalized terms used in this Introduction are defined in ARTICLE I herein.

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8. 12.25% Senior Notes Claims: The Claims derived from or based upon the 12.25% Senior Notes Indenture.
9. 12.25% Senior Note Indenture: That certain second supplemental indenture, dated as of June 18, 2008, by and among Visteon Corporation, the guarantors party thereto, and The Bank of New York Trust Company, N.A., as trustee.
10. ABL Claim: Any Claim derived from or based upon the ABL Facility.
11. ABL Facility: The revolving credit facility set forth in the ABL Facility Credit Agreement.
12. ABL Facility Administrative Agent: The Bank of New York Mellon, or its successor, in its capacity as administrative agent under the ABL Facility.
13. ABL Facility Credit Agreement: That certain Credit Agreement, dated August 14, 2006, as amended, supplemented, or modified from time to time, between Visteon Corporation and each subsidiary of Visteon Corporation party thereto, as borrowers, Ford Motor Company, as sole lender and swingline lender, and the ABL Facility Administrative Agent.
14. ABL Lender: Ford Motor Company, in its capacity as a lender under the ABL Facility.
15. Accommodation Agreements: Collectively, (a) that certain Letter Agreement among the Debtors, a certain non-Debtor Affiliate, and General Motors Company, dated September 15, 2009, approved by Final Order entered on October 7, 2009 [Docket No. 1102], (b) that certain Accommodation Agreement, among the Debtors, a certain non-Debtor Affiliate, and Chrysler Group LLC, dated October 2, 2009, approved by Final Order entered on November 12, 2009 [Docket No. 1305], (c) that certain Accommodation Agreement, among the Debtors, their non-Debtor Affiliates and subsidiaries, and Nissan North America, Inc., dated October 22, 2009, approved by Final Order entered on November 12, 2009 [Docket No. 1307], (d) that certain Accommodation Agreement, by and between Honda of America Mfg., Inc. and the Debtors, dated November 25, 2009, approved by Final Order entered on December 10, 2009 [Docket No. 1446], and (e) that certain Facilities and Accommodation Agreement, among Ford Motor Company, Automotive Components Holdings, LLC, and certain Debtors and non-Debtor Affiliates, dated December 16, 2009, approved by Final Order entered on December 10, 2009 [Docket No. 1441].
16. Accredited Investor: As defined in Rule 501 of Regulation D promulgated under the Securities Act.
17. Ad Hoc Group of Noteholders: As defined in the Equity Commitment Agreement.
18. Administrative Claim: A Claim for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Claims; (c) the reasonable

fees and expenses of the Notes Trustee incurred in connection with the Chapter 11 Cases; and (d) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

19. Administrative Claim Bar Date: The deadline for filing requests for payment of Administrative Claims, which shall be 30 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court, except with respect to Professional Claims, which shall be subject to the provisions of ARTICLE II.B.

20. Affiliate: As defined in section 101(2) of the Bankruptcy Code and as pertains to the Debtors or Reorganized Debtors, as applicable.

21. Allotted Portion: As defined in the Equity Commitment Agreement.

22. Allowed: Except as otherwise provided herein: (a) a Claim or Interest that is (i) listed in the Schedules as of the Effective Date as not disputed, not contingent, and not unliquidated, or (ii) evidenced by a valid Proof of Claim, filed by the applicable Bar Date and as to which the Debtors or other parties in interest have not filed an objection to the allowance thereof within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (b) a Claim that is Allowed pursuant to the Plan or any stipulation approved by, or Final Order of, the Bankruptcy Court.

23. Allowed Senior Notes Claims: Collectively, the Allowed 7.00% Senior Notes Claims, the Allowed 8.25% Senior Notes Claims, and the Allowed 12.25% Senior Notes Claims.

24. Avoidance Actions: Any and all avoidance, recovery, subordination, or other actions or remedies that may be brought on behalf of the Debtors or their estates under the Bankruptcy Code or applicable non-bankruptcy law, including actions or remedies under sections 544, 547, 548, 550, 551, 552, or 553 of the Bankruptcy Code.

25. Backstop Commitment: The obligation of the Investors severally and not jointly, to purchase, or cause one or more of their affiliates to purchase, on the Effective Date, Rights Offering Shares that are unsubscribed pursuant to ARTICLE V.F of the Plan in accordance with such Investors' backstop obligations as set forth in the Equity Commitment Agreement.

26. Bankruptcy Code: Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as may be amended from time to time.

27. Bankruptcy Court: The United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of any reference under section 157 of title 28 of the United States Code and/or order of a district court pursuant to section 157(a) of title 28 of the United States Code, the United States District Court for the District of Delaware.

28. Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure as applicable to the Chapter 11 Cases, and the general, local, and chambers rules of the Bankruptcy Court.

29. Bar Date: As applicable, (a) October 15, 2009, (b) the Government Bar Date, or (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for filing Claims.

30. Board Selection Term Sheet: Under the Claims Conversion Sub Plan, that certain term sheet filed with the Court on March 15, 2010 [Docket No. 2546] pursuant to which the New Board shall be selected. Under the Rights Offering Sub Plan, that certain term sheet among Visteon Corporation and the Requisite Investors, attached as Exhibit A to the Plan.

31. Business Day: Any day, other than a Saturday, Sunday, or a legal holiday, as defined in Bankruptcy Rule 9006(a).

32. Cash: The legal tender of the United States of America or the equivalent thereof, including bank deposits and checks.

33. Cash Amount: For each Non-Eligible Holder, the lesser of (a) its Cash Amount Allocation of \$50.0 million in Cash or (b) 40% of the amount of such holder's Allowed Claim in Cash.

34. Cash Amount Allocation: The proportion that a Non-Eligible Holder's Allowed Senior Notes Claim bears to the aggregate of Allowed Senior Notes Claims held by all Non-Eligible Holders.

35. Cash Recovery Backstop Investor: Each Eligible Holder of an Allowed Senior Notes Claim that is party to the Cash Recovery Backstop Agreement.

36. Cash Recovery Backstop Agreement: That certain cash recovery backstop agreement, dated May 6, 2010, by and among Visteon Corporation and the investor parties thereto.

37. Cash Recovery Subscription Equity: The aggregate number of Rights Offering Shares for which Non-Eligible Holders would have been entitled to subscribe pursuant to Subscription Rights had such Non-Eligible Holders been Eligible Holders.

38. Causes of Action: Any and all Claims, actions, causes of action, choses in action, suits, debts, damages, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, remedies, rights of set-off, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and crossclaims (including all claims and any avoidance, recovery, subordination, or other actions against Insiders and/or any other Entities under the Bankruptcy Code, including Avoidance Actions) of any of the Debtors, the debtors in possession, and/or the Estates (including those actions set forth in the Plan Supplement), whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, that are or may be pending on the Effective Date or instituted by the Reorganized Debtors after the Effective Date against any Entity, based in law or equity, including under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order.

39. Certificate: Any instrument evidencing a Claim or an Interest.

40. Chapter 11 Cases: The jointly administered chapter 11 cases commenced by the Debtors, with case numbers 09-11786 through 09-11816, and styled *In re Visteon Corporation, et al.*, Case No. 09-11786 (CSS), which are currently pending before the Bankruptcy Court.

41. Claim: As defined in section 101(5) of the Bankruptcy Code.

42. Claims and Solicitation Agent: Kurtzman Carson Consultants LLC, located at 2335 Alaska Avenue, El Segundo, California 90245, (888) 249-2792, retained as the Debtors' claims and solicitation agent by order dated May 29, 2009, entitled *Order Authorizing Employment and Retention of Kurtzman Carson Consultants LLC as Notice, Claims, and Solicitation Agent for Debtors* [Docket No. 79].

43. Claims Conversion Sub Plan: The Plan if the Debtors do not obtain Consummation of the Rights Offering Sub Plan. For the avoidance of doubt, the Claims Conversion Sub Plan shall be premised on the valuation of the Debtors as set forth in the *Debtors' Second Amended Disclosure Statement for the Second Amended Joint Plan of Reorganization of Visteon Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy Code* attached to the Equity Commitment Agreement.

44. Claims Register: The official register of Claims and Interests maintained by the Claims and Solicitation Agent.

45. Class: A category of holders of Claims or Interests pursuant to section 1122(a) of the Bankruptcy Code.

46. Co-Investor: As defined in the Equity Commitment Agreement.

47. Confirmation: The entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to all conditions specified having been satisfied or waived.

48. Confirmation Date: The date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

49. Confirmation Hearing: The hearing before the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code on the motion for entry of the Confirmation Order.

50. Confirmation Order: The order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

51. Connersville / Bedford Pension Plan: That certain Pension Plan of Visteon Systems, LLC Connersville and Bedford Plants, as amended through December 22, 2009.

52. Consenting Note Holders: Those certain holders of Allowed Senior Notes Claims that are party to the Plan Support Agreement.

53. Consummation: The occurrence of the Effective Date.

54. Contingent Holder: A holder of an Allowed Claim that, in connection with the issuance and distribution to such holder of shares of New Visteon Common Stock pursuant to the Plan, provides to the Distribution Agent written notice at least ten days prior to the Effective Date that receipt of such shares may cause such holder to be in violation of the laws or regulations of any applicable Governmental Unit. A Contingent Holder shall not be entitled to receive shares of New Visteon Common Stock unless and until such laws or regulations are complied with including that such holder makes or obtains all necessary governmental and/or third party notifications, filings, consents, waivers, authorizations or approvals, as applicable.

55. Counsel to the Ad Hoc Group of Noteholders: As defined in the Equity Commitment Agreement.

56. Creditor: As defined in section 101(10) of the Bankruptcy Code.

57. Creditors' Committee: The official committee of unsecured creditors appointed pursuant to section 1102 of the Bankruptcy Code by the United States Trustee for the District of Delaware on June 8, 2009, as it may be reconstituted from time to time.

58. Cure: A Claim for all unpaid monetary obligations, or such lesser amount as may be agreed upon by the parties, under an Executory Contract or Unexpired Lease assumed by the Debtors pursuant to section 365 of the Bankruptcy Code or the Plan.

59. Cure Bar Date: The deadline for filing Proofs of Claims on account of a Cure, which shall be the earlier of: (a) 30 days after the Effective Date or (b) 30 days after the assumption of the applicable Executory Contract or Unexpired Lease, unless otherwise ordered by the Bankruptcy Court or agreed to by the Debtors and the counterparty to the applicable Executory Contract or Unexpired Lease.

60. Currency Contracts: Derivative contracts and foreign currency spot trades entered into by a Debtor in the ordinary course of business, as more fully set forth in that certain motion filed with the Bankruptcy Court on October 28, 2009 [Docket No. 1203].

61. Debtors: Each of the following Entities, collectively: Visteon Corporation; ARS, Inc.; Fairlane Holdings, Inc.; GCM/Visteon Automotive Leasing Systems, LLC; GCM/Visteon Automotive Systems, LLC; Infinitive Speech Systems Corp.; MIG-Visteon Automotive Systems, LLC; SunGlas, LLC; The Visteon Fund; Tyler Road Investments, LLC; VC Aviation Services, LLC; VC Regional Assembly & Manufacturing, LLC; Visteon AC Holdings Corp.; Visteon Asia Holdings, Inc.; Visteon Automotive Holdings, LLC; Visteon Caribbean, Inc.; Visteon Climate Control Systems Limited; Visteon Domestic Holdings, LLC; Visteon Electronics Corporation; Visteon European Holdings Corporation; Visteon Financial Corporation; Visteon Global Technologies, Inc.; Visteon Global Treasury, Inc.; Visteon Holdings, LLC; Visteon International Business Development, Inc.; Visteon International Holdings, Inc.; Visteon LA Holdings Corp.; Visteon Remanufacturing Incorporated; Visteon Systems, LLC; and Visteon Technologies, LLC.

62. DIP Facility: The debtor in possession financing facility set forth in the DIP Facility Credit Agreement providing for a \$75 million immediate draw and an option to draw an



additional \$75 million, subject to certain conditions, and approved by Final Order (A) *Approving Senior Secured Superpriority Priming Postpetition Financing*; (B) *Granting Liens and Providing Superpriority Administrative Expense Status*; (C) *Granting Adequate Protection to Prepetition Secured Parties*; (D) *Authorizing the Use of Cash Collateral*; and (E) *Modifying the Automatic Stay*, entered on November 12, 2009 [Docket No. 1311].

63. DIP Facility Administrative Agent: Wilmington Trust FSB, or its successor, in its capacity as administrative agent under the DIP Facility.

64. DIP Facility Claims: Any Claim derived from or based upon the DIP Facility.

65. DIP Facility Credit Agreement: That certain Senior Secured Super Priority Priming Debtor in Possession Credit and Guaranty Agreement, dated November 18, 2009, as amended, supplemented, or modified from time to time, between Visteon Corporation and each subsidiary of Visteon Corporation party thereto, as borrowers, the lenders party thereto, and the DIP Facility Administrative Agent.

66. DIP Facility Lenders: The lenders under the DIP Facility.

67. Direct Commitment: The obligation of the Investors, severally and not jointly, to subscribe for and purchase, or cause one or more of their affiliates to subscribe for and purchase, Rights Offering Shares in an amount equal to \$300.0 million on the terms and subject to the conditions of the Equity Commitment Agreement.

68. Disclosure Statement: The disclosure statement for the Plan, supplemented or modified from time to time, including all exhibits and schedules thereto, and as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

69. Disputed Claim: Any Claim or Interest that is not yet Allowed.

70. Distributable Commitment Percentage: As defined in the Cash Recovery Backstop Agreement.

71. Distributable Equity: Those shares of New Visteon Common Stock issued and outstanding as of the Effective Date, including, if applicable, Rights Offering Shares, subject to dilution by the Management Equity Incentive Program and, if applicable, the Guaranty Equity Amount.

72. Distribution Agent: The Reorganized Debtors or the Entity or Entities selected by the Reorganized Debtors, as applicable, to make or to facilitate distributions pursuant to the Plan.

73. Distribution Date: The date occurring as soon as the Debtors or the Reorganized Debtors determine in their sole discretion to be reasonable and practicable after the Effective Date, upon which the Distribution Agent shall begin making distributions to holders of Allowed Claims entitled to receive distributions under the Plan.

74. Distribution Record Date: The date for determining which holders of Allowed Claims, except holders of publicly traded Certificates, are eligible to receive distributions

hereunder, which shall be (a) ten Business Days after entry of the Confirmation Order or (b) such other date as designated in a Bankruptcy Court order.

75. Effective Date: The date that is the first Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; and (b) all conditions precedent to the Effective Date have been satisfied or waived.

76. Election Form: The form entitled “Indication of Accredited Investor Status” pursuant to which a holder of an Allowed Senior Notes Claim certifies whether it is or is not an Accredited Investor.

77. Election Form Deadline: That date which shall be the final date by which a holder may submit its Election Form certifying whether it is or is not an Accredited Investor, as set forth in the Rights Offering Procedures.

78. Eligible Holder: A holder of an Allowed Senior Notes Claim that, in accordance with the terms set forth in the Election Form and the Rights Offering Procedures, has submitted a completed Election Form certifying that such holder is an Accredited Investor.

79. Entity: As defined in section 101(15) of the Bankruptcy Code.

80. Equity Commitment Agreement: That certain equity commitment agreement, dated May 6, 2010, by and among Visteon Corporation and the investor parties thereto.

81. Equity Security: As defined in section 101(16) of the Bankruptcy Code.

82. Estate: The bankruptcy estate of any Debtor created pursuant to sections 301 and 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

83. Exculpated Claim: Any Claim related to any act or omission in connection with, relating to, or arising out of the Debtors’ in or out of court restructuring, the Chapter 11 Cases, formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Plan, the Equity Commitment Agreement, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, or the distribution of property under the Plan or any other agreement.

84. Exculpated Party: Each of the following in its capacity as such: (a) the Debtors and their Affiliates, (b) the Reorganized Debtors and their Affiliates, (c) the DIP Facility Lenders and the DIP Facility Administrative Agent, (d) the Investors, (e) the ABL Facility Administrative Agent, solely to the extent that such party votes to accept the Plan if entitled to vote, and the ABL Lender, solely to the extent that such party votes to accept the Plan if entitled to vote and matters relating to Ford Motor Company have been resolved to the reasonable satisfaction of the Requisite Parties, (f) the Term Loan Lenders and the Term Loan Facility Administrative Agent, (g) the Ad Hoc Group of Noteholders, (h) any holder of Senior Notes, solely to the extent that such holder votes to accept the Plan, and (i) with respect to each of the foregoing Entities in clauses (a) through (h), such Entities’ successors and assigns, (j) the Creditors’ Committee and

the members thereof, (k) with respect to each of the foregoing Entities in clauses (a) through (j), such Entities' subsidiaries, affiliates, officers, directors, principals, partners, members, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other Professionals, in their capacities as such.

85. Executory Contract: A contract or lease to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

86. Exit Financing: As defined in the Equity Commitment Agreement.

87. Final Decree: The decree contemplated under Bankruptcy Rule 3022.

88. Final Order: An order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Bankruptcy Rules, may be filed relating to such order shall not prevent such order from being a Final Order; provided, further, that the Debtors or Reorganized Debtors, as applicable, reserve the right to waive any appeal period.

89. General Unsecured Claim: Any Claim, other than Administrative Claims, Professional Claims, DIP Facility Claims, Priority Tax Claims, ABL Claims, Secured Tax Claims, Other Secured Claims, Other Priority Claims, Term Loan Facility Claims, 7.00% Senior Notes Claims, 8.25% Senior Notes Claims, 12.25% Senior Notes Claims, Intercompany Claims, and Section 510(b) Claims.

90. Government Bar Date: November 24, 2009.

91. Governmental Unit: As defined in section 101(27) of the Bankruptcy Code.

92. Guaranty Equity Amount: Under the Rights Offering Sub Plan, warrants with the terms set forth in the "Warrant Agreement" attached as Exhibit B to the Plan.

93. Impaired: With respect to any Class of Claims or Interests, a Claim or Interest that is not Unimpaired.

94. Incentive Program: That certain incentive program established by Visteon Corporation pursuant to the 2004 Incentive Plan effective May 12, 2004, comprised of an annual incentive program and a long term incentive program, as amended by the "Employee Benefit and Incentive Programs Term Sheet" attached as Exhibit L to the Equity Commitment Agreement.

95. Indemnification Obligation: A Debtor's obligation under an Executory Contract, a corporate or other document, a postpetition agreement, through the Plan, or otherwise to

indemnify directors, officers, or employees of the Debtors who served in such capacity at any time, with respect to or based upon any act or omission taken or omitted in any of such capacities, or for or on behalf of any Debtor, pursuant to and to the maximum extent provided by the Debtors' respective articles of incorporation, certificates of formation, bylaws, similar corporate documents, and applicable law, as in effect as of the Effective Date.

96. Insider: As defined in section 101(31) of the Bankruptcy Code.

97. Intercompany Claim: A Claim by a Debtor against another Debtor or a Claim by an Affiliate of the Debtors against a Debtor.

98. Intercompany Contract: A contract between two or more Debtors or a contract between one or more Affiliates and one or more Debtors.

99. Intercompany Interest: An Interest held by a Debtor or an Affiliate.

100. Interest: Any Equity Security of a Debtor existing immediately prior to the Effective Date.

101. Interim Compensation Order: The *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered by the Bankruptcy Court on June 19, 2009 [Docket No. 360].

102. Investors: Those certain holders of the Allowed Senior Notes Claims that are party to the Equity Commitment Agreement.

103. Lead Investors: Those certain Investors set forth on Schedule 5 of the Equity Commitment Agreement.

104. Lien: As defined in section 101(37) of the Bankruptcy Code.

105. Management Equity Incentive Program: A post-Effective Date compensation program in accordance with the terms set forth in the "Management Equity Incentive Program Term Sheet."

106. Management Equity Incentive Program Term Sheet: Under the Claims Conversion Sub Plan, the "Claims Conversion Sub Plan Management Equity Incentive Program Term Sheet" contained in the Plan Supplement. Under the Rights Offering Sub Plan, the "Rights Offering Sub Plan Management Equity Incentive Program Term Sheet" attached as Exhibit G to the Equity Commitment Agreement.

107. New Board: The initial board of directors of Reorganized Visteon, which shall as of the Effective Date consist of members selected in accordance with the Board Selection Term Sheet.

108. New Visteon Common Stock: The authorized shares of common stock of Reorganized Visteon, par value \$0.01 per share.

109. Non-Eligible Holder: A holder of an Allowed Senior Notes Claim that is not an Eligible Holder.
110. Notes Indentures: Collectively, the 7.00% Senior Notes Indenture, 8.25% Senior Notes Indenture, and 12.25% Senior Notes Indenture.
111. Notes Trustee: Law Debenture Trust Company of New York, or its successor, in its capacity as successor trustee under the 7.00% Senior Notes Indenture, the 8.25% Senior Notes Indenture, and the 12.25% Senior Notes Indenture.
112. Oasis Trust: Oasis Holdings Statutory Trust, a Connecticut statutory trust and an Affiliate.
113. OPEB: Other post-employment benefits obligations.
114. Other Priority Claim: Any Claim other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.
115. Other Secured Claim: Any Secured Claim other than (a) a DIP Facility Claim, (b) an ABL Claim, (c) a Term Loan Facility Claim, or (d) a Secured Tax Claim.
116. Oversight Committee: A post-Effective Date committee consisting of no more than three members of the Creditors' Committee to be selected by the Creditors' Committee upon consultation with the Debtors and existing solely for the purpose described in ARTICLE XIII.H of the Plan.
117. Oversubscription Rights: The rights granted to Eligible Holders that validly exercise their Subscription Rights in full to purchase Rights Offering Shares not otherwise subscribed for pursuant to Eligible Holders' validly exercised Subscription Rights.
118. PBGC: The Pension Benefit Guaranty Corporation, a wholly-owned United States government corporation, created by the Employee Retirement Income Security Act of 1974 ("ERISA"), to administer the mandatory pension plan termination insurance program established under Title IV of ERISA.
119. Pension Plans: Collectively, the Visteon Pension Plan, the Connersville / Bedford Pension Plan, the UAW Pension Account Plan, and the Visteon Caribbean Pension Plan, which are the Debtors' defined benefit pension plans subject to Title IV of ERISA.
120. Periodic Distribution Date: The Distribution Date, as to the first distribution made by the Distribution Agent, and thereafter, such Business Days as determined in the sole discretion of the Distribution Agent.
121. Person: As defined in section 101(41) of the Bankruptcy Code.
122. Petition Date: May 28, 2009.

123. Plan: The Debtors' joint chapter 11 plan of reorganization as it may be altered, amended, modified, or supplemented from time to time in accordance with the terms set forth herein, including the Plan Supplement and all exhibits, supplements, appendices, and schedules.

124. Plan Supplement: The supplement or supplements to the Plan containing certain documents relevant to the implementation of the Plan, to be filed with the Bankruptcy Court, as it may be amended prior to the Effective Date, which shall be in form and substance reasonably acceptable to the Requisite Parties.

125. Plan Support Agreement: That certain plan support agreement among the Debtors and the Consenting Note Holders, attached as Exhibit H to the Equity Commitment Agreement.

126. Priority Claim: Collectively, Priority Tax Claims and Other Priority Claims.

127. Priority Tax Claim: Any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

128. Professional: An Entity: (a) employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Effective Date, pursuant to sections 327, 328, 329, 330, and 331 of the Bankruptcy Code or (b) for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

129. Professional Claims: A Claim by a Professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code.

130. Professional Compensation: All accrued fees and expenses (including success fees) for services rendered by all Professionals through and including the Confirmation Date to the extent any such fees and expenses have not been paid and regardless of whether a fee application has been filed for such fees and expenses. To the extent there is a Final Order denying some or all of a Professional's fees or expenses, such denied amounts shall no longer be considered Professional Compensation.

131. Professional Fee Escrow Account: An interest-bearing account in an amount equal to the Professional Fee Reserve Amount and funded by the Debtors on the Confirmation Date.

132. Professional Fee Reserve Amount: Professional Compensation through the Confirmation Date as estimated in accordance with ARTICLE II.B.3 herein.

133. Proof of Claim: A proof of Claim filed against any of the Debtors in the Chapter 11 Cases.

134. Pro Rata: The proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class.

135. Pro Rata Allocation: In connection with the Rights Offering, the proportion that an Eligible Holder's Allowed Senior Notes Claim bears to the aggregate of Allowed Senior Notes Claims. Otherwise, the proportion that a holder's Allowed Senior Notes Claim bears to the aggregate of Allowed Senior Notes Claims.

136. Purchase Notice: As defined in the Equity Commitment Agreement.

137. Purchase Price: \$27.69 per share.

138. Related Purchaser: As defined in the Equity Commitment Agreement.

139. Released Party: Each of the following in its capacity as such, and only in its capacity as such: (a) the Debtors' and the Reorganized Debtors' current and former affiliates, subsidiaries, officers, directors, principals, partners, members, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other Professionals, (b) the DIP Facility Lenders and the DIP Facility Administrative Agent, (c) the Investors, (d) the ABL Facility Administrative Agent, solely to the extent that such party votes to accept the Plan if entitled to vote, and the ABL Lender, solely to the extent that such party votes to accept the Plan if entitled to vote and matters relating to Ford Motor Company have been resolved to the reasonable satisfaction of the Requisite Parties, (e) the Term Loan Lenders and the Term Loan Facility Administrative Agent, (f) any holder of Senior Notes, solely to the extent that such holder votes to accept the Plan, (g) the Creditors' Committee and the members thereof, and (h) with respect to each of the foregoing Entities in clauses (b) through (g), their respective current and former affiliates, subsidiaries, officers, directors, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other Professionals, in their capacities as such.

140. Releasing Party: Each of the following in its capacity as such: (a) the DIP Facility Lenders and the DIP Facility Administrative Agent, (b) the ABL Lender and ABL Facility Administrative Agent, (c) the Term Loan Lenders and the Term Loan Facility Administrative Agent, (d) the Creditors' Committee and the members thereof, (e) the Investors, (f) each holder of a Claim voting to accept the Plan, and (g) each holder of a Claim abstaining from voting to accept or reject the Plan, unless such abstaining holder checks the box on the applicable ballot, upon which holders of Impaired Claims entitled to vote shall cast their vote to accept or reject the Plan, indicating that such holder opts not to grant the releases provided in the Plan.

141. Reorganized Debtors: The Debtors, in each case, or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

142. Reorganized Visteon: Visteon Corporation or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

143. Reorganized Visteon Bylaws: The bylaws of Reorganized Visteon substantially in the form contained in the Plan Supplement under the Claims Conversion Sub Plan or attached as Exhibit D to the Equity Commitment Agreement under the Rights Offering Sub Plan.

144. Reorganized Visteon Charter: The amended and restated certificate of incorporation of Reorganized Visteon substantially in the form contained in the Plan Supplement under the Claims Conversion Sub Plan or attached as Exhibit E to the Equity Commitment Agreement under the Rights Offering Sub Plan.

145. Requisite Investors: As defined in the Equity Commitment Agreement.

146. Requisite Parties: The Requisite Investors under the Rights Offering Sub Plan. The Requisite Term Loan Holders under the Claims Conversion Sub Plan.

147. Requisite Term Loan Holders: The Term Loan Lenders holding a majority in principal amount of the Allowed Term Loan Facility Claims.

148. Restructuring Transactions: Those certain transactions described in ARTICLE IV.T of the Plan.

149. Rights Offering: That certain rights offering by Visteon Corporation pursuant to which Eligible Holders shall have the right to exercise Subscription Rights and Oversubscription Rights and the Investors shall have obligations to consummate the Direct Commitment and the Backstop Commitment to purchase Rights Offering Shares for an amount in aggregate equal to \$1,250.0 million.

150. Rights Offering Agent: Financial Balloting Group, LLC.

151. Rights Offering Procedures: The procedures required to be followed by the Eligible Holders to validly exercise their Subscription Rights and Oversubscription Rights, attached as Exhibit J to the Equity Commitment Agreement, the terms of which shall be approved by the Rights Offering Procedures Order.

152. Rights Offering Procedures Order: That certain Final Order approving certain procedures for the exercise of Subscription Rights and Oversubscription Rights.

153. Rights Offering Shares: Any shares of New Visteon Common Stock that are the subject of the Rights Offering, subject to dilution by the Management Equity Incentive Program and the Guaranty Equity Amount.

154. Rights Offering Sub Plan: The Plan if both of the Rights Offering and the Exit Financing are consummated, in accordance with the terms of the Plan and the Equity Commitment Agreement. The Rights Offering Sub Plan shall be premised on the valuation of the Debtors as set forth in the *Debtors' Second Amended Disclosure Statement for the Second Amended Joint Plan of Reorganization of Visteon Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy Code* attached to the Equity Commitment Agreement.

155. Schedules: The schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code and the Bankruptcy Rules.



156. Section 510(b) Claim: Any Claim against the Debtors arising from rescission of a purchase or sale of a security of the Debtors or an Affiliate of the Debtors, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim.

157. Secured Claim: A Claim: (a) secured by a Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code

158. Secured Tax Claim: Any Secured Claim that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

159. Securities Act: The Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

160. Security: As defined in section 2(a)(1) of the Securities Act.

161. Senior Notes: Collectively, the 7.00% Senior Notes, 8.25% Senior Notes, and 12.25% Senior Notes.

162. Servicer: An indenture trustee, agent, servicer, or other authorized representative of holders of Claims or Interests recognized by the Debtors.

163. Solicitation Procedures Order: That certain Final Order approving certain procedures for solicitation of votes on the Plan.

164. Subscription Expiration Date: That date which shall be the final date by which an Eligible Holder may exercise Subscription Rights and, if applicable, Oversubscription Rights, which date is set forth in the Rights Offering Procedures Order.

165. Subscription Form: The form that an Eligible Holder must complete and return to the Rights Offering Agent in order to exercise Subscription Rights and Oversubscription Rights in accordance with the terms of ARTICLE V.F of the Plan.

166. Subscription Rights: The rights granted to Eligible Holders to purchase the Rights Offering Shares.

167. Term Loan Agreement: That certain Amended and Restated Credit Agreement, dated April 10, 2007, between Visteon Corporation, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, Wilmington Trust FSB, as successor administrative agent, Citicorp USA, Inc., as syndication agent, Credit Suisse Securities (USA) LLC and Sumitomo Mitsui Banking Corporation, as co-documentation agents, and the several banks, financial institutions, and other entities party thereto, as lenders, as amended, supplemented, or modified from time to time.

168. Term Loan Facility: The \$1.5 billion facility provided under (a) the Term Loan Agreement and any ancillary agreements related thereto, and (b) all related security agreements,

mortgages, pledge agreements, guaranties, other collateral agreements, Certificates, financing statements and related assignments and transfer powers and additional documents and ancillary agreements, as amended.

169. Term Loan Facility Administrative Agent: Wilmington Trust FSB, or its successor, in its capacity as successor administrative agent under the Term Loan Facility.

170. Term Loan Facility Claims: The Claims, including all accrued but unpaid interest, fees, costs, and expenses due and owing with respect thereto, derived from or based upon the Term Loan Facility.

171. Term Loan Lender: A holder of a Term Loan Facility Claim.

172. Trade Claim: Any Claim arising prior to the Petition Date that directly relates to and arises solely from the receipt of goods or services by the Debtors, excluding for the avoidance of doubt Administrative Claims.

173. UAW Pension Account Plan: That certain UAW Visteon Pension Account Plan, as amended through January 8, 2010.

174. Unclaimed Distribution: Any distribution under the Plan on account of an Allowed Claim to a holder that has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

175. Unexpired Lease: A lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

176. Unimpaired: With respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

177. U.S. Bank L/C Facility Documents: That certain Letter of Credit Reimbursement and Security Agreement, dated November 16, 2009, between Visteon Corporation and U.S. Bank National Association, as amended from time to time, and any related documents and instruments as may be delivered or executed in connection therewith.

178. VIHI Restructuring: The reorganizations and other transactions involving certain subsidiaries of Visteon Corporation that may be undertaken on or prior to the Effective Date as set forth in Exhibit K attached to the Equity Commitment Agreement.

179. Visteon Caribbean Pension Plan: That certain Pension Plan of Visteon Caribbean, Inc., as amended through July 8, 2009.

180. Visteon Pension Plan: That certain Visteon Pension Plan, as amended through December 22, 2009.

181. Voting Deadline: That date which shall be the final date by which a holder of a Claim may vote to accept or reject the Plan, which date is set forth in the Solicitation Procedures Order.

182. Voting Record Date: That date for determining which holders of Claims are entitled to vote to accept or reject the Plan, which date is set forth in the Solicitation Procedures Order.

**B. Rules of Interpretation**

1. For purposes of the Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (d) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (e) the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to any particular portion of the Plan; (f) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

2. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

3. Except to the extent the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, lease, instrument, release, indenture, or other agreement or document entered into expressly in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

4. Unless specified as pertaining to the Rights Offering Sub Plan or the Claims Conversion Sub Plan, the provisions of the Plan shall apply whether the Debtors proceed with Confirmation and Consummation of the Rights Offering Sub Plan or the Claims Conversion Sub Plan.

## ARTICLE II.

### ADMINISTRATIVE AND PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Claims, DIP Facility Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in ARTICLE III.

#### A. Administrative Claims

Unless otherwise agreed to by the holder of an Allowed Administrative Claim and the Debtors or Reorganized Debtors, as applicable, each holder of an Allowed Administrative Claim (other than of a Professional Claim), including any Allowed Administrative Claim of the Notes Trustee, will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim either: (1) on the Effective Date, or as soon as practicable thereafter, (2) if the Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter, or (3) if the Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date (including any reasonable fees and expenses as provided for in the Equity Commitment Agreement), pursuant to the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the holders of such Allowed Administrative Claims. For the avoidance of doubt, all reasonable fees and expenses of the Notes Trustee (and its counsel, agents, and advisors) that are provided for under the Notes Indentures shall be paid in full in Cash on the Effective Date, or as soon as practicable thereafter, without a reduction to the recoveries of applicable holders of Allowed Claims.

#### B. Professional Claims

1. Final Fee Applications. All final requests for payment of Claims of a Professional shall be filed no later than 60 days after the Confirmation Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

2. Professional Fee Escrow Account. In accordance with ARTICLE II.B.3 hereof, on the Confirmation Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the aggregate Professional Fee Reserve Amount for all Professionals. The Professional Fee Escrow Account shall be maintained in trust for the Professionals. Such funds shall not be considered property of the estates of the Debtors or Reorganized Debtors, as applicable. The amount of Professional Claims owing to the Professionals shall be paid in Cash to such Professionals by the Reorganized Debtors from the Professional Fee Escrow Account when such Claims are Allowed by a Final Order. When all Professional Claims have been paid in full, amounts remaining in the Professional Fee Escrow Account, if any, shall revert to the Reorganized Debtors.

3. Professional Fee Reserve Amount. To receive payment for unbilled fees and expenses incurred through the Confirmation Date, the Professionals shall estimate their Professional Compensation prior to and as of the Confirmation Date and shall deliver such estimate to the Debtors no later than 10 days prior to the Confirmation Date, provided, however, that such estimate shall not be considered an admission with respect to the fees and expenses of such Professional. If a Professional does not provide an estimate, the Reorganized Debtors may estimate the unbilled fees and expenses of such Professional. The total amount so estimated as of the Confirmation Date shall comprise the Professional Fee Reserve Amount.

4. Post-Confirmation Date Fees and Expenses. Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation and Consummation incurred by the Debtors or Reorganized Debtors, as applicable. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

#### C. DIP Facility Claims

Except to the extent that a holder of an Allowed DIP Facility Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed DIP Facility Claim, each such Allowed Claim shall be paid in full in Cash on the Effective Date, or as soon as practicable thereafter, provided such payments shall be distributed to the DIP Facility Administrative Agent on behalf of holders of such Allowed Claims.

#### D. Priority Tax Claims

Each holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive one of the following treatments on account of such Claim (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, (2) Cash in an amount agreed to by the Debtor or Reorganized Debtor, as applicable, and such holder, provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim to occur at a later date, or (3) at the option of the Debtors, Cash in the aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period not more than five years after the Petition Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

### ARTICLE III.

#### CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS

##### A. Sub Plans

The Plan contemplates Confirmation and Consummation through either of two mutually exclusive sub plans—the Rights Offering Sub Plan or the Claims Conversion Sub Plan. Except as otherwise provided in ARTICLE XIII of the Plan, to the extent that both the Rights Offering and the Exit Financing are consummated, the Debtors will proceed with Consummation of the Rights Offering Sub Plan. To the extent that either of the Rights Offering or the Exit Financing is not consummated, the Debtors will proceed with Confirmation and/or Consummation, as applicable, of the Claims Conversion Sub Plan, subject to the terms of the Plan Support Agreement.

##### B. Classification of Claims and Interests

The Plan constitutes a separate plan of reorganization for each Debtor. Except for the Claims addressed in ARTICLE II, all Claims and Interests are classified in the Classes set forth below pursuant to section 1122 of the Bankruptcy Code. Classes of Claims and Interests shall be the same under each of the Rights Offering Sub Plan and the Claims Conversion Sub Plan, provided, certain Classes of Claims shall receive different treatment under the Rights Offering Sub Plan than under the Claims Conversion Sub Plan, as specified below. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, Professional Claims, DIP Facility Claims, and Priority Tax Claims. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

1. Class Identification: Below is a chart assigning each Class a letter for purposes of identifying each separate Class.

Class	Claim or Interest	Status	Voting Rights
A	ABL Claims	Unimpaired	Conclusively Presumed to Accept
B	Secured Tax Claims	Unimpaired	Conclusively Presumed to Accept
C	Other Secured Claims	Unimpaired	Conclusively Presumed to Accept
D	Other Priority Claims	Unimpaired	Conclusively Presumed to Accept

Class	Claim or Interest	Status	Voting Rights
E	Term Loan Facility Claims	Unimpaired under the Rights Offering Sub Plan. Impaired under the Claims Conversion Sub Plan.	Entitled to Vote, but Conclusively Presumed to Accept under the Rights Offering Sub Plan
F	7.00% Senior Notes Claims and 8.25% Senior Notes Claims	Impaired	Entitled to Vote
G	12.25% Senior Notes Claims	Impaired	Entitled to Vote
H	General Unsecured Claims	Impaired	Entitled to Vote
I	Intercompany Claims	Unimpaired	Conclusively Presumed to Accept
J	Interests in Visteon Corporation	Impaired	Deemed to Reject
K	Intercompany Interests	Unimpaired	Conclusively Presumed to Accept
L	Section 510(b) Claims	Impaired	Deemed to Reject

**C. Treatment of Classes of Claims and Interests**

**1. Class A — ABL Claims**

- a. *Classification:* Class A consists of all ABL Claims.
- b. *Treatment:* Except to the extent that a holder of an Allowed Class A Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class A Claim, each such holder of an Allowed Class A Claim shall be paid in full in Cash on the Effective Date, or as soon as practicable thereafter.
- c. *Voting:* Class A is Unimpaired, and holders of Allowed Class A Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class A Claims are not entitled to vote to accept or reject the Plan.

**2. Class B — Secured Tax Claims**

- a. *Classification:* Class B consists of all Secured Tax Claims.
- b. *Treatment:* Except to the extent that a holder of an Allowed Class B Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class B Claim, each such holder of an Allowed Class B Claim shall receive, at the sole option of the Debtors or the Reorganized Debtors, as applicable:

- (i) Cash on the Effective Date, or as soon as practicable thereafter, in an amount equal to such Allowed Class B Claim; or
  - (ii) commencing on the Effective Date and continuing over a period not exceeding five years from the Petition Date, equal semi-annual Cash payments in an aggregate amount equal to such Allowed Class B Claim, together with interest at the applicable non-default contract rate under non-bankruptcy law, subject to the sole option of the Debtors or the Reorganized Debtors to prepay the entire amount of such Allowed Claim; or
  - (iii) regular Cash payments in a manner not less favorable than the most favored non-priority unsecured Claim provided for by the Plan.
- c. *Voting:* Class B is Unimpaired, and holders of Allowed Class B Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class B Claims are not entitled to vote to accept or reject the Plan.

3. Class C — Other Secured Claims

- a. *Classification:* Class C consists of all Other Secured Claims.
- b. *Treatment:* Except to the extent that a holder of an Allowed Class C Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class C Claim, each such holder of an Allowed Class C Claim shall, at the sole option of the Debtors or the Reorganized Debtors, as applicable:
  - (i) have its Allowed Class C Claim reinstated and rendered Unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an Allowed Class C Claim to demand or receive payment of such Allowed Class C Claim prior to the stated maturity of such Allowed Class C Claim from and after the occurrence of a default; or
  - (ii) receive Cash in an amount equal to such Allowed Class C Claim, including any interest on such Allowed Class C Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, on the later of the Effective Date and the date such Allowed Class C Claim becomes an Allowed Class C Claim, or as soon as practicable thereafter; or
  - (iii) receive the collateral securing its Allowed Class C Claim and any interest on such Allowed Class C Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code.



- c. *Voting:* Class C is Unimpaired, and holders of Allowed Class C Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class C Claims are not entitled to vote to accept or reject the Plan.

#### 4. Class D — Other Priority Claims

- a. *Classification:* Class D consists of all Other Priority Claims.
- b. *Treatment:* Except to the extent that a holder of an Allowed Class D Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class D Claim, each such holder of an Allowed Class D Claim shall be paid in full in Cash on the later of (i) the Effective Date, or as soon as practicable thereafter and (ii) the date such Class D Claim becomes Allowed, or as soon as practicable thereafter.
- c. *Voting:* Class D is Unimpaired, and holders of Allowed Class D Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class D Claims are not entitled to vote to accept or reject the Plan.

#### 5. Class E — Term Loan Facility Claims

- a. *Classification:* Class E consists of the Term Loan Facility Claims.
- b. *Allowance:* On the Effective Date, the Term Loan Facility Claims shall be Allowed in the aggregate amount of \$1,629.34 million, measured as of June 29, 2010, plus, if applicable, any interest accrued on such Allowed Claims between June 30, 2010 and the Effective Date.
- c. *Treatment:* Holders of Allowed Class E Claims will receive the following treatment under the Rights Offering Sub Plan and the Claims Conversion Sub Plan, respectively:
  - (i) *Rights Offering Sub Plan:* Except to the extent that a holder of an Allowed Class E Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class E Claim, each such holder of an Allowed Class E Claim shall be paid in full in Cash on the Effective Date, or as soon as practicable thereafter.
  - (ii) *Claims Conversion Sub Plan:* Except to the extent that a holder of an Allowed Class E Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class E Claim, each such holder of an Allowed Class E Claim shall receive on the Effective

Date, or as soon as practicable thereafter, its Pro Rata portion of 85.0% of the Distributable Equity.

Under either of the Rights Offering Sub Plan or the Claims Conversion Sub Plan, the consideration provided under this ARTICLE III.C.5.c shall be the sole source of recovery for the Allowed Class E Claims, and holders of Class E Claims shall have no recourse against any non-Debtor Affiliates and shall have been deemed to waive any and all claims against any non-Debtor Affiliates.

- d. *Voting*: Holders of Allowed Class E Claims are entitled to vote to accept or reject the Plan, provided, however, that if the Debtors proceed to Confirmation with the Rights Offering Sub Plan such holders would be Unimpaired (and conclusively presumed to accept the Plan) in accordance with section 1124 of the Bankruptcy Code.

6. Class F — 7.00% Senior Notes Claims and 8.25% Senior Notes Claims

- a. *Classification*: Class F consists of the 7.00% Senior Notes Claims and the 8.25% Senior Notes Claims.
- b. *Allowance*: On the Effective Date, the 7.00% Senior Notes Claims shall be Allowed in the aggregate amount of \$456.82 million, and the 8.25% Senior Notes Claims shall be Allowed in the aggregate amount of \$211.41 million.
- c. *Treatment*: Holders of Allowed Class F Claims will receive the following treatment under the Rights Offering Sub Plan and the Claims Conversion Sub Plan, respectively:
  - (i) *Rights Offering Sub Plan—Non-Eligible Holders*: Except to the extent that a Non-Eligible Holder of an Allowed Class F Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every applicable Allowed Class F Claim, each such Non-Eligible Holder of an Allowed Class F Claim shall receive on the Effective Date, or as soon as practicable thereafter, (A) the Cash Amount, and (B) its Pro Rata Allocation of 5.0% of the Distributable Equity.
  - (ii) *Rights Offering Sub Plan—Eligible Holders*: Except to the extent that an Eligible Holder of an Allowed Class F Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every applicable Allowed Class F Claim, each such Eligible Holder of an Allowed Class F Claim shall receive its Pro Rata Allocation of: (A) the Subscription Rights and (B) on the Effective Date, or as soon as practicable thereafter, 5.0% of the Distributable Equity.

- (iii) *Claims Conversion Sub Plan*: Except to the extent that a holder of an Allowed Class F Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class F Claim, each such holder of an Allowed Class F Claim shall receive on the Effective Date, or as soon as practicable thereafter, its Pro Rata portion of 9.0% of the Distributable Equity.

d. *Voting*: Class F is Impaired and holders of Allowed Class F Claims are entitled to vote to accept or reject the Plan.

7. Class G — 12.25% Senior Notes Claims

- a. *Classification*: Class G consists of the 12.25% Senior Notes Claims.
- b. *Allowance*: On the Effective Date, the 12.25% Senior Notes Claims shall be Allowed in the aggregate amount of \$202.36 million.
- c. *Treatment*: Holders of Allowed Class G Claims will receive the following treatment under the Rights Offering Sub Plan and the Claims Conversion Sub Plan, respectively:
  - (i) *Rights Offering Sub Plan—Non-Eligible Holders*: Except to the extent that a Non-Eligible Holder of an Allowed Class G Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every applicable Allowed Class G Claim, each such Non-Eligible Holder of an Allowed Class G Claim shall receive on the Effective Date, or as soon as practicable thereafter:
    - (A) the Cash Amount;
    - (B) its Pro Rata Allocation of 5.0% of the Distributable Equity; and
    - (C) its Pro Rata portion of the Guaranty Equity Amount.
  - (ii) *Rights Offering Sub Plan—Eligible Holders*: Except to the extent that an Eligible Holder of an Allowed Class G Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every applicable Allowed Class G Claim, each such Eligible Holder of an Allowed Class G Claim shall receive:
    - (A) its Pro Rata Allocation of the Subscription Rights;

- (B) on the Effective Date, or as soon as practicable thereafter, its Pro Rata Allocation of 5.0% of the Distributable Equity; and
- (C) on the Effective Date, or as soon as practicable thereafter, its Pro Rata portion of the Guaranty Equity Amount.
- (iii) *Claims Conversion Sub Plan*: Except to the extent that a holder of an Allowed Class G Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class G Claim, each such holder of an Allowed Class G Claim shall receive on the Effective Date, or as soon as practicable thereafter, its Pro Rata portion of 6.0% of the Distributable Equity.

Under either of the Rights Offering Sub Plan or the Claims Conversion Sub Plan, the consideration provided under this ARTICLE III.C.7.c shall be the sole source of recovery for the Allowed Class G Claims, and holders of Class G Claims shall have no recourse against any non-Debtor Affiliates and shall have been deemed to waive any and all claims against any non-Debtor Affiliates.

- d. *Voting*: Class G is Impaired and holders of Allowed Class G Claims are entitled to vote to accept or reject the Plan.

#### 8. Class H — General Unsecured Claims

- a. *Classification*: Class H consists of all General Unsecured Claims.
- b. *Treatment*: Except to the extent that a holder of an Allowed Class H Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class H Claim, each holder of an Allowed Class H Claim shall receive on the Effective Date, or as soon as practicable thereafter, Cash equal to (i) the lesser of (A) its Pro Rata portion of \$20.0 million or (B) 100% of the amount of such holder's Allowed Class H Claim, if such holder's Allowed Class H Claim is held against Visteon International Holdings, Inc. or (ii) if such holder's Allowed Class H Claim is held against any other Debtor, the lesser of (A) its Pro Rata portion of \$141.0 million or (B) 50% of the amount of such holder's Allowed Class H Claim.
- c. *Voting*: Class H is Impaired and holders of Allowed Class H Claims are entitled to vote to accept or reject the Plan.

#### 9. Class I — Intercompany Claims

- a. *Classification*: Class I consists of all Intercompany Claims.

- b. *Treatment:* Holders of Allowed Class I Claims shall not receive any distributions on account of such Allowed Class I Claims; provided, however, the Debtors reserve the right to reinstate any or all Allowed Class I Claims on or after the Effective Date (upon consultation with the Requisite Investors).
- c. *Voting:* Class I is Unimpaired, and holders of Allowed Class I Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class I Claims are not entitled to vote to accept or reject the Plan.

10. Class J — Interests in Visteon Corporation

- a. *Classification:* Class J consists of all Interests in Visteon Corporation.
- b. *Treatment:* On the Effective Date, Allowed Class J Interests shall be deemed automatically cancelled without further action by the Debtors or Reorganized Debtors and the obligations of the Debtors and Reorganized Debtors thereunder shall be discharged.
- c. *Voting:* Class J is Impaired and holders of Allowed Class J Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Allowed Class J Interests are not entitled to vote to accept or reject the Plan.

11. Class K — Intercompany Interests

- a. *Classification:* Class K consists of all Intercompany Interests.
- b. *Treatment:* Holders of Allowed Class K Interests shall not receive any distributions on account of such Allowed Class K Interests; provided, however, the Debtors reserve the right to reinstate any or all Allowed Class K Interests on or after the Effective Date.
- c. *Voting:* Class K is Unimpaired, and holders of Allowed Class K Interests are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class K Interests are not entitled to vote to accept or reject the Plan.

12. Class L — Section 510(b) Claims

- a. *Classification:* Class L consists of all Section 510(b) Claims.
- b. *Treatment:* Holders of Allowed Class L Claims shall not receive any distributions on account of such Allowed Class L Claims. On the Effective Date, all Class L Claims shall be discharged.

- c. *Voting*: Class L is Impaired and holders of Allowed Class L Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Allowed Class L Claims are not entitled to vote to accept or reject the Plan.

D. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

**ARTICLE IV.**

**PROVISIONS FOR IMPLEMENTATION OF THE PLAN**

A. General Settlement of Claims

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan.

B. New Visteon Common Stock

The issuance of the New Visteon Common Stock by Reorganized Visteon, including options for the purchase thereof or other equity awards, if any, providing for the issuance of New Visteon Common Stock, is authorized without the need for any further corporate action or without any further action by the Debtors or Reorganized Visteon, as applicable. Pursuant to the Plan, the Reorganized Visteon Charter shall authorize the issuance and distribution on or after the Effective Date of shares of New Visteon Common Stock to the Distribution Agent for the benefit of holders of Allowed Claims in each of Classes E, F, and G under the Claims Conversion Sub Plan, and Classes F and G under the Rights Offering Sub Plan (and as required to satisfy the Debtors' obligations under the Equity Commitment Agreement), subject, in either case, to dilution by the Management Equity Incentive Program and, if applicable, the Guaranty Equity Amount. All of the shares of New Visteon Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable.

C. Registration Exemptions

The offering, issuance, and distribution of any Securities pursuant to the Plan and any and all settlement agreements incorporated therein will be exempt from the registration requirements of section 5 of the Securities Act pursuant to section 1145 of the Bankruptcy Code, section 4(2) of the Securities Act, or any other available exemption from registration under the Securities Act, as applicable. In addition, under section 1145 of the Bankruptcy Code, if applicable, any Securities issued pursuant to the Plan and any and all settlement agreements incorporated therein will be freely transferable under the Securities Act by the recipients thereof, subject to (1) the

provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments, (2) the restrictions, if any, on the transferability of such Securities and instruments, including restrictions contained in the Equity Commitment Agreement, and (3) any other applicable regulatory approval.

Certain holders of New Visteon Common Stock pursuant to ARTICLE III.C will be entitled to customary registration rights and shall be subject to customary transfer restrictions following a public offering of the New Visteon Common Stock, in accordance with the terms and conditions of a registration rights agreement by and among Reorganized Visteon and such holders. Under the Claims Conversion Sub Plan, Reorganized Visteon shall use its commercially reasonable efforts to obtain approval of the New Visteon Common Stock for listing on the New York Stock Exchange as soon as reasonably practicable. Under the Rights Offering Sub Plan, Reorganized Visteon shall not, until the earlier of the date that (1) is the three month anniversary of the Effective Date and (2) the Securities and Exchange Commission declares effective a shelf registration statement in connection with the resale of New Visteon Common Stock, list such stock on the New York Stock Exchange, the Nasdaq Stock Market, or any other national securities exchange unless pursuant to a written request of the Requisite Investors, in which case Reorganized Visteon shall use commercially reasonable efforts to list and maintain the listing of the New Visteon Common Stock on the New York Stock Exchange, the Nasdaq Stock Market, or any other national stock exchange as requested by the Requisite Investors.

#### D. Subordination

The classification and treatment of all Claims and Interests under the Plan shall conform to and with the respective contractual, legal, and equitable subordination rights of such Claims and Interests, and any such rights shall be settled, compromised, and released pursuant to the Plan.

#### E. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

#### F. Cancellation of Notes, Instruments, Certificates and Other Documents

On the Effective Date, except to the extent otherwise provided, all notes, instruments, Certificates, and other documents evidencing Claims or Interests shall be cancelled and the obligations of the Debtors or Reorganized Debtors and the non-Debtor Affiliates thereunder or in any way related thereto shall be discharged; provided, however, that notwithstanding Confirmation or the occurrence of the Effective Date, any indenture or agreement that governs the rights of the holder of a Claim shall continue in effect solely for purposes of (1) allowing holders to receive distributions under the Plan, and (2) allowing and preserving the rights of the ABL Facility Administrative Agent, the DIP Facility Administrative Agent, the Term Loan Facility Administrative Agent, and the Notes Trustee, as applicable, to make distributions on account of Claims as provided in ARTICLE IX.

#### G. Issuance of New Securities; Execution of Plan Documents

Except as otherwise provided in the Plan or the Equity Commitment Agreement, the Reorganized Debtors shall issue on the Effective Date all Securities, notes, instruments, Certificates, and other documents required to be issued pursuant to the Plan.

#### H. Acquisition of Assets Held by Oasis Trust

On the Confirmation Date, Visteon Corporation shall exercise its option under that certain Master Lease, dated October 31, 2002, as amended, to acquire from Oasis Trust all of its rights, title, and interests in and to that property located at One Village Center Drive, Van Buren Township, Wayne County, Michigan 48111, in accordance with the terms of such agreement and the Plan, and free and clear of all Liens, Claims, charges, or other encumbrances and stamp tax, transfer tax, and similar taxes pursuant to sections 1123(a)(5)(D), 1141(c), and 1146(a) of the Bankruptcy Code.

#### I. Post-Confirmation Property Sales

To the extent the Debtors or Reorganized Debtors, as applicable, purchase or sell any property prior to or including the date that is one year after the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, may elect to purchase or sell such property pursuant to sections 363, 1123(a)(5)(D), 1141(c), and 1146(a) of the Bankruptcy Code.

#### J. Corporate Action

Each of the matters provided for by the Plan involving the corporate structure of the Debtors or corporate or related actions to be taken by or required of the Reorganized Debtors, whether taken prior to or as of the Effective Date, shall be authorized without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable. Such actions may include (1) the adoption and filing of the Reorganized Visteon Charter and Reorganized Visteon Bylaws, (2) the appointment of the New Board, (3) the adoption and implementation of the Management Equity Incentive Program, (4) the authorization, issuance and distribution of the New Visteon Common Stock, including, if applicable, pursuant to the Rights Offering, and other Securities to be authorized, issued and



distributed pursuant to the Plan, and (5) the consummation and implementation of the Exit Financing.

**K. Certificate of Incorporation and Bylaws**

The certificates of incorporation and bylaws (or other formation documents relating to limited liability companies, limited partnerships, or other forms of Entity) of the Debtors (other than Visteon Corporation) shall be amended in a form as may be required to be consistent with the provisions of the Plan, and the Bankruptcy Code. Under the Claims Conversion Sub Plan, the certificate of incorporation and bylaws of Visteon Corporation shall be amended as may be required to be consistent with the provisions of the Plan, and the Bankruptcy Code, and the form and substance of the Reorganized Visteon Charter and Reorganized Visteon Bylaws shall be included in the Plan Supplement. Under the Rights Offering Sub Plan, the certificate of incorporation and bylaws of Visteon Corporation shall be as set forth in the Reorganized Visteon Charter and Reorganized Visteon Bylaws. Under either the Claims Conversion Sub Plan or Rights Offering Sub Plan, the Reorganized Visteon Charter will among other things, (1) authorize the issuance of the shares of New Visteon Common Stock; and (2) pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting Equity Securities.

After the Effective Date, each Reorganized Debtor may amend and restate its certificate of incorporation and other constituent documents as permitted by the laws of its respective states, provinces, or countries of formation and its respective charters and bylaws.

**L. Effectuating Documents, Further Transactions**

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan.

**M. Section 1146(a) Exemption**

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

N. Directors and Officers of Reorganized Visteon

On the Effective Date, the term of the current members of the board of directors of Visteon Corporation shall expire, and the New Board shall be appointed. The existing officers of Visteon Corporation shall serve in their current capacities in Reorganized Visteon. On and after the Effective Date, each director or officer of Reorganized Visteon shall serve pursuant to the terms of the Reorganized Visteon Charter, the Reorganized Visteon Bylaws, or other constituent documents, and applicable state corporation law; provided, under the Claims Conversion Sub Plan, subject to the Reorganized Visteon Bylaws relating to the filling of vacancies on the New Board, the members of the New Board as constituted on the Effective Date will continue to serve at least until the first annual meeting of stockholders after the Effective Date, which meeting shall not take place until at least 12 months after the Effective Date; provided further, under the Rights Offering Sub Plan, the members of the New Board as constituted on the Effective Date will continue to serve for a period after the Effective Date as set forth in the Board Selection Term Sheet.

O. Directors and Officers of Reorganized Debtors Other Than Visteon Corporation

Unless otherwise provided in the Debtors' disclosure pursuant to section 1129(a)(5) of the Bankruptcy Code, the officers and directors of each of the Debtors other than Visteon Corporation shall continue to serve in their current capacities after the Effective Date. The classification and composition of the boards of directors of the Reorganized Debtors other than Reorganized Visteon shall be consistent with their respective new certificates of incorporation and bylaws. Each such director or officer shall serve from and after the Effective Date pursuant to the terms of such new certificate of incorporation, bylaws, other constituent documents, and applicable state corporation law. In accordance with section 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of any Person proposed to serve as an officer or director of the Reorganized Debtors other than Reorganized Visteon shall have been disclosed at or before the Confirmation Hearing.

P. Employee Benefits and Incentive Plans

Unless otherwise specified in this ARTICLE IV.P, and except in connection and not inconsistent with those employee benefit and incentive programs that shall be treated, without further action of the Reorganized Debtors or the New Board, as set forth in the "Management Equity Incentive Program Term Sheet" and the "Employee Benefit and Incentive Programs Term Sheet" attached to the Equity Commitment Agreement, on and after the Effective Date, subject to any Final Order, the Reorganized Debtors shall have the sole discretion to (1) amend, adopt, assume, and/or honor, in the ordinary course of business or as otherwise provided for herein, any contracts, agreements, policies, programs, including the Incentive Program, and plans for, among other things, compensation, pursuant to the terms thereof or hereof, including any incentive plan, as applicable, including health care benefits, disability benefits, deferred compensation benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation benefits, life insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of any of the Debtors who served in such capacity from and after the Petition Date, and (2) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date.

As of the Effective Date, the Reorganized Debtors shall continue the Pension Plans in accordance with, and subject to, their terms, ERISA, and the Internal Revenue Code, and shall preserve all of their rights thereunder. All Proofs of Claim filed on account of Claims in connection with the termination of the Pension Plans shall be deemed disallowed and expunged as of the Effective Date without any further action of the Debtors or Reorganized Debtors and without any further action, order, or approval of the Bankruptcy Court. Notwithstanding anything to the contrary in ARTICLE IV.P of the Plan, no provision in the Plan or the Confirmation Order, or proceeding within the Chapter 11 Cases, shall in any way be construed as discharging, releasing, or relieving the Debtors, the Reorganized Debtors, or any other party in any capacity, from any liability with respect to the Pension Plans under any law, governmental policy, or regulatory provision, including for breach of fiduciary duty.

On and after the Effective Date, and in accordance with applicable law and administrative requirements, the Reorganized Debtors shall have no liability for OPEB and shall have no obligation to provide or offer OPEB to their employees and retirees and their spouses, surviving spouses, dependents or other beneficiaries. The cessation shall be administered on a "claims incurred" basis, and the Reorganized Debtors shall retain responsibility for all claims incurred but either unfiled or unpaid as of the date of cessation of the OPEB.

Q. Employment Agreement & Change in Control Agreements

Reorganized Visteon shall be authorized to enter into that certain employment agreement with Donald J. Stebbins delivered by the Debtors to the Requisite Parties on the date of the filing of the Plan with the Bankruptcy Court, effective as of the Effective Date, without any further action, order, or approval of the New Board or the Bankruptcy Court, as applicable. Also, on the Effective Date, Reorganized Visteon shall adopt, approve, and authorize change in control agreements with respect to certain of Reorganized Visteon's officers, in the form delivered by the Debtors to the Requisite Parties on the date of the filing of the Plan with the Bankruptcy Court, without further action, order, or approval of the New Board.

R. Intercompany Account Settlement

The Debtors and the Reorganized Debtors, and their respective Affiliates, will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and will not violate the terms of the Plan.

S. Preservation of Rights of Action

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes

of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain the foregoing Causes of Action notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

#### T. Restructuring Transactions

On or prior to the Effective Date, the Debtors or the Reorganized Debtors may enter into the following transactions and take any actions as may be necessary or appropriate to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Reorganized Debtors, as and to the extent provided therein, with the consent of the Requisite Parties. The Restructuring Transactions may include the VIHI Restructuring (to which the Requisite Investors shall be deemed to have consented by virtue of their execution of the Equity Commitment Agreement, but subject to the terms and conditions thereof), one or more inter-company mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, liquidations, or other corporate transactions as may be determined by the Debtors or the Reorganized Debtors, as applicable, to be necessary or appropriate. The actions to effect the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and the Equity Commitment Agreement and that satisfy the requirements of applicable law and any other terms to which the relevant entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and the Equity Commitment Agreement and having other terms for which the applicable parties

agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; (4) pledging, granting of liens or security interests over, assuming or guarantying obligations or taking such similar actions as may be necessary to preserve the rights and collateral interests of the secured creditors of the Debtors and their subsidiaries at all times prior to the effectiveness and consummation of the Plan; and (5) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Restructuring Transactions.

#### U. Post-Effective Date Financing

Unless otherwise refinanced in connection with the Exit Financing, notwithstanding any provision in the Plan to the contrary or section 1141(c) of the Bankruptcy Code, the U.S. Bank L/C Facility Documents and the Currency Contracts, and all rights and obligations of, and Liens held by, the parties thereunder in connection therewith, shall survive and remain in full force and effect on and after the Effective Date in accordance with the terms of the U.S. Bank L/C Facility Documents and Currency Contracts, respectively, and the Final Orders entered on November 12, 2009 in connection therewith [Docket Nos. 1296 and 1297]. On the Effective Date, any and all rights and obligations of the Debtors under the U.S. Bank L/C Facility Documents and the Currency Contracts shall vest in, or become the obligations of, the applicable Reorganized Debtors.

#### V. Corporate Existence

Except as otherwise provided in the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and without any further notice to or action, order, or approval of the Bankruptcy Court or any other court of competent jurisdiction (other than any requisite filings required under applicable state, provincial, or federal law).

#### W. Tax Reporting Matters

All parties (including the Reorganized Debtors and holders of Claims and Interests) shall report for all federal income tax purposes in a manner consistent with the Plan.

**ARTICLE V.**  
**RIGHTS OFFERING**

**A. Election Form**

In accordance with the terms of the Rights Offering Procedures, the Debtors will deliver an Election Form to each holder of an Allowed Senior Notes Claim to determine which holders will be considered Eligible Holders and which holders will be considered Non-Eligible Holders. To determine that a holder is an Eligible Holder, such holder must, in accordance with the terms set forth in the Election Form, validly complete and return an Election Form by the Election Form Deadline certifying that such holder is an Accredited Investor. To determine that a holder is a Non-Eligible Holder, such holder must, in accordance with the terms set forth in the Election Form, validly complete and return an Election Form by the Election Form Deadline certifying that such holder is not an Accredited Investor. Only Eligible Holders shall be permitted to participate in the Rights Offering. Only Non-Eligible Holders shall be permitted to receive the Cash Amount.

**B. Issuance of Subscription Rights**

Each Eligible Holder shall receive Subscription Rights entitling such holder to purchase up to its Pro Rata Allocation of the Rights Offering Shares. Each Eligible Holder shall have the right, but not the obligation, to participate in the Rights Offering as set forth herein and in the Rights Offering Procedures.

**C. Oversubscription Rights**

Each Eligible Holder that validly exercises in full its Subscription Rights shall be entitled to elect on the Subscription Form to purchase Rights Offering Shares not otherwise subscribed for pursuant to validly exercised Subscription Rights by indicating the number of such unsubscribed shares such Eligible Holder desires to purchase, as set forth herein and in the Rights Offering Procedures, and subject to the terms of the Equity Commitment Agreement.

**D. Transfer Restriction**

The Subscription Rights and the Oversubscription Rights are not transferable. Any attempted transfer is null and void and the Debtors will not treat any purported transferee as the holder of any Subscription Right or, if applicable, Oversubscription Right. The Subscription Rights and the Oversubscription Rights shall not be listed or quoted on any public or over-the-counter securities exchange or quotation system.

**E. Subscription Period and Mailing**

The Rights Offering shall commence for each Eligible Holder upon its receipt of the Subscription Form and shall end on the Subscription Expiration Date, unless extended by Visteon Corporation with the reasonable consent of the Requisite Investors. As soon as practicable after the Election Form Deadline, Eligible Holders will be mailed Subscription Forms together with instructions for the proper completion, due execution, and timely delivery of such Subscription Forms, as well as instructions for payment.

#### F. Exercise of Subscription Rights and Oversubscription Rights

Except as provided for in the Equity Commitment Agreement, each Eligible Holder may exercise all or any portion of such holder's Subscription Rights and, if applicable, Oversubscription Rights, pursuant to the Subscription Form. To exercise its Subscription Rights and, if applicable, Oversubscription Rights, an Eligible Holder must: (1) return a validly completed Subscription Form to the Rights Offering Agent so that such Subscription Form is actually received by the Rights Offering Agent on or before the Subscription Expiration Date and (2) pay to the Rights Offering Agent on or before the Subscription Expiration Date the Purchase Price multiplied by the number of shares of New Visteon Common Stock such Eligible Holder has elected to purchase pursuant to its Subscription Rights and its Oversubscription Rights, in accordance with the wire instructions set forth on the Subscription Form.

If the Rights Offering Agent for any reason does not receive on or prior to the Subscription Expiration Date both a validly completed Subscription Form and immediately available funds as set forth in this ARTICLE V.F from an Eligible Holder, such Eligible Holder shall be deemed to have relinquished and waived its right to participate in the Rights Offering. The Debtors shall not be obligated to honor any purported exercise of Subscription Rights or Oversubscription Rights received by the Rights Offering Agent after the Subscription Expiration Date, regardless of when the documents relating to such exercise were sent. Once the Eligible Holder has validly exercised its Subscription Rights and, if applicable, Oversubscription Rights, such exercise will not be permitted to be revoked, rescinded, or modified.

The payments made in accordance with the Rights Offering shall be deposited and held by the Rights Offering Agent in an escrow account. The Rights Offering Agent will maintain such account for the purpose of holding the money for administration of the Rights Offering until the Effective Date or such other later date at the option of the Reorganized Debtors. The Rights Offering Agent shall not use such funds for any other purpose and shall not encumber or permit such funds to be encumbered with any Lien or similar encumbrance. Such funds shall be held in such escrow account and disbursed only in accordance with the procedures described in this ARTICLE V, the Rights Offering Procedures, and the Equity Commitment Agreement.

The Debtors may adopt such additional detailed procedures consistent with the provisions of this ARTICLE V.F, the Rights Offering Procedures, and the Equity Commitment Agreement to more efficiently administer the exercise of the Subscription Rights, and, if applicable, Oversubscription Rights.

#### G. Direct Commitment

The Investors shall be obligated to consummate the Direct Commitment on the terms and subject to the conditions of the Equity Commitment Agreement.

#### H. Backstop Commitment

The Investors shall be obligated to consummate their Backstop Commitment with respect to unsubscribed Rights Offering Shares on the terms and subject to the conditions set forth in the Equity Commitment Agreement. The Investors shall for the benefit of Reorganized Visteon deliver to Visteon Corporation, in accordance with section 7.7 of the Equity Commitment

Agreement, on the later of the date that is (1) ten Business Days prior to the date scheduled for the Confirmation Hearing and (2) five Business Days after delivery of the Purchase Notice funding approval certificates.

**I. Debtors' Obligations under the Claims Conversion Sub Plan**

Notwithstanding any provision in the Plan, the Plan Support Agreement, the Equity Commitment Agreement, or the Rights Offering Procedures to the contrary, the Debtors shall not be obligated under the Claims Conversion Sub Plan to, and shall not, honor any purported exercise of Subscription Rights or Oversubscription Rights or the satisfaction of the Direct Commitment or Backstop Commitment.

**J. Issuance of Rights Offering Shares**

Under the Rights Offering Sub Plan, Rights Offering Shares purchased by Eligible Holders shall be issued on the Effective Date and distributed on the Effective Date or as soon as practicable thereafter.

If the number of Rights Offering Shares elected for purchase pursuant to Oversubscription Rights exceeds the number of unsubscribed Rights Offering Shares, then such unsubscribed Rights Offering Shares shall be apportioned to Eligible Holders that exercised such Oversubscription Rights (1) first, to the Lead Investors and their Related Purchasers and their respective affiliates, (2) second, to the Co-Investors and their Related Purchasers and their respective affiliates, and (3) last, if any unsubscribed Rights Offering Shares remain unallocated, to the other Eligible Holders exercising their Oversubscription Rights, in each case pro rata relative to the number of such shares each such Eligible Holder elected to purchase pursuant to its Oversubscription Rights and in accordance with section 2.2(e) of the Equity Commitment Agreement.

Any payment made by an Eligible Holder shall be refunded as soon as practicable (1) upon termination of the Equity Commitment Agreement, (2) if such Eligible Holder has made an overpayment, in an amount equal to such overpayment, or (3) under the Claims Conversion Sub Plan. Fractional shares of New Visteon Common Stock shall not be issued upon exercise of the Subscription Rights or Oversubscription Rights and no compensation shall be paid in respect of such fractional shares.

**ARTICLE VI.**

**ENTITLEMENT TO AND FUNDING OF CASH AMOUNT RECOVERIES**

**A. Entitlement to Cash Amount Recoveries**

Under the Rights Offering Sub Plan, a Non-Eligible Holder shall be entitled to receive the Cash Amount only if such Non-Eligible Holder validly completes and returns an Election Form certifying that it is a Non-Eligible Holder in accordance with the terms set forth in the Election Form. If a Non-Eligible Holder does not duly satisfy such requirements, such holder shall be deemed to have relinquished and waived its right to receive the Cash Amount.



**B. Source of Cash for Payment of Cash Amount**

Each Cash Recovery Backstop Investor shall deliver to Visteon Corporation on the later of the date that is (1) ten Business Days prior to the date scheduled for the Confirmation Hearing and (2) five Business Days after delivery of the Purchase Notice a funding approval certificate from an officer or a duly authorized agent of such Cash Recovery Backstop Investor certifying that such Cash Recovery Backstop Investor's credit committee (or such similar governing entity that is responsible for approving such matters in accordance with such Cash Recovery Backstop Investor's normal operations) has approved, subject only to the terms and conditions of the Rights Offering Sub Plan in accordance with the Plan, the funding by such Cash Recovery Backstop Investor of its Distributable Commitment Percentage of (1) the aggregate Cash Amount, and (2) the Purchase Price multiplied by the number of shares of New Visteon Common Stock constituting the Cash Recovery Subscription Equity. On the Effective Date, each Cash Recovery Backstop Investor shall pay the applicable amounts set forth in the immediately preceding sentence to Visteon Corporation by wire transfer of immediately available funds to an account designated by Visteon Corporation in writing not less than three Business Days prior to the Effective Date.

Notwithstanding any provision in the Plan, the Plan Support Agreement, or the Equity Commitment Agreement to the contrary, neither the Debtors nor the Cash Recovery Backstop Investors shall be obligated under the Claims Conversion Sub Plan to, and shall not, honor any purported entitlement to the Cash Amount.

**C. Transfer of New Visteon Common Stock as a Consequence of Cash Amount Distributions**

Under the Rights Offering Sub Plan, the Distribution Agent shall on the Effective Date issue, and shall deliver, on the Effective Date, or as soon as practicable thereafter, to the Cash Recovery Backstop Investors pro rata relative to their Allotted Portions the Cash Recovery Subscription Equity.

**ARTICLE VII.**

**TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**A. Rejection of Executory Contracts and Unexpired Leases**

Except as otherwise provided herein, each Executory Contract and Unexpired Lease shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless any such Executory Contract or Unexpired Lease: (1) is listed on the schedule of "Assumed Executory Contracts and Unexpired Leases" in the Plan Supplement; (2) has been previously assumed by the Debtors by Final Order or has been assumed by the Debtors by order of the Bankruptcy Court as of the Effective Date, which order becomes a Final Order after the Effective Date; (3) is the subject of a motion to assume or reject pending as of the Effective Date; (4) is an Intercompany Contract, unless such Intercompany Contract previously was rejected by the Debtors pursuant to a Final Order, is the subject of a motion to reject pending on the Effective Date, or is listed on the schedule of "Rejected Executory Contracts and

Unexpired Leases” in the Plan Supplement; or (5) is otherwise assumed pursuant to the terms herein.

The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Counterparties to Executory Contracts or Unexpired Leases that are deemed rejected as of the Effective Date shall have the right to assert any Claim on account of the rejection of such Executory Contracts or Unexpired Leases, including under section 502(g) of the Bankruptcy Code, subject to compliance with the requirements herein.

Further, the Plan Supplement will contain a schedule of “Rejected Executory Contracts and Unexpired Leases;” provided, however, that any Executory Contract and Unexpired Lease not previously assumed, assumed and assigned, or rejected by an order of the Bankruptcy Court, and not listed in the schedule of “Rejected Executory Contracts and Unexpired Leases” will be rejected on the Effective Date, notwithstanding its exclusion from such schedule.

#### B. Assumption of Executory Contracts and Unexpired Leases

On the Effective Date, the Reorganized Debtors shall assume all of the Executory Contracts and Unexpired Leases listed on the schedule of “Assumed Executory Contracts and Unexpired leases” in the Plan Supplement and otherwise identified for assumption pursuant to ARTICLE VII.A above. With respect to each such Executory Contract and Unexpired Lease listed on the schedule of “Assumed Executory Contracts and Unexpired Leases” in the Plan Supplement, the Debtors shall have designated a proposed Cure, and the assumption of such Executory Contracts and Unexpired Leases may be conditioned upon the disposition of all issues with respect to such Cure. The Confirmation Order shall constitute an order of the Bankruptcy Court approving any such assumptions pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

1. Modifications, Amendments, Supplements, Restatements, or Other Agreements. Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated hereunder.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

2. Proofs of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed. Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including hereunder, except Proofs of Claim asserting Cures, pursuant to the order approving such assumption, including the Confirmation Order, shall be deemed disallowed and expunged from the Claims Register as of

the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court.

**C. Indemnification Obligations**

Each Indemnification Obligation shall be assumed by the applicable Debtor effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code, to the extent such Indemnification Obligation is executory, unless such Indemnification Obligation previously was rejected by the Debtors pursuant to a Bankruptcy Court order or is the subject of a motion to reject pending on the Effective Date. The Reorganized Debtors reserve the right to honor or reaffirm Indemnification Obligations other than those terminated by a prior or subsequent order of the Bankruptcy Court, whether or not executory, in which case such honoring or reaffirmation shall be in complete satisfaction, discharge, and release of any Claim on account of such Indemnification Obligation. Each Indemnification Obligation that is assumed, deemed assumed, honored, or reaffirmed shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose.

**D. Insurance Policies**

Each insurance policy shall be assumed by the applicable Debtor effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code, to the extent such insurance policy is executory, unless such insurance policy previously was rejected by the Debtors pursuant to a Bankruptcy Court order, is the subject of a motion to reject pending on the Effective Date, or is included in the schedule of “Rejected Executory Contracts and Unexpired Leases” contained in the Plan Supplement.

**E. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases**

With respect to each of the Executory Contracts or Unexpired Leases listed on the schedule of “Assumed Executory Contracts and Unexpired Leases,” the Debtors shall have designated a proposed Cure, and the assumption of such Executory Contract or Unexpired Lease shall be conditioned upon the disposition of all issues with respect to Cure. Such Cure shall be satisfied by the Debtors or their assignee, if any, by payment of the Cure in Cash on the Effective Date or as soon as reasonably practicable thereafter, or on such other terms as may be ordered by the Bankruptcy Court or agreed upon by the parties to the applicable Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court. Any provisions or terms of the Executory Contracts or Unexpired Leases to be assumed pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by Cure, or by an agreed-upon waiver of Cure.

Prior to the Confirmation Hearing, the Debtors shall file with the Bankruptcy Court and serve upon counterparties to such Executory Contracts and Unexpired Leases a notice of the proposed assumption that will (1) list the applicable Cure, if any, (2) describe the procedures for filing objections to the proposed assumption or Cure, and (3) explain the process by which related disputes will be resolved by the Bankruptcy Court. Except with respect to Executory Contracts and Unexpired Leases in which the Debtors and the applicable counterparties have

stipulated in writing to payment of Cure, all requests for payment of Cure that differ from the amounts proposed by the Debtors must be filed with the Claims and Solicitation Agent on or before the Cure Bar Date. Any request for payment of Cure that is not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, and any Cure shall be deemed fully satisfied, released, and discharged upon payment by the Debtors of the amounts listed on the Debtors' proposed Cure schedule, notwithstanding anything included in the Schedules or in any Proof of Claim to the contrary; provided, however, that nothing shall prevent the Reorganized Debtors from paying any Cure despite the failure of the relevant counterparty to file such request for payment of such Cure. The Reorganized Debtors also may settle any Cure without any further notice to or action, order, or approval of the Bankruptcy Court.

If the Debtors or Reorganized Debtors, as applicable, object to any Cure or any other matter related to assumption, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. If there is a dispute regarding such Cure, the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assumption of any Executory Contract or Unexpired Lease and associated Cure will be deemed to have consented to such assumption and Cure. The Debtors or Reorganized Debtors, as applicable, reserve the right either to reject or nullify the assumption of any Executory Contract or Unexpired Lease after a Final Order determining the Cure or any request for adequate assurance of future performance required to assume such Executory Contract or Unexpired Lease is made.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Cures, Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

#### F. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtors under such contracts or leases. In particular, notwithstanding any nonbankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Debtors or Reorganized Debtors, as applicable, from counterparties to rejected or repudiated Executory Contracts.

**G. Claims Based on Rejection of Executory Contracts or Unexpired Leases**

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Executory Contracts and Unexpired Leases pursuant to the Plan or otherwise must be filed with the Claims and Solicitation Agent no later than 30 days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the Executory Contracts or Unexpired Leases that are not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall be classified as Other General Unsecured Claims against the applicable Debtor counterparty thereto.

**H. Contracts, Intercompany Contracts, and Leases Entered Into After the Petition Date**

Contracts, Intercompany Contracts, and leases entered into after the Petition Date by any Debtor, and any Executory Contracts and Unexpired Leases assumed by any Debtor, may be performed by the applicable Reorganized Debtor in the ordinary course of business.

**I. Reservation of Rights**

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or Reorganized Debtors, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

**ARTICLE VIII.**

**PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS**

**A. Allowance of Claims and Interests**

After the Effective Date, each Reorganized Debtor shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately prior to the Effective Date, including the Causes of Action retained pursuant to ARTICLE IV.S, except with respect to any Claim deemed Allowed under the Plan. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed or the Bankruptcy Court has entered a Final Order, including the Confirmation Order, in the Chapter 11 Cases allowing such Claim. All settled claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court, pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties.

**B. Claims and Interests Administration Responsibilities**

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors shall have the sole authority (1) to file, withdraw, or litigate to judgment, objections to Claims or Interests, (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

**C. Estimation of Claims and Interests**

Before or after the Effective Date, the Debtors or Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim or disputed Interest that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

**D. Expungement or Adjustment to Paid, Satisfied, or Superseded Claims and Interests**

Any Claim or Interest that has been paid, satisfied, or superseded, or any Claim or Interest that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtors without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

**E. No Interest**

Unless otherwise specifically provided for in the Plan, required under applicable bankruptcy law, or agreed to by the Debtors, the Confirmation Order, or a postpetition agreement in writing between the Debtors and a holder of a Claim, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

**F. Disallowance of Claims or Interests**

**EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER,**

**OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT ON OR BEFORE THE LATER OF (1) THE CONFIRMATION HEARING AND (2) 45 DAYS AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM.**

All Claims of any Entity from which property is sought by the Debtors under section 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if (1) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code and (2) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

**G. Amendments to Claims**

On or after the Effective Date, except as otherwise provided herein, a Claim may not be filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such prior authorization is not received, any such new or amended Claim filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court.

**H. No Distributions Pending Allowance**

If an objection to a Claim or portion thereof is filed prior to the Effective Date, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof, as applicable, unless and until such Disputed Claim becomes an Allowed Claim.

**I. Distributions After Allowance**

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions, if any, shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Distribution Agent shall provide to the holder of such Claim the distribution, if any, to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

## ARTICLE IX.

### PROVISIONS GOVERNING DISTRIBUTIONS

#### A. Distributions on Account of Claims Allowed as of the Effective Date

1. Delivery of Distributions in General. Except as otherwise provided in the Plan, a Final Order, or as otherwise agreed to by the relevant parties on the Distribution Date, the Distribution Agent shall make initial distributions under the Plan on account of Claims Allowed on or before the Effective Date, subject to the Reorganized Debtors' right to object to Claims; provided, however, that (a) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (b) Allowed Priority Tax Claims and Allowed Secured Tax Claims shall be paid in full in Cash on the Distribution Date or in installment payments over a period not more than five years after the Petition Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim or Allowed Secured Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

2. Delivery of Distributions on account of DIP Facility Claims. The DIP Facility Administrative Agent shall be deemed to be the holder of all DIP Facility Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such DIP Facility Claims to or on behalf of the DIP Facility Administrative Agent. The DIP Facility Administrative Agent shall hold or direct such distributions for the benefit of the holders of Allowed DIP Facility Claims, as applicable. The DIP Facility Administrative Agent shall arrange to deliver such distributions to or on behalf of such holders of Allowed DIP Facility Claims; provided, however, the DIP Facility Administrative Agent shall retain all rights as administrative agent under the DIP Facility Credit Agreement in connection with delivery of distributions to DIP Facility Lenders; and provided further, however, that the Debtors' obligations to make distributions in accordance with ARTICLE II.C shall be deemed satisfied upon delivery of distributions to the DIP Facility Administrative Agent.

3. Delivery of Distributions on account of ABL Claims. The ABL Facility Administrative Agent shall be deemed to be the holder of the ABL Claim, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such Allowed ABL Claim to or on behalf of the ABL Facility Administrative Agent. The ABL Facility Administrative Agent shall hold or direct such distributions for the benefit of the holder of the Allowed ABL Claim, as applicable. The ABL Facility Administrative Agent shall arrange to deliver such distributions to or on behalf of the holder of the Allowed ABL Claim; provided, however, the ABL Facility Administrative Agent shall retain all rights as administrative agent under the ABL Facility Credit Agreement in connection with delivery of distributions to the ABL Lender; and provided further, however, that



the Debtors' obligations to make distributions in accordance with ARTICLE III.C.1.b shall be deemed satisfied upon delivery of distributions to the ABL Facility Administrative Agent.

4. Delivery of Distributions on account of the Term Loan Facility Claims. The Term Loan Facility Administrative Agent shall be deemed to be the holder of the Term Loan Facility Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such Allowed Term Loan Facility Claims to or on behalf of the Term Loan Facility Administrative Agent. The Term Loan Facility Administrative Agent shall hold or direct such distributions for the benefit of the holders of the Allowed Term Loan Facility Claims, as applicable. The Term Loan Facility Administrative Agent shall arrange to deliver such distributions to or on behalf of the holders of the Allowed Term Loan Facility Claims; provided, however, the Term Loan Facility Administrative Agent shall retain all rights as administrative agent under the Term Loan Agreement in connection with delivery of distributions to the Term Loan Lenders; and provided further, however, that the Debtors' obligations to make distributions in accordance with ARTICLE III.C.5.c shall be deemed satisfied upon delivery of distributions to the Term Loan Facility Administrative Agent.

5. Delivery of Distributions on account of the 7.00% Senior Notes Claims. The Notes Trustee shall be deemed to be the holder of the 7.00% Senior Notes Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such 7.00% Senior Notes Claims to or on behalf of the Notes Trustee. The Notes Trustee shall hold or direct such distributions for the benefit of the holders of the 7.00% Senior Notes Claims, as applicable. The Notes Trustee shall arrange to deliver such distributions to or on behalf of the holders of the 7.00% Senior Notes Claims; provided, however, the Notes Trustee shall retain all rights as indenture trustee under the Notes Indentures in connection with delivery of distributions to the holders of the 7.00% Senior Notes; and provided further, however, that the Debtors' obligations to make distributions in accordance with ARTICLE III.C.6.c shall be deemed satisfied upon delivery of distributions to the Notes Trustee.

6. Delivery of Distributions on account of the 8.25% Senior Notes Claims. The Notes Trustee shall be deemed to be the holder of the 8.25% Senior Notes Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such 8.25% Senior Notes Claims to or on behalf of the Notes Trustee. The Notes Trustee shall hold or direct such distributions for the benefit of the holders of the 8.25% Senior Notes Claims, as applicable. The Notes Trustee shall arrange to deliver such distributions to or on behalf of the holders of the 8.25% Senior Notes Claims; provided, however, the Notes Trustee shall retain all rights as indenture trustee under the Notes Indentures in connection with delivery of distributions to the holders of the 8.25% Senior Notes; and provided further, however, that the Debtors' obligations to make distributions in accordance with ARTICLE III.C.6.c shall be deemed satisfied upon delivery of distributions to the Notes Trustee.

7. Delivery of Distributions on account of the 12.25% Senior Notes Claims. The Notes Trustee shall be deemed to be the holder of the 12.25% Senior Notes Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such 12.25% Senior Notes Claims to or on behalf of the Notes Trustee. The Notes Trustee shall hold or direct such distributions for the benefit of the holders of the 12.25% Senior Notes Claims, as applicable. The Notes Trustee shall arrange to

deliver such distributions to or on behalf of the holders of the 12.25% Senior Notes Claims; provided, however, the Notes Trustee shall retain all rights as indenture trustee under the Notes Indentures in connection with delivery of distributions to the holders of the 12.25% Senior Notes; and provided further, however, that the Debtors' obligations to make distributions in accordance with ARTICLE III.C.7.c shall be deemed satisfied upon delivery of distributions to the Notes Trustee.

8. Notes Trustee as Claim Holder. Consistent with Bankruptcy Rule 3003(c), the Reorganized Debtors shall recognize a Proof of Claim filed by the Notes Trustee in respect of the 7.00% Senior Notes Claims, 8.25% Senior Notes Claims, and 12.25% Senior Notes Claims. Accordingly, any Claim, proof of which is by the registered or beneficial holder of a Claim, may be disallowed as duplicative of a Claim of the Notes Trustee, without need for any further action or Bankruptcy Court order.

9. Withholding of shares of New Visteon Common Stock. Notwithstanding anything in the Plan to the contrary, Reorganized Visteon shall hold any shares of New Visteon Common Stock to which a Contingent Holder would otherwise be entitled if it were not a Contingent Holder until such time that such holder provides the Distribution Agent written certification that such holder is not in violation of any laws or regulations of any Governmental Unit. Such Contingent Holder shall not be a shareholder of Reorganized Visteon and shall have no voting rights or other rights of a shareholder of Reorganized Visteon with respect to such withheld shares. As soon as reasonably practicable upon receipt by the Distribution Agent of a Contingent Holder's written certification that such holder is in compliance with the laws and regulations of the applicable Governmental Units, but not earlier than the Effective Date, Reorganized Visteon shall release such withheld shares of New Visteon Common Stock for distribution to the Contingent Holder. To the extent that a Contingent Holder fails to provide the Distribution Agent with such certification within 180 days of the Effective Date, Reorganized Visteon shall be permitted as agent for the Contingent Holder to market for sale that portion of the Allowed Claim underlying such Contingent Holder's withheld shares of New Visteon Common Stock. The proceeds of any such sale (minus any fees or expenses incurred by Reorganized Visteon in connection with such sale) shall be distributed to such Contingent Holder as soon as such sale can be facilitated, subject to applicable regulatory approval, if any. Under the Rights Offering Sub Plan, under no circumstance shall a Contingent Holder have a claim for the return of any funds paid in connection with the purchase of Rights Offering Shares, or, if applicable, be released from its obligations under the Equity Commitment Agreement, unless otherwise provided for therein, solely on account of such holder being a Contingent Holder.

**B. Distributions on Account of Claims Allowed After the Effective Date**

1. Payments and Distributions on Disputed Claims. Except as otherwise provided in the Plan, a Final Order, or as agreed to by the relevant parties, distributions under the Plan on account of Disputed Claims that become Allowed after the Effective Date shall be made on the Periodic Distribution Date that is at least 30 days after the Disputed Claim becomes an Allowed Claim; provided, however, that (a) Disputed Claims that are Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors on or before the Effective Date that become Allowed after the

Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice and (b) Disputed Claims that are Priority Tax Claims or Secured Tax Claims that become Allowed Priority Tax Claims or Allowed Secured Tax Claims after the Effective Date shall be paid in full in Cash on the Periodic Distribution Date that is at least 30 days after the Disputed Claim becomes an Allowed Claim or over a five-year period as provided in section 1129(a)(9)(C) of the Bankruptcy Code with annual interest provided by applicable non-bankruptcy law.

2. Special Rules for Distributions to Holders of Disputed Claims. Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the relevant parties (a) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order and (b) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order or the Claims have been Allowed or expunged. All distributions made pursuant to the Plan on account of a Disputed Claim that is deemed an Allowed Claim by the Bankruptcy Court shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the dates distributions were previously made to holders of Allowed Claims included in the applicable Class; provided, however, that no interest shall be paid on account to such Allowed Claims unless required under applicable bankruptcy law.

#### C. Delivery of Distributions

1. Record Date for Distributions. On the Distribution Record Date, the Claims Register shall be closed and the Distribution Agent shall be authorized and entitled to recognize only those record holders listed on the Claims Register as of the close of business on the Distribution Record Date. Notwithstanding the foregoing, if a Claim or Interest, other than one based on a publicly traded Certificate is transferred less than 20 days before the Distribution Record Date, the Distribution Agent shall make distributions to the transferee only to the extent practical and in any event only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

2. Distribution Process. The Distribution Agent shall make all distributions required under the Plan, except that distributions to holders of Allowed Claims governed by a separate agreement and administered by a Servicer shall be deposited with the appropriate Servicer, at which time such distributions shall be deemed complete, and the Servicer shall deliver such distributions in accordance with the Plan and the terms of the governing agreement. Except as otherwise provided in the Plan, and notwithstanding any authority to the contrary, distributions to holders of Allowed Claims shall be made to holders of record as of the Distribution Record Date by the Distribution Agent or a Servicer, as appropriate: (a) to the signatory set forth on any of the Proofs of Claim filed by such holder or other representative identified therein (or at the last known addresses of such holder if no Proof of Claim is filed or if the Debtors have been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim;

(c) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004 if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address; (d) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address; or (e) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. The Debtors, the Reorganized Debtors, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan.

3. Accrual of Dividends and Other Rights. For purposes of determining the accrual of dividends or other rights after the Effective Date, New Visteon Common Stock shall be deemed distributed as of the Effective Date regardless of the date on which it is actually issued, dated, authenticated, or distributed; provided however, the Reorganized Debtors shall not pay any such dividends or distribute such other rights, if any, until after distributions of New Visteon Common Stock actually take place.

4. Compliance Matters. In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

5. Foreign Currency Exchange Rate. Except as otherwise provided in the Plan or a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate as of Thursday, May 28, 2009 as quoted at 4:00 p.m. (EDT), mid-range spot rate of exchange for the applicable currency as published in *The Wall Street Journal, National Edition*, on Friday, May 29, 2009.

6. Fractional, De Minimis, Undeliverable, and Unclaimed Distributions.

a. Fractional Distributions. Notwithstanding any other provision of the Plan to the contrary, payments of fractions of shares of New Visteon Common Stock shall not be made and shall be deemed to be zero, and the Distribution Agent shall not be required to make distributions or payments of fractions of dollars. Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

b. De Minimis Distributions. Neither the Distribution Agent nor any Servicer shall have any obligation to make a distribution on account of an Allowed Claim if (i) the aggregate amount of all distributions authorized to be made on the Periodic Distribution Date in question is or has an economic value less than \$250,000, or (ii) the amount to be distributed to the specific holder of an Allowed Claim on the particular Periodic Distribution Date does not constitute a final distribution to such holder.

c. Undeliverable Distributions. If any distribution to a holder of an Allowed Claim or Interest is returned to a Distribution Agent as undeliverable, no further distributions shall be made to such holder unless and until such Distribution Agent is notified in writing of such holder's then-current address, at which time all currently due missed distributions shall be made to such holder on the next Periodic Distribution Date. Undeliverable distributions shall remain in the possession of the Reorganized Debtors until such time as a distribution becomes deliverable, or such distribution reverts to the Reorganized Debtors or is cancelled pursuant to ARTICLE IX.C.6.d, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

d. Reversion. Any distribution under the Plan that is an Unclaimed Distribution for a period of six months after distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and such Unclaimed Distribution shall revert in the Reorganized Debtors and, to the extent such Unclaimed Distribution is New Visteon Common Stock, shall be deemed cancelled. Upon such reversion, the Claim of any holder or its successors with respect to such property shall be cancelled, discharged, and forever barred notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary. The provisions of the Plan regarding undeliverable distributions and Unclaimed Distributions shall apply with equal force to distributions that are issued by the Debtors, the Reorganized Debtors, or the Distribution Agent made pursuant to any indenture or Certificate (but only with respect to the initial distribution by the Servicer to holders that are entitled to be recognized under the relevant indenture or Certificate and not with respect to Entities to whom those recognized holders distribute), notwithstanding any provision in such indenture or Certificate to the contrary and notwithstanding any otherwise applicable federal or state escheat, abandoned, or unclaimed property law.

7. Surrender of Cancelled Instruments or Securities. On the Effective Date or as soon as reasonably practicable thereafter, each holder of a Certificate, except holders of Class I Claims, shall surrender such Certificate to the Distribution Agent or a Servicer (to the extent the relevant Claim is governed by an agreement and administered by a Servicer). Such Certificate shall be cancelled solely with respect to the Debtors, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Certificate. No distribution of property pursuant to the Plan shall be made to or on behalf of any such holder unless and until such Certificate is received by the Distribution Agent or the Servicer or the unavailability of such Certificate is reasonably established to the satisfaction of the Distribution Agent or the Servicer pursuant to the provisions of ARTICLE IX.C.8. Any holder who fails to surrender or cause to be surrendered such Certificate or fails to execute and deliver an affidavit of loss and indemnity acceptable to the Distribution Agent or the Servicer prior to the first anniversary of the Effective Date, shall have its Claim discharged with no further action,

be forever barred from asserting any such Claim against the relevant Reorganized Debtor or its property, be deemed to have forfeited all rights, and Claims with respect to such Certificate, and not participate in any distribution under the Plan; furthermore, all property with respect to such forfeited distributions, including any dividends or interest attributable thereto, shall revert to the Reorganized Debtors, notwithstanding any federal or state escheat, abandoned, or unclaimed property law to the contrary. Notwithstanding the foregoing paragraph, this ARTICLE IX.C.7 shall not apply to any Claims reinstated pursuant to the terms of the Plan.

8. Lost, Stolen, Mutilated, or Destroyed Debt Securities. Any holder of Allowed Claims evidenced by a Certificate that has been lost, stolen, mutilated, or destroyed shall, in lieu of surrendering such Certificate, deliver to the Distribution Agent or Servicer, if applicable, an affidavit of loss acceptable to the Distribution Agent or Servicer setting forth the unavailability of the Certificate, and such additional indemnity as may be required reasonably by the Distribution Agent or Servicer to hold the Distribution Agent or Servicer harmless from any damages, liabilities, or costs incurred in treating such holder as a holder of an Allowed Claim or Interest. Upon compliance with this procedure by a holder of an Allowed Claim evidenced by such a lost, stolen, mutilated, or destroyed Certificate, such holder shall, for all purposes pursuant to the Plan, be deemed to have surrendered such Certificate.

D. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties. The Claims and Solicitation Agent shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor, to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

2. Claims Payable by Insurance Carriers. No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Claims and Solicitation Agent without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies. Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute

or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

**E. Setoffs**

Except as otherwise expressly provided for in the Plan or in an Accommodation Agreement, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any Claims, rights, and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action that such Reorganized Debtor may possess against such holder. In no event shall any holder of Claims be entitled to set off any Claim against any Claim, right, or Cause of Action of the Debtor or Reorganized Debtor, as applicable, unless such holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 or otherwise.

**F. Allocation Between Principal and Accrued Interest**

Except as otherwise provided in the Plan, the aggregate consideration paid to holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to the interest, if any, accrued through the Effective Date.

**ARTICLE X.**

**EFFECT OF CONFIRMATION OF THE PLAN**

**A. Discharge of Claims and Termination of Interests**

Except with respect to Claims, if any, held by Investors arising under the Equity Commitment Agreement or as otherwise provided in the Plan and effective as of the Effective Date: (1) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property, or Estates; (2) the Plan shall bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (3) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished

completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (4) all Entities shall be precluded from asserting against the Debtors, the Debtors' Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

**B. Subordinated Claims**

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

**C. Compromise and Settlement of Claims and Controversies**

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan or any distribution to be made on account of an Allowed Claim or Interest, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that any such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against them and Causes of Action against other Entities.

**D. Releases by the Debtors**

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, their Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising



from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence, or as otherwise provided in the Plan.

**E. Releases by Holders of Claims and Interests**

As of the Effective Date, the Releasing Parties are deemed to have released and discharged the Debtors, the Reorganized Debtors, their Estates, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Disclosure Statement, the Plan Supplement, the Equity Commitment Agreement or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any (i) post-Effective Date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (ii) Claims held by Investors arising under the Equity Commitment Agreement. For the avoidance of doubt, nothing in this paragraph shall in any way affect the operation of ARTICLE X.A of the Plan, pursuant to section 1141(d) of the Bankruptcy Code.

**F. Exculpation**

The Exculpated Parties shall neither have, nor incur any liability to any Entity for any Exculpated Claim; provided, however, that the foregoing "exculpation" shall have no effect on the liability of (1) any Entity that results from any such act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct, or

(2) any Debtor or Reorganized Debtor not exculpated pursuant to the Equity Commitment Agreement in connection with Claims arising thereunder.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions of the New Visteon Common Stock pursuant to the Plan and, therefore, are not and shall not be liable at any time for the violations of any applicable, law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

**G. Injunction**

From and after the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner, any suit, action, or other proceeding, on account of or respecting any Claim, demand, Lien, liability, obligation, debt, right, Cause of Action, Interest, or remedy released or to be released, exculpated, or to be exculpated pursuant to the Plan or the Confirmation Order.

**H. Protection Against Discriminatory Treatment**

Consistent with section 525 of the Bankruptcy Code and paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom such Reorganized Debtors have been associated, solely because one of the Debtors has been a debtor under chapter 11, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtor is granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

**I. Indemnification**

Except as otherwise provided in the Plan, all indemnification provisions currently in place (whether in the by-laws, certificates of incorporation, articles of limited partnership, board resolutions, contracts, or otherwise) for the directors, officers, employees, attorneys, other professionals, and agents of the Debtors that served in such capacity from and after the Petition Date and such directors' and officers' respective affiliates, shall be reinstated (or assumed, as the case may be), and shall survive effectiveness of the Plan.

**J. Recoupment**

In no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

#### K. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

#### L. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever disallowed notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Effective Date (1) such Claim has been adjudicated as noncontingent or (2) the relevant holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent.

### ARTICLE XI.

#### CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

##### A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to ARTICLE XI.B hereof:

1. the Confirmation Order shall have become a Final Order in form and substance reasonably acceptable to the Debtors and the Requisite Parties;
2. all guaranties (including by non-Debtors) in connection with obligations under the Term Loan Facility, and all other obligations being discharged under the Plan, shall have been released or otherwise addressed in a manner reasonably acceptable to the Debtors and the Requisite Parties, and all Liens or pledges securing obligations under the Term Loan Facility (or any guarantee thereof) shall have been released or otherwise addressed in a manner reasonably acceptable to the Debtors and the Requisite Parties;
3. all actions, documents, Certificates, and agreements necessary to implement the Plan, shall have (a) all conditions precedent to such documents and agreements satisfied or waived pursuant to the terms of such documents or agreements, (b) been tendered for delivery, (c) to the extent required, been filed with and approved by any applicable Governmental Units in accordance with applicable laws, and (d) been effected or executed;
4. all matters relating to Ford Motor Company have been resolved to the reasonable satisfaction of the Requisite Parties, provided, upon resolution of such matters, Ford Motor Company shall be released from liability in connection therewith pursuant to Bankruptcy Rule 9019;

5. under the Rights Offering Sub Plan, all conditions to the effectiveness of the Equity Commitment Agreement shall have been satisfied or waived in accordance with the terms thereof; and

6. under the Rights Offering Sub Plan, the Debtors shall have entered into the Exit Financing and drawn an amount thereunder as of the Effective Date that together with the proceeds of the Rights Offering is sufficient to fund payment in full to holders of Allowed Term Loan Facility Claims pursuant to ARTICLE III.C.5.c of the Plan.

**B. Waiver of Conditions Precedent**

Subject to the terms of the Equity Commitment Agreement, the Debtors and the Requisite Parties may jointly waive any of the conditions to the Effective Date set forth in ARTICLE XI.A at any time without any notice to other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm or consummate the Plan.

**C. Effect of Non-Occurrence of Conditions to Consummation**

If prior to Consummation, the Confirmation Order is vacated pursuant to a Final Order, then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, the Plan will be null and void in all respects, and nothing contained in the Plan or Disclosure Statement shall (1) constitute a waiver or release of any Claims, Interests, or Causes of Action, (2) prejudice in any manner the rights of any Debtor or any other Entity, or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity.

**ARTICLE XII.**

**RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising

therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Debtors' amendment, modification, or supplement, after the Effective Date, pursuant to ARTICLE VII, of the list of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;

4. ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

8. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

9. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

10. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

11. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

12. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of all contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases;

13. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

14. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in ARTICLE X and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

15. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim for amounts not timely repaid pursuant to ARTICLE IX.D.1;
16. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
17. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;
18. enter an order or Final Decree concluding or closing the Chapter 11 Cases;
19. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
20. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;
21. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;
22. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
23. hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;
24. hear and determine matters related to the Accommodation Agreements and related agreements;
25. enforce all orders previously entered by the Bankruptcy Court; and
26. hear any other matter not inconsistent with the Bankruptcy Code.

### **ARTICLE XIII.**

#### **MISCELLANEOUS PROVISIONS**

##### **A. No Stay of Confirmation Order**

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rules 3020(e) and 7062.

#### B. Modification of Plan

Effective as of the date hereof and subject to the limitations and rights contained in the Plan (1) the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan before the entry of the Confirmation Order, subject to, and in accordance with, the terms of the Plan Support Agreement, (2) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as applicable, may, upon order of the Bankruptcy Court, amend or modify the Plan with the consent of the Requisite Parties, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan, and (3) the Debtors reserve the right to modify the Plan, subject to, and in accordance with, the terms of the Plan Support Agreement, to implement the sale of all or substantially all of the assets of the Debtors pursuant to sections 363 and 1123(a)(5)(D) of the Bankruptcy Code.

#### C. Revocation or Withdrawal of Plan

The Debtors reserve the right, subject to, and in accordance with, the terms of the Plan Support Agreement, to revoke or withdraw the Plan before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then (1) the Plan will be null and void in all respects, (2) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects, and (3) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of any Debtor or any other Entity, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity.

#### D. Confirmation of the Plan

The Debtors request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtors reserve the right to amend the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

#### E. Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, subject to, and in accordance with, the terms of the Plan Support Agreement. The Debtors or the Reorganized Debtors, as applicable, and all holders of Claims receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

#### F. Payment of Statutory Fees

All fees payable pursuant to 28 U.S.C. §1930(a), as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

#### G. Dissolution of Creditors' Committee

On the Confirmation Date, the Creditors' Committee shall dissolve automatically, and its members shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases; provided, however, that the Creditors' Committee shall be deemed to remain in existence solely with respect to applications filed pursuant to sections 330 and 331 of the Bankruptcy Code.

#### H. Role of the Oversight Committee

The Oversight Committee shall have the right to monitor the manner and timing of the processing of the allowance and disallowance of Class H Claims and the manner and timing of distributions under the Plan to holders of Allowed Class H Claims, and to receive from the Reorganized Debtors upon reasonable request information, and be heard by the Bankruptcy Court, in connection with the foregoing. In addition, the Oversight Committee shall have the right to object and be heard by the Bankruptcy Court with respect to any reconciliation or resolution of any Disputed Claim that is a Class H Claim that has a face amount as filed of greater than or equal to \$2.0 million, provided such Claim is not a Trade Claim, subject to the Reorganized Debtors' business judgment to reconcile or resolve any such Claim. The Oversight Committee shall automatically dissolve following the reconciliation or resolution and final distribution under the Plan on account of all Class H Claims.

The Oversight Committee may retain only those advisors that are retained on terms that are reasonably acceptable to the Reorganized Debtors or authorized to be retained by further order of the Bankruptcy Court and the Reorganized Debtors shall compensate such advisors in the ordinary course of business for reasonable fees and expenses incurred in rendering services to the Oversight Committee in connection with its exercise of the objection rights contemplated in this ARTICLE XIII.H of the Plan.

#### I. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests prior to the Effective Date.



J. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

K. Service of Documents

1. After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall be served on:

**Debtors**

Visteon Corporation  
One Village Center Drive  
Van Buren Township, MI 48111  
Attn.: Michael K. Sharnas, Esq.

**Counsel to the Debtors**

Pachulski Stang Ziehl & Jones LLP  
919 North Market Street, 17th Floor  
Wilmington, DE 19899-8705  
Attn.: Laura Davis Jones, Esq.  
James E. O'Neill, Esq.  
Mark M. Billion, Esq.

Kirkland & Ellis LLP  
300 North LaSalle  
Chicago, IL 60654  
Attn.: James H. M. Sprayregen, P.C.  
James J. Mazza, Jr., Esq.  
Sienna R. Singer, Esq.

601 Lexington Avenue  
New York, NY 10022-4611  
Attn.: Marc Kieselstein, P.C.  
Brian S. Lennon, Esq.

**Counsel to the Investors**

White & Case LLP  
1155 Avenue of the Americas  
New York, NY 10036  
Attn.: Thomas E Lauria, Esq.  
Gerard Uzzi, Esq.  
Andrew C. Ambruoso, Esq.

Akin Gump Strauss Hauer & Feld LLP  
One Bryant Park  
New York, NY 10036  
Attn.: Michael Stamer, Esq.  
Arik Preis, Esq.

**Counsel to the Creditors' Committee**

Brown Rudnick LLP  
Seven Times Square  
New York, NY 10036  
Attn.: Robert J. Stark, Esq.

Brown Rudnick LLP  
One Financial Center  
Boston, MA 02111  
Attn.: Jeremy B. Coffey, Esq.

**Counsel to the Term Loan Lenders**

Bingham McCutchen LLP  
One Federal Street  
Boston, MA 02110-1726  
Attn.: Michael Reilly  
Amy Kyle

One State Street  
Hartford, CT 06103-3178  
Attn.: Peter H. Bruhn

Fox Rothschild LLP  
919 North Market Street, Suite 1600  
Wilmington, DE 19801  
Attn.: Jeffrey M. Schlerf, Esq.  
Eric M. Suttty, Esq.  
John H. Strock, Esq.

Blank Rome LLP  
1201 Market Street, Suite 800  
Wilmington, DE 19801  
Attn.: Stanley Tarr, Esq.

Brown Rudnick LLP  
City Place I  
Hartford, CT 06103  
Attn.: Howard L. Siegel, Esq.

Ashby & Geddes, P.A.  
500 Delaware Avenue, 8th Floor  
Wilmington, DE 19801  
Attn.: William P. Bowden, Esq.  
Gregory A. Taylor, Esq.

**Counsel to DIP Facility Lenders**

Bingham McCutchen LLP  
One Federal Street  
Boston, MA 02110-1726  
Attn.: Michael Reilly  
Amy Kyle

One State Street  
Hartford, CT 06103-3178  
Attn.: Peter H. Bruhn

United States Trustee  
Office of the United States Trustee  
for the District of Delaware  
844 King Street, Suite 2207  
Wilmington, DE 19801  
Attn.: Jane M. Leamy, Esq.

Counsel to ABL Lender  
McGuireWoods LLP  
EQT plaza  
625 Liberty Avenue, 23rd Floor  
Pittsburgh, PA 15222-3142  
Attn.: Mark E. Freedlander

**L. Term of Injunctions or Stays**

**Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.**

**M. Entire Agreement**

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

Notwithstanding anything to the contrary in the Plan (including any amendments, supplements, or modifications to the Plan) or the Confirmation Order (and any amendments, supplements, or modifications thereto) or an affirmative vote to accept the Plan submitted by any Investor, nothing contained in the Plan (including any amendments, supplements, or modifications thereto) shall alter, amend, or modify the rights of the Investors under the Equity Commitment Agreement.

**N. Plan Supplement Exhibits**

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from <http://www.kccllc.net/Visteon> or the Bankruptcy Court's website at [www.deb.uscourts.gov](http://www.deb.uscourts.gov). Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control.

O. Severability

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is (1) valid and enforceable pursuant to its terms, (2) integral to the Plan and may not be deleted or modified without the Debtors' consent, and (3) nonseverable and mutually dependent.

*The remainder of this page is intentionally left blank.*

Van Buren Township, Michigan  
Dated: May 24, 2010

VISTEON CORPORATION (for itself and all other Debtors)

By: \_\_\_\_\_  
Name: William G. Quigley, III  
Title: Chief Financial Officer and Executive Vice President

**EXHIBIT A**

**BOARD SELECTION TERM SHEET**

**THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.**

**TERM SHEET REGARDING SELECTION OF INITIAL POST-EMERGENCE BOARD OF DIRECTORS OF REORGANIZED VISTEON CORPORATION**

This Term Sheet is intended to outline the process by which Visteon Corporation (“Visteon”), a debtor and debtor in possession in the chapter 11 case In re Visteon Corp., et al. (Case No. 09-11786) (Bankr. D.Del.), together with certain holders of prepetition senior unsecured note claims (the “Lead Investors”),<sup>1</sup> in consultation with the Ad Hoc Counsel (as defined in the ECA) will select the nine (9) individuals to serve on the board of directors of reorganized Visteon upon its emergence from chapter 11 (the “New Board”); provided, that nothing in this Term Sheet shall be deemed to require any Lead Investor to participate in selection of the New Board (each of the Lead Investors that elect to participate in selection of the New Board, the “Participating Lead Investors”). Nothing in this Term Sheet shall be deemed to be the solicitation of an acceptance or rejection of a plan of reorganization within the meaning of section 1125 of the Bankruptcy Code. Further, nothing in this Term Sheet shall be an admission of fact or liability or deemed binding on the Lead Investors or Visteon.

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<sup>1</sup> The Lead Investors are the Lead Investors as defined in the Equity Commitment Agreement among Visteon and the Investors party thereto (the “ECA”).

<b>Purpose</b>	To select the nine (9) members of the New Board.
<b>Director Pool/Independent Search Firm</b>	The Participating Lead Investors and Visteon after Good Faith Consultation (as defined in the ECA) shall jointly select an independent, national search firm to assist with the selection of potential candidates for nomination to the New Board. Visteon and the Participating Lead Investors after Good Faith Consultation shall select the members of the New Board from a group of certain potential candidates, which group shall be comprised of no less than fifteen (15) and no more than eighteen (18) individuals as determined by the Majority Lead Investors <sup>2</sup> after Good Faith Consultation (the “Director Pool”). The Director Pool shall consist of: (a) any of the current members of the board of directors of Visteon who wish to serve on the New Board and who are approved by the Majority Lead Investors after Good Faith Consultation; (b) a majority of the remaining nominees (being the lowest number necessary to constitute such a majority) shall be nominated by the Majority Lead Investors after Good Faith Consultation; and (c) any nominee not identified pursuant to clause (a) or (b) shall be recommended by the independent search firm in consultation with the Participating Lead Investors and Visteon after Good Faith Consultation.
<b>Selection of Members of the New Board</b>	The New Board shall consist of nine (9) members to be designated as follows: (i) the current Chief Executive Officer of Visteon as Chairman of the New Board; (ii) two (2) individuals designated by Visteon from the Director Pool, subject to the approval of the Majority Lead Investors, which approval may be withheld only on the basis of good faith and reasonable concerns regarding the disinterestedness, independence and qualifications of such individuals after Good Faith Consultation; and (iii) six (6) individuals designated by the Majority Lead Investors after Good Faith Consultation from the Director Pool. The

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<sup>2</sup> “Majority Lead Investors” shall mean a majority in interest of the Participating Lead Investors. A “majority in interest” of the Participating Lead Investors shall be determined based on the allocation of Visteon common stock issuable to each of the Participating Lead Investors pursuant to the ECA and the plan of reorganization, which would take into account the issuance of common stock to each of the Participating Lead Investors in connection with (i) the 5% equity distribution to all bondholders pursuant to the plan of reorganization, (ii) the Direct Commitment in accordance with the ECA, (iii) the Backstop Commitment in accordance with the ECA and (iv) the exercise by the Participating Lead Investors of their respective Rights in accordance with the ECA, assuming the full exercise of such Rights by all of the Participating Lead Investors.



composition of the New Board shall satisfy all applicable rules (including independence requirements) of the NYSE and the Securities Exchange Act of 1934.

**Timing of Selection of New Board** The individuals designated to the New Board in accordance with the procedures contained in this Term Sheet shall be disclosed prior to the hearing on confirmation of the plan of reorganization.

**Term** One-year term — no staggered board.

EXHIBIT B  
Warrant Agreement

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**WARRANT AGREEMENT**

by and between

VISTEON CORPORATION

and

[\_\_\_\_],

as Warrant Agent

Dated as of [\_\_\_\_], 2010

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## WARRANT AGREEMENT

This WARRANT AGREEMENT (as amended, supplemented, amended and restated or otherwise modified from time to time, this “Warrant Agreement”), is entered into as of [\_\_\_\_], 2010<sup>1</sup>, by and between VISTEON CORPORATION, a Delaware corporation (the “Company”), and [\_\_\_\_]<sup>2</sup>, a [\_\_\_\_] [\_\_\_\_], as warrant agent (together with any successor appointed pursuant to Section 20 hereof, the “Warrant Agent”).

**WHEREAS**, pursuant to the terms and conditions of the Second Amended Joint Plan of Reorganization of Visteon Corporation and its debtor affiliates pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) filed on [\_\_\_\_], 2010 in the United States Bankruptcy Court for the District of Delaware, Case No. [\_\_\_\_] (as may be amended, supplemented or otherwise modified from time to time, the “Plan”), the Company proposes to issue Warrants (the “Warrants”) entitling the holders thereof to purchase up to 2,355,000 shares of common stock, par value \$0.01 per share, of the Company (“Common Stock” together with any other securities, cash or other property that may be issuable upon exercise of a Warrant as shall result from the adjustments specified in Section 12 hereof at an exercise price of \$9.66 per share of Common Stock, as may be adjusted pursuant to Section 12 hereof (the “Exercise Price”);

**WHEREAS**, the Warrants are being issued pursuant to, and upon the terms and conditions set forth in, the Plan in an offering in reliance on the exemption from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”) afforded by section 1145 of the Bankruptcy Code or Section 4(2) of the Securities Act, and of any applicable state securities or “blue sky” laws;

**WHEREAS**, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act, in connection with the issuance of Warrants and other matters as provided herein; and

**WHEREAS**, for purposes of this Warrant Agreement, “person” shall be interpreted broadly to include an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, national banking association, trust, trustee, unincorporated organization, government, governmental unit, agency, or political subdivision thereof, or other entity.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements herein set forth, the parties hereto agree as follows:

**SECTION 1 Appointment of Warrant Agent**. The Company hereby appoints the Warrant Agent to act as warrant agent for the Company in respect of the Warrants upon the express terms and subject to the conditions herein set forth (and no implied terms), and the Warrant Agent hereby accepts such appointment.

**SECTION 2 Issuance of Warrants**. In accordance with Section 5 hereof and the Plan and subject to the next sentence, the Company will cause to be issued to the Depository (as defined below), one or more Global Warrant Certificates (as defined below) evidencing the Warrants. At the election of a holder of Warrants and in lieu of holding Warrants through the Depository, such holder may elect to be issued Warrants by book-entry registration on the books and records of the Warrant Agent (“Book-Entry Warrants”) and such Warrants shall be evidenced by statements issued by the Warrant Agent from time to time to the registered holder of book-entry Warrants reflecting such book-entry position (the “Warrant”).

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<sup>1</sup> The Effective Date of the Plan.

<sup>2</sup> Warrant Agent to be chosen by the reasonable agreement of the Company and the Warrant holders.

Statement”). Each Warrant entitles the holder, upon proper exercise and payment of the applicable Exercise Price, to receive from the Company, one share of Common Stock (as may be adjusted pursuant to Section 12 hereof). The shares of Common Stock or (as provided pursuant to Section 12 hereof) other shares of capital stock deliverable upon proper exercise of the Warrants are referred to herein as the “Warrant Shares.” The words “holder” or “holders” as used herein in respect of any Warrants or Warrant Shares, shall mean the registered holder or registered holders thereof.

**SECTION 3 Warrant Certificates.** Subject to Section 6 of this Agreement, the Warrants shall be issued (1) via book-entry registration on the books and records of the Warrant Agent and evidenced by a Warrant Statement, and/or (2) in the form of one or more global certificates (the “Global Warrant Certificates”), in substantially the form set forth in Exhibit A attached hereto. The Warrant Statements and Global Warrant Certificates may bear such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Warrant Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or as may, consistently herewith, be determined by (i) in the case of Global Warrant Certificates, the Appropriate Officers (as hereinafter defined) executing such Global Warrant Certificates, as evidenced by their execution of the Global Warrant Certificates, or (ii) in the case of a Warrant Statement, any Appropriate Officer, and all of which shall be reasonably acceptable to the Warrant Agent. The Global Warrant Certificates shall be deposited on or after the date hereof with, or with the Warrant Agent as custodian for, The Depository Trust Company (the “Depository”) and registered in the name of Cede & Co., as the Depository’s nominee. Each Global Warrant Certificate shall represent such number of the outstanding Warrants as specified therein, and each shall provide that it shall represent the aggregate amount of outstanding Warrants from time to time endorsed thereon and that the aggregate amount of outstanding Warrants represented thereby may from time to time be reduced or increased, as appropriate, in accordance with the terms of this Warrant Agreement.

**SECTION 4 Execution of Warrant Certificates.** Global Warrant Certificates shall be signed on behalf of the Company by its Chairman of the Board, its Chief Executive Officer, or any Vice President, and by the Secretary or any Assistant Secretary (each, an “Appropriate Officer”). Each such signature upon the Global Warrant Certificates may be in the form of a facsimile or other electronically transmitted signature (including, without limitation, electronic transmission in portable document format (.pdf)) of any such Appropriate Officer and may be imprinted or otherwise reproduced on the Global Warrant Certificates and for that purpose the Company may adopt and use the facsimile or other electronically transmitted signature of any Appropriate Officer who shall have been an Appropriate Officer at the time of entering into this Warrant Agreement. If any Appropriate Officer who shall have signed any of the Global Warrant Certificates shall cease to be such Appropriate Officer before the Global Warrant Certificates so signed shall have been countersigned by the Warrant Agent or delivered by the Company, such Global Warrant Certificates nevertheless may be countersigned and delivered as though such Appropriate Officer had not ceased to be such Appropriate Officer of the Company; and any Global Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Global Warrant Certificate, shall be a proper Appropriate Officer of the Company to sign such Global Warrant Certificate, although at the date of the execution of this Warrant Agreement any such person was not such Appropriate Officer.

Global Warrant Certificates shall be dated the date of countersignature by the Warrant Agent and shall represent one or more whole Warrants.

**SECTION 5 Registration and Countersignature.** Upon receipt of a written order of the Company, the Warrant Agent, on behalf of the Company, shall (i) register in the Warrant Register (as defined below) the Book-Entry Warrants as well as any Global Warrant Certificates and exchanges and transfers of outstanding Warrants in accordance with the procedures set forth in this Warrant Agreement and (ii) upon receipt of the Global Warrant Certificates duly executed on behalf of the Company, countersign one or

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more Global Warrant Certificates evidencing Warrants and shall deliver such Global Warrant Certificates to or upon the written order of the Company. Such written order of the Company shall specifically state the number of Warrants that are to be issued as Book-Entry Warrants and the number of Warrants that are to be issued as one or more Global Warrant Certificates. A Global Warrant Certificate shall be, and shall remain, subject to the provisions of this Warrant Agreement until such time as all of the Warrants evidenced thereby shall have been duly exercised or shall have expired or been canceled in accordance with the terms hereof. Each holder of Warrants shall be bound by all of the terms and provisions of this Warrant Agreement (a copy of which is available on request to the Secretary of the Company) as fully and effectively as if such holder had signed the same.

No Global Warrant Certificate shall be valid for any purpose, and no Warrant evidenced thereby shall be exercisable, until such Global Warrant Certificate has been countersigned by the manual or facsimile signature of the Warrant Agent. Such signature by the Warrant Agent upon any Global Warrant Certificate executed by the Company shall be conclusive evidence that such Global Warrant Certificate so countersigned has been duly issued hereunder.

The Warrant Agent shall keep, at an office designated for such purpose, books (the “Warrant Register”) in which, subject to such reasonable regulations as it may prescribe, it shall register the Book-Entry Warrants as well as any Global Warrant Certificates and exchanges and transfers of outstanding Warrants in accordance with the procedures set forth in Section 6 of this Warrant Agreement, all in form satisfactory to the Company and the Warrant Agent.

Prior to due presentment for registration of transfer or exchange of any Warrant in accordance with the procedures set forth in this Warrant Agreement, the Warrant Agent and the Company may deem and treat the person in whose name any Warrant is registered as the absolute owner of such Warrant (notwithstanding any notation of ownership or other writing made in a Global Warrant Certificate by anyone), for the purpose of any exercise thereof, any distribution to the holder of the Warrant thereof and for all other purposes, and neither the Warrant Agent nor the Company shall be affected by notice to the contrary.

#### **SECTION 6 Registration of Transfers and Exchanges.**

(a) Transfer and Exchange of Global Warrant Certificates or Beneficial Interests Therein. The transfer and exchange of Global Warrant Certificates or beneficial interests therein shall be effected through the Depository, in accordance with this Warrant Agreement and the procedures of the Depository therefor.

(b) Exchange of a Beneficial Interest in a Global Warrant Certificate for a Book-Entry Warrant.

(i) Any holder of a beneficial interest in a Global Warrant Certificate may, upon request, exchange such beneficial interest for a Book-Entry Warrant. Upon receipt by the Warrant Agent from the Depository or its nominee of written instructions or such other form of instructions as is customary for the Depository on behalf of any person having a beneficial interest in a Global Warrant Certificate, the Warrant Agent shall cause, in accordance with the standing instructions and procedures existing between the Depository and Warrant Agent, the number of Warrants represented by the Global Warrant Certificate to be reduced by the number of Warrants to be represented by the Book-Entry Warrants to be issued in exchange for the beneficial interest of such person in the Global Warrant Certificate and, following such reduction, the Warrant Agent shall register in the name of the holder a Book-Entry Warrant and deliver to said Warrant holder a Warrant Statement.

(ii) Book-Entry Warrants issued in exchange for a beneficial interest in a Global Warrant Certificate pursuant to this Section 6(b) shall be registered in such names as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Warrant Agent. The Warrant Agent shall deliver such Warrant Statements to the persons in whose names such Warrants are so registered.

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(c) Transfer and Exchange of Book-Entry Warrants. Book-Entry Warrants surrendered for exchange or for registration of transfer shall be cancelled by the Warrant Agent. Such cancelled Book-Entry Warrants shall then be disposed of by or at the direction of the Company in accordance with applicable law. When Book-Entry Warrants are presented to or deposited with the Warrant Agent with a written request:

(i) to register the transfer of the Book-Entry Warrants; or

(ii) to exchange such Book-Entry Warrants for an equal number of Book-Entry Warrants of other authorized denominations,

then in each case the Warrant Agent shall register the transfer or make the exchange as requested if its requirements for such transactions are met; *provided, however*, that the Warrant Agent has received a written instruction of transfer in form satisfactory to the Warrant Agent, duly executed by the holder thereof or by his attorney, duly authorized in writing.

(d) Exchange or Transfer of a Book-Entry Warrant for a Beneficial Interest in a Global Warrant Certificate. Upon receipt by the Warrant Agent of appropriate written instruments of transfer with respect to a Book-Entry Warrant, in form satisfactory to the Warrant Agent, together with written instructions directing the Warrant Agent to make, or to direct the Depository to make, an endorsement on the Global Warrant Certificate to reflect an increase in the number of Warrants represented by the Global Warrant Certificate equal to the number of Warrants represented by such Book-Entry Warrant (such instruments of transfer and instructions to be duly executed by the holder thereof or the duly appointed legal representative thereof or by his attorney, duly authorized in writing, such signatures to be guaranteed by an eligible guarantor institution to the extent required by the Warrant Agent or the Depository), then the Warrant Agent shall cancel such Book-Entry Warrant on the Warrant Register and cause, or direct the Depository to cause, in accordance with the standing instructions and procedures existing between the Depository and the Warrant Agent, the number of Warrants represented by the Global Warrant Certificate to be increased accordingly. If no Global Warrant Certificates are then outstanding, the Company shall issue, and the Warrant Agent shall countersign, a new Global Warrant Certificate representing the appropriate number of Warrants.

(e) Restrictions on Transfer and Exchange of Global Warrant Certificates. Notwithstanding any other provisions of this Warrant Agreement (other than the provisions set forth in Section 6(f)), unless and until it is exchanged in whole for a Book-Entry Warrant, a Global Warrant Certificate may not be transferred as a whole except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

(f) Book-Entry Warrants. If at any time:

(i) the Depository for the Global Warrant Certificates notifies the Company that the Depository is unwilling or unable to continue as Depository for the Global Warrant Certificates and a successor Depository for the Global Warrant Certificates is not appointed by the Company within 90 days after delivery of such notice; or

(ii) the Company, in its sole discretion, notifies the Warrant Agent in writing that all Warrants shall be exclusively in the form of Book-Entry Warrants, then the Warrant Agent, upon written instructions signed by an Appropriate Officer of the Company and all other necessary information, shall register Book-Entry Warrants, in an aggregate number equal to the number of Warrants represented by the Global Warrant Certificates, in exchange for such Global Warrant Certificates, in such names and in such amounts as directed by the Depository or, in the absence of instructions from the Depository, the Company.

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(g) Cancellation of Global Warrant Certificate. At such time as all beneficial interests in Global Warrant Certificates have either been exchanged for Book-Entry Warrants, redeemed, repurchased or cancelled, all Global Warrant Certificates shall be returned to, or cancelled and retained pursuant to applicable law by, the Warrant Agent.

(h) Obligations with Respect to Transfers and Exchanges of Warrants.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Warrant Agent is hereby authorized to countersign Global Warrant Certificates and the Warrant Agent is hereby authorized to register Book-Entry Warrants, in accordance with the provisions of Sections 3 and 4 hereof and this Section 6 and for the purpose of any distribution of additional Global Warrant Certificates contemplated by Section 12 hereof.

(ii) All Book-Entry Warrants and Global Warrant Certificates issued upon any registration of transfer or exchange of Book-Entry Warrants or Global Warrant Certificates shall be the valid obligations of the Company, entitled to the same benefits under this Warrant Agreement as the Book-Entry Warrants or Global Warrant Certificates surrendered upon such registration of transfer or exchange.

(iii) So long as the Depository, or its nominee, is the registered owner of a Global Warrant Certificate, the Depository or such nominee, as the case may be, may be treated by the Company, the Warrant Agent and any agent of the Company or the Warrant Agent as the sole owner or holder of the Warrants represented by such Global Warrant Certificate for all purposes under this Warrant Agreement. Except as provided in Sections 6(b) and 6(f) hereof upon the exchange of a beneficial interest in a Global Warrant Certificate for a Book-Entry Warrant, owners of beneficial interests in a Global Warrant Certificate will not be entitled to have any Warrants registered in their names, and will not receive or be entitled to receive physical delivery of any such Warrants and will not be considered the owners or holders thereof under the Warrants or this Warrant Agreement. Neither the Company nor the Warrant Agent, in its capacity as registrar for such Warrants, will have any responsibility or liability for any aspect of the records relating to beneficial interests in a Global Warrant Certificate or for maintaining, supervising or reviewing any records relating to such beneficial interests. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair the operation of customary practices of the Depository governing the exercise of the rights of a holder of a beneficial interest in a Global Warrant Certificate.

(iv) Subject to Sections 6(b), (c) and (d) hereof and this Section 6(h), the Warrant Agent shall, upon receipt of all information required to be delivered hereunder, from time to time register the transfer of any Book-Entry Warrants in the Warrant Register and the transfer of any Global Warrant Certificates in the Warrant Register, upon surrender of the Global Warrant Certificates representing such Warrants at the Warrant Agent Office referred to in Section 21 hereof (the “Warrant Agent Office”), duly endorsed, and accompanied by a completed form of assignment (or with respect to a Book-Entry Warrant, only such completed form of assignment), duly signed by the holder thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by an eligible guarantor institution to the extent required by the Warrant Agent or the Depository.

Upon any such registration of transfer, a new Global Warrant Certificate or a Warrant Statement, as the case may be, shall be issued to the transferee.

**SECTION 7 Acknowledgment; Securities Law Compliance**. Each Warrant holder, by its acceptance of any Warrant under this Warrant Agreement, acknowledges and agrees that the Warrants were issued, and the Warrant Shares issuable upon exercise thereof shall be issued, pursuant to an exemption from the registration requirement of Section 5 of the Securities Act provided by Section 1145 of the Bankruptcy Code, and to the extent that a Warrant holder (or holder of Warrant Shares) is an “underwriter” as defined in Section 1145(b)(1) of the Bankruptcy Code, such holder may not be able to

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sell or transfer any Warrants or Warrant Shares in the absence of an effective registration statement under the Securities Act or an exemption from registration thereunder.

#### **SECTION 8 Terms of Warrants;Exercise of Warrants.**

(a) Subject to the terms of this Warrant Agreement, each Warrant holder shall have the right, which may be exercised at any time, and from time to time, in whole or in part, during the period commencing on the date of original issuance of the Warrant Certificates pursuant to the terms of this Warrant Agreement and ending at 5:00 p.m. New York City time, on [\_\_\_\_]3 (the “Expiration Date”), to exercise each Warrant and receive from the Company the number of fully paid and nonassessable Warrant Shares which the holder may at the time be entitled to receive on exercise of such Warrants and payment of the aggregate Exercise Price then in effect for such Warrant Shares. In addition, prior to the delivery of any Warrant Shares that the Company shall be obligated to deliver upon proper exercise of the Warrants, the Company shall comply with all applicable federal and state laws, rules and regulations which require action to be taken by the Company.

(b) Subject to the adjustments set forth in Section 12, each Warrant, when exercised, will entitle the holder thereof to purchase one share of Common Stock at the Exercise Price then in effect for such share of Common Stock. Each Warrant not exercised pursuant to this Warrant Agreement prior to the Expiration Date shall become void and all rights thereunder and all rights in respect thereof under this Warrant Agreement shall cease as of the Expiration Date.

(c) The holder of Warrants may, until 5:00 p.m. New York City time, on the Expiration Date, exercise, in whole or in part, at any time or from time to time, such holder’s right to purchase Warrant Shares by:

(i) providing written notice of such election (a “Warrant Exercise Notice”) to exercise the Warrants to the Company and Warrant Agent at the Warrant Agent Office, by overnight courier no later than 5:00 p.m. New York City time, on the Expiration Date, which Warrant Exercise Notice shall be in the form of an election to purchase Warrant Shares substantially in the form set forth either (x) in Exhibit B-1 hereto, properly completed and executed by the holder, provided that such written notice may only be submitted by a holder with respect to Book-Entry Warrants; or (y) in Exhibit B-2 hereto, properly completed and executed by the holder, provided that such written notice may only be submitted with respect to Warrants held through the book-entry facilities of the Depositary, by or through persons that are direct participants in the Depositary;

(ii) delivering no later than 5:00 p.m., New York City time, on the business day immediately prior to the applicable Settlement Date (as defined below), such Warrants to the Warrant Agent by book-entry transfer through the facilities of the Depositary, if such Warrants are represented by a Global Warrant Certificate; and

(iii) subject to Section 8(h) below, paying the applicable aggregate Exercise Price for all Warrants being exercised (the “Exercise Amount”), together with all applicable taxes and charges. The date three business days after a Warrant Exercise Notice is delivered is referred to for all purposes under this Warrant Agreement as the “Settlement Date”.

(d) For purposes of this Section 8, the following terms shall have the meanings set forth below:

“Closing Price” means on any particular date (a) if the Warrant Shares are then listed or quoted on a Trading Market, (i) the closing price per share of Warrant Shares on such date on the principal Trading Market (as reported by Bloomberg L.P. or a similar organization or agency succeeding to its functions of reporting prices) or (ii) if there shall have been no sales of Warrant Shares on such principal Trading

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3      The tenth anniversary of the Effective Date of the Plan.

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Market on such day, the average of the reported closing bid and asked prices per share of Warrant Shares on such principal Trading Market (as reported by Bloomberg L.P. or a similar organization or agency succeeding to its functions of reporting prices), (b) if the Warrant Shares are not then listed or quoted on a Trading Market and if prices for the Warrant Shares are then reported in the “pink sheets” published by Pink OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the average of the reported closing bid and asked prices per share of Warrant Shares so reported or (c) if the shares of Warrant Shares are not then publicly traded the fair market value as of such date of a share of Warrant Shares as reasonably determined in good faith by the Board of Directors of the Company.

“Trading Day” means (a) if the Warrant Shares are listed or quoted on a Trading Market, a day on which the principal Trading Market is open for business or (b) if the Warrant Shares are not listed or quoted on a Trading Market, a business day.

“Trading Market” means any of the following markets or exchanges on which the Warrant Shares are listed or quoted for trading on the date in question: the NYSE Amex Equities, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board.

(e) To the extent a Warrant Exercise Notice is delivered in respect of a Warrant prior to 5:00 p.m., New York City time, on the Expiration Date, but the deliveries and payments specified in Sections 8(a)(ii) and 8(a)(iii) above are effected thereafter but no later than 5:00 p.m., New York City time, on the Settlement Date, the Warrants shall be nonetheless deemed exercised prior to the Expiration Date for the purposes of this Warrant Agreement.

(f) Subject to the adjustments set forth in Section 12 hereof, each Warrant, when exercised, will entitle the holder thereof to purchase one share of Common Stock at the Exercise Price then in effect. Each Warrant not exercised pursuant to this Warrant Agreement prior to 5:00 p.m., New York City time, on the Expiration Date shall become void and all rights thereunder and all rights in respect thereof under this Warrant Agreement shall cease as of such time.

(g) Subject to Section 8(h), the Exercise Amount shall be payable in lawful money of the United States of America either (i) by certified or official bank check made payable to the order of the Company or (ii) by wire transfer in immediately available funds to an account arranged with the Company prior to exercise.

(h) In connection with the exercise of Warrants by the holder thereof, such holder shall have the right, in lieu of paying the Exercise Amount for such Warrants in cash (a “Cashless Exercise”), to instruct the Company to reduce the number of Warrant Shares issuable to such holder upon exercise of such Warrants by delivering to such holder a number of Warrant Shares determined in accordance with the following formula:

$$\begin{array}{l} \text{Warrant Shares} \\ \text{Issuable Following a} \\ \text{Cashless Exercise} \end{array} = \frac{(C - P)}{C} \times W$$

For purposes this Section 8(h), the above symbols shall have the following meanings with respect to an exercise of Warrants by a holder thereof:

“W” means the aggregate number of Warrant Shares issuable to such holder upon exercise of such Warrants prior to any reduction pursuant to this Section 8(h);

“P” means the Exercise Price applicable to the exercise of such Warrants; and

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“C” means the Closing Price on the date of exercise of such Warrants.

For purposes of Rule 144 under the Securities Act (17 CFR §230.144), the Company and the Warrant Agent agree that the exercise of Warrants in accordance with the Cashless Exercise option shall be deemed to be a conversion of such Warrants, pursuant to the terms hereof, into Warrant Shares.

(i) Any exercise of a Warrant pursuant to the terms of this Warrant Agreement shall be irrevocable and shall constitute a binding agreement between the holder and the Company, enforceable in accordance with its terms; provided that a holder may condition its exercise of a Warrant on the consummation of a Reorganization Event (as defined below).

(j) The Warrant Agent shall:

(i) Examine all Warrant Exercise Notices and all other documents delivered to it by or on behalf of holders to ascertain whether, on their face, such Warrant Exercise Notices and any such other documents have been executed and completed in accordance with their terms;

(ii) where a Warrant Exercise Notice or other document appears on its face to have been improperly completed or executed or some other irregularity in connection with the exercise of the Warrant exists, the Warrant Agent shall endeavor to inform the appropriate parties (including the person submitting such instrument) of the need for fulfillment of all requirements, specifying those requirements which appear to be unfulfilled;

(iii) inform the Company of and cooperate with and assist the Company in resolving any reconciliation problems relating to the Warrant Exercise Notices received and delivery of Warrants to the Warrant Agent’s account;

(iv) advise the Company, no later than three business days after receipt of a Warrant Exercise Notice, of (x) the receipt of such Warrant Exercise Notice and the number of Warrants exercised in accordance with the terms and conditions of this Warrant Agreement, (y) the instructions with respect to delivery of the Warrant Shares, subject to the timely receipt from the Depository of the necessary information, and (z) such other information as the Company shall reasonably require; and

(v) subject to the Warrant Shares being made available to the Warrant Agent by or on behalf of the Company for delivery to the Depository, liaise with the Depository and endeavor to effect such delivery to the relevant accounts at the Depository in accordance with its requirements.

(k) All questions as to the validity, form and sufficiency (including time of receipt) of a Warrant exercise shall be reasonably determined by the Company in good faith, which determination shall be final and binding. The Warrant Agent shall incur no liability for or in respect of and, except to the extent such liability arises from the Warrant Agent’s gross negligence, willful misconduct or bad faith (each as determined by a final, non appealable order of a court of competent jurisdiction), shall be indemnified and held harmless by the Company for acting or refraining from acting upon, or as a result of such determination by the Company. The Company reserves the right to reject any and all Warrant Exercise Notices not in proper form. Such determination by the Company shall be final and binding on the holders, absent manifest error. Moreover, the Company reserves the absolute right to waive any of the conditions to the exercise of Warrants or defects in Warrant Exercise Notices with regard to any particular exercise of Warrants. The Company shall be under no duty to give notice to the holders of the Warrants of any irregularities in any exercise of Warrants, nor shall it incur any liability for the failure to give such notice.

(l) As soon as reasonably practicable after the exercise of any Warrant, the Company shall issue, or otherwise deliver, in authorized denominations to or upon the order of the holder of such Warrant either:

(i) if such holder holds the Warrants being exercised through the Depository’s book-entry transfer facilities, by same-day or next-day credit to the Depository for the account of such holder or for the account of a participant in the Depository the number of Warrant Shares to which such holder is entitled, in each case registered in such name and delivered to such account as directed in the Warrant

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Exercise Notice by such holder or by the direct participant in the Depository through which such holder is acting; or

(ii) if such holder holds the Warrants being exercised in the form of Book-Entry Warrants, a book-entry interest in the Warrant Shares registered on the books of the Company's stock transfer agent (the "Transfer Agent") or, at the Company's option, by delivery to the address designated by such holder in its Warrant Exercise Notice of a physical certificate or certificates representing the number of Warrant Shares to which such holder is entitled, in fully registered form, registered in such name or names as may be directed by such holder. Such Warrant Shares shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares as of the close of business on the date of the delivery thereof.

Warrants shall be exercisable during the period provided for in Section 8(a) at the election of the holder thereof, either as an entirety or from time to time for a portion of the number of Warrant Shares issuable upon exercise of such Warrants. If less than all of the Warrants evidenced by a Global Warrant Certificate surrendered upon the exercise of Warrants are exercised at any time prior to 5:00 p.m., New York City time, on the Expiration Date, a new Global Warrant Certificate or Certificates shall be issued for the remaining number of Warrants evidenced by the Global Warrant Certificate so surrendered, and the Warrant Agent is hereby authorized to countersign the new Global Warrant Certificate(s) pursuant to the provisions of Section 5 hereof and this Section 8. The person in whose name any certificate or certificates for the Warrant Shares are to be issued (or such Warrant Shares are to be registered, in the case of a book-entry transfer) upon exercise of a Warrant shall be deemed to have become the holder of record of such Warrant Shares on the date such Warrant Exercise Notice is delivered.

(m) For purposes of this Warrant Agreement, a "business day" means any day other than a Saturday, Sunday or a day on which banking institutions in New York City are authorized or obligated by law, regulation or executive order to close or remain closed. In accordance with Section 14 hereof, no fractional shares shall be issued upon exercise of any Warrants.

(n) All Global Warrant Certificates surrendered upon exercise of Warrants shall be cancelled by the Warrant Agent. Such cancelled Global Warrant Certificates shall then be disposed of by or at the direction of the Company in accordance with applicable law. The Warrant Agent shall (x) advise an authorized representative of the Company as directed by the Company by the end of each day on which Warrants were exercised, of (i) the number of shares of Warrant Shares issued upon exercise of a Warrant, (ii) the delivery of Global Warrant Certificates evidencing the balance, if any, of the shares of Common Stock issuable after such exercise of the Warrant and (iii) such other information as the Company shall reasonably require and (y) concurrently pay to the Company all funds received by the Warrant Agent in payment of the aggregate Exercise Price. The Warrant Agent shall confirm such information to the Company in writing.

(o) The Warrant Agent shall keep copies of this Warrant Agreement and any notices given or received hereunder, and provide, at the Company's expense, copies thereof to any registered holder of the Warrants requesting, in writing, such copy prior to 5:00 p.m., New York City time, on the Expiration Date. The Company shall supply the Warrant Agent from time to time with such numbers of copies of this Warrant Agreement as the Warrant Agent may reasonably request.

**SECTION 9 Payment of Taxes.** No service charge shall be made to any holder of a Warrant for any exercise, exchange or registration of transfer of Warrants, and the Company will pay all documentary stamp taxes attributable to the initial issuance of Warrant Shares upon the exercise of Warrants; *provided, however*, that neither the Company nor the Warrant Agent shall be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issuance of Warrant Shares or any certificates for Warrant Shares in a name other than that of the registered holder of a Warrant surrendered upon the exercise of a Warrant, and the Company and the Warrant Agent shall not be required to issue or deliver such Warrant Shares or the certificates representing the Warrant Shares unless or until the person or

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persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company and the Warrant Agent that such tax has been paid.

**SECTION 10 Mutilated or Missing Warrant Certificates.** The Company may issue and the Warrant Agent shall countersign, upon evidence satisfactory to the Company and the Warrant Agent of the loss, theft, mutilation or destruction of the Global Warrant Certificate in lieu of the Global Warrant Certificate, a new warrant certificate of like tenor and amount in the place of any Global Warrant Certificate theretofore issued by it, alleged to have been lost, stolen, mutilated or destroyed, and the Company and the Warrant Agent may require the owner of the lost, stolen, mutilated or destroyed certificate, or such owner's legal representative, to give the Company and the Warrant Agent a bond sufficient to indemnify them against any claim that may be made against it on account of the alleged loss, theft or destruction of any such Global Warrant Certificate or the issuance of such new certificate.

**SECTION 11 Reservation of Shares of Common Stock.**

(a) The Company will at all times reserve and keep available out of the aggregate of its authorized but unissued shares of Common Stock, for the purpose of enabling it to satisfy any obligation to issue shares of Common Stock upon exercise of Warrants, the maximum number of shares of Common Stock that may then be deliverable upon the exercise of all outstanding Warrants, and the Transfer Agent is hereby irrevocably authorized and directed at all times to reserve such number of authorized and unissued or treasury shares of Common Stock as shall be required for such purpose. The Company will keep a copy of this Agreement on file with the Transfer Agent. The Warrant Agent is hereby irrevocably authorized and directed to requisition from time to time from the Transfer Agent stock certificates issuable upon exercise of outstanding Warrants. The Company will supply the Transfer Agent with duly executed stock certificates for such purpose and will, upon request, provide or otherwise make available any cash which may be payable as provided in Section 14. The Company will furnish the Transfer Agent with a copy of all notices of adjustments and certificates related thereto, transmitted by the Company to the Warrant Agent and each holder. The Warrant Agent shall have no duty or obligation to investigate or confirm the accuracy of the information or the genuineness of the signatures contained in such notices or certificates.

(b) The Company covenants that all shares of Common Stock that may be issued upon exercise of Warrants will be, upon payment of the aggregate Exercise Price and issuance thereof, duly authorized, validly issued, fully paid, nonassessable, free of preemptive rights and free from all taxes, liens, charges and security interests with respect to the issue thereof (other than any liens, charges and security interests created by the Warrant holder or the person to which the shares of Common Stock are to be issued).

**SECTION 12 Adjustments.** The number of shares of Common Stock for which a Warrant is exercisable and the Exercise Price shall be subject to adjustment from time to time as set forth in this Section 12.

(a) **Stock Dividends, Subdivisions, Combinations, Recapitalizations and Reclassification.**

(i) If at any time the Company shall: (A) pay a dividend on its Common Stock (or make some other distribution on its Common Stock) consisting of shares of Common Stock, (B) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock, or (C) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock, then the number of shares of Common Stock or other shares of capital stock for which a Warrant is exercisable shall be adjusted so that the holder of each Warrant shall be entitled upon exercise to receive the number of shares of Common Stock or other shares of capital stock that such Warrant holder would have owned or have been entitled to receive after the happening of any of the events described above, had such Warrant been exercised immediately prior to the happening of such event (or, in the case of a dividend or distribution of Common Stock, immediately prior to the record date therefor). An adjustment made

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pursuant to this Section 12(a) shall become effective immediately upon and contemporaneously with the effectiveness of such event.

(ii) Whenever the number of shares of Common Stock purchasable upon the exercise of any Warrant is adjusted as herein provided in Section 12(a), the Exercise Price shall be adjusted to equal (A) the Exercise Price immediately prior to such adjustment multiplied by the number of shares of Common Stock for which a Warrant is exercisable immediately prior to such adjustment divided by (B) the number of shares of Common Stock for which a Warrant is exercisable immediately after such adjustment.

(b) Extraordinary Dividends or Distributions. If the Company, at any time after the date of this Agreement, pays a dividend or makes a distribution in cash, securities or other assets to the holders of Common Stock (in their capacity as such) or other shares of capital stock into which the Warrants are convertible, other than (i) a dividend or distribution described in Section 12(a)(i)(A), or (ii) distributions made to the holders of Common Stock upon the consummation of a Reorganization Event (any such non-excluded dividends or distributions, an “Extraordinary Dividend”), then the Exercise Price shall be decreased, effective immediately after the effective date of such Extraordinary Dividend, dollar-for-dollar by the amount of cash and/or the fair market value (as reasonably determined in good faith by the Board of Directors of the Company, without regard to any illiquidity or minority discounts) of any securities or other assets paid or distributed on each share of Common Stock in respect of such Extraordinary Dividend.

(c) Other Provisions Applicable to Adjustments under this Section. The following provisions shall be applicable to the making of adjustments of the number of shares of Warrant Shares for which a Warrant is exercisable and the Exercise Price provided for in this Section 12:

(i) When Adjustments to Be Made. The adjustments required by this Section 12 shall be made whenever and as often as any specified event requiring an adjustment shall occur. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence. All calculations shall be made to the nearest cent and to the nearest one-thousandth of a share, as the case may be.

(ii) Fractional Interests. In computing adjustments pursuant to this Section 12 (but subject to Section 14), fractional interests in Common Stock shall be taken into account to the nearest 1/1000th of a share.

(iii) Adjustments Not Made as of Settlement Date. If the adjustments required by this Section 12 have not been made by the Settlement Date, and the shares to be received by a Warrant holder on settlement are not entitled to participate in the relevant distribution or transaction (because they were not held on a related record date or otherwise), then the Company will adjust the number of shares that the Company will deliver to such Warrant holder in respect of the relevant Trading Day to reflect the relevant distribution or transaction.

(iv) When No Adjustment Required. No adjustment need be made under this Section 12 for any issuance of options, equity or equity-based grants or other securities pursuant to the Company’s Management Equity Incentive Program (as defined in the Plan).

(d) Reorganization, Reclassification, Merger or Consolidation of the Company.

(i) If a Reorganization Event shall occur, as a condition to the consummation of such Reorganization Event, effective provisions shall be made in the certificate of incorporation or articles of incorporation of the continuing or surviving or acquiring or resulting entity, or in any contract or agreement providing for such Reorganization Event, so that so long as any Warrant remains outstanding, each Warrant, upon the exercise thereof at any time after the consummation of such Reorganization Event, shall be exercisable into (at an initial Exercise Price equal to the Exercise Price in effect immediately prior to such Reorganization Event), in lieu of the Warrant Shares issuable upon such

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exercise prior to such consummation, solely the amount of cash, securities or other property (“Substituted Property”) receivable pursuant to such Reorganization Event by a holder of the number of shares of Warrant Shares for which a Warrant is exercisable immediately prior to the effective time of such Reorganization Event assuming such holder of Warrant Shares did not exercise its rights of election, if any, as to the kind or amount of Substituted Property receivable upon such Reorganization Event (provided that, if the kind or amount of Substituted Property receivable upon such Reorganization Event is not the same for each share of Warrant Shares in respect of which such rights of election shall not have been exercised (“nonelecting share”), then for the purposes of this Section 12(d)(i) the kind and amount of Substituted Property receivable upon such Reorganization Event for each nonelecting share shall be deemed to be the kind and amount so receivable per share by a plurality of the electing shares). The provisions set forth herein providing for adjustments and otherwise for the protection of the holders of Warrants shall thereafter continue to be applicable on an as nearly equivalent basis as may be practicable and any such continuing or surviving or acquiring or resulting entity shall expressly assume all of the obligations of the Company set forth herein to the extent applicable.

(ii) For purposes hereof, a “Reorganization Event” shall mean any transaction which the Company enters into constituting (i) a consolidation, merger, share exchange or similar transaction of the Company with or into another person pursuant to which the Common Stock is changed into, converted into or exchanged for cash, securities or other property (whether of the Company or another person); (ii) a reorganization, recapitalization or reclassification or similar transaction in which the Common Stock is exchanged for securities other than Common Stock (other than in circumstances covered by Section 12(a)); or (iii) a statutory exchange of the outstanding shares of Common Stock for securities of another person (other than in connection with a consolidation, merger, share exchange or other similar transaction).

(e) Certain Limitations. Notwithstanding anything herein to the contrary, the Company agrees not to enter into any transaction which, by reason of any adjustment hereunder, would cause the Exercise Price to be less than the par value per share of Common Stock (if any) unless the Company shall take such corporate action in order that the Company may validly and legally issue fully paid and nonassessable shares of such Common Stock at such adjusted Exercise Price.

**SECTION 13 Priority Adjustments, Further Actions**. If any single action would require adjustment of the Exercise Price pursuant to more than one subsection of Section 12 hereof, only one adjustment shall be made and such adjustment shall be the amount of adjustment that has the highest, relative to the rights and interests of the holders of the Warrants then outstanding, absolute value.

**SECTION 14 Fractional Shares**. The Company shall not be required to issue fractional shares of Common Stock upon the exercise of the Warrants if it elects, if otherwise permitted, to make a cash payment in respect of any final fraction of a share upon such exercise (after aggregating all fractional shares of each holder). If more than one Warrant shall be presented for exercise at the same time by the same holder, the number of full shares of Common Stock that shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of shares of Common Stock purchasable on exercise of all of the Warrants so presented. If any fraction of a share of Common Stock would, except for the provisions of this Section 14, be issuable on the exercise of any Warrants (or specified portion thereof), the Company shall notify the Warrant Agent in writing of the amount to be paid in lieu of the fraction of a share of Common Stock and concurrently pay or provide to the Warrant Agent for payment to the Warrant holder an amount in cash equal to the product of (i) such fraction of a share of Common Stock and (ii) the Closing Price of a share of Common Stock for the Trading Day immediately preceding the date the Warrant was presented for exercise pursuant to Section 8 hereof. The Warrant Agent shall have no duty with respect to any payment for Warrant Shares under any Section of this Warrant Agreement relating to the payment of fractional Warrant Shares unless and until the Warrant Agent shall have received such notice and sufficient monies.

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**SECTION 15 Warrant Holders not Stockholders.** Nothing contained in this Warrant Agreement or in any of the Global Warrant Certificates shall be construed as conferring upon the holders of any Warrant (solely in its capacity as a holder of a Warrant) (i) the right to vote or to consent or to receive notice as stockholders in respect of the meetings of stockholders or the election of directors of the Company or any other matter for which stockholders are entitled to vote or to attend any such meetings or any other proceedings of the holders of Common Stock; (ii) without limiting the provisions of Section 12 hereof, the right to receive any cash dividends, stock dividends, allotments or rights or other distributions paid, allotted or distributed or distributable to the holders of Common Stock prior to, or for which the relevant record date precedes, the date of the exercise of such Warrant; or (iii) any other rights whatsoever as stockholders of the Company. The Warrant Agent shall have no duty to monitor or enforce compliance with this provision.

**SECTION 16 No Redemption.** The Company shall not have any right to redeem any of the Warrants evidenced hereby.

**SECTION 17 Merger, Consolidation or Change of Name of Warrant Agent.** Any person into which the Warrant Agent may be merged or converted or with which it may be consolidated, or any person resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, or any person succeeding to all or substantially all of the corporate trust or agency business of the Warrant Agent, shall be the successor to the Warrant Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto. If, at the time such successor to the Warrant Agent by merger or consolidation succeeds to the agency created by this Warrant Agreement, any of the Global Warrant Certificates shall have been countersigned but not delivered, any such successor to the Warrant Agent may adopt the countersignature of the original Warrant Agent; and if, at that time any of the Global Warrant Certificates shall not have been countersigned, any such successor to the Warrant Agent may countersign such Global Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Global Warrant Certificates shall have the full force and effect provided in the Global Warrant Certificates in this Warrant Agreement. If at any time the name of the Warrant Agent shall be changed and at such time any of the Global Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent whose name has changed may adopt the countersignature under its prior name; and if at that time any of the Global Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Global Warrant Certificates either in its prior name or in its changed name; and in all such cases such Global Warrant Certificates shall have the full force provided in the Global Warrant Certificates and in this Warrant Agreement.

**SECTION 18 Warrant Agent.** The Warrant Agent undertakes only the duties and obligations expressly imposed by this Warrant Agreement upon the following terms and conditions, by all of which the Company and the holders of Warrants, by their acceptance thereof, shall be bound:

(a) The Warrant Agent may rely conclusively and shall be protected in acting upon any order, judgment, instruction, notice, demand, certificate, opinion or advice of counsel (including counsel chosen by or who may be an employee of the Warrant Agent or one of its affiliates), statement, instrument, report or other paper or document (not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and acceptability and of information therein contained) which is believed by the Warrant Agent, in good faith, to be genuine and to be signed or presented by the proper person or persons as set forth in Section 18(d).

(b) The Warrant Agent shall have no duties, responsibilities or obligations as the Warrant Agent except those which are expressly set forth herein, and in any modification or amendment hereof to which the Warrant Agent has consented in writing, and no duties, responsibilities or obligations shall be implied or inferred.

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(c) The statements contained herein and in the Global Warrant Certificates shall be deemed to be statements of the Company only. The Warrant Agent assumes no responsibility for the correctness of any of the same and shall not be required to verify the same.

(d) Whenever in the performance of its duties under this Warrant Agreement the Warrant Agent deems it necessary or desirable that any fact or matter be proved or established by the Company prior to taking, suffering or omitting to take any action hereunder, such fact or matter may be deemed to be conclusively proved and established by a certificate signed by the Company's Chairman of the Board, Chief Executive Officer, President or any Vice President and delivered to the Warrant Agent; and in reliance upon such certificate, the Warrant Agent shall take any action or omit to take any action authorized under the provisions of this Warrant Agreement. In the event the Warrant Agent reasonably believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Warrant Agent hereunder, or is uncertain of any action to take hereunder, the Warrant Agent, may, following prior written notice to the Company, refrain from taking any action, and shall be fully protected and shall not be liable in any way to the Company or any other person or entity for refraining from taking such action, unless the Warrant Agent receives written instructions signed by the Company which eliminates such ambiguity or uncertainty to the reasonable satisfaction of the Warrant Agent.

(e) The Warrant Agent shall not be responsible for any failure of the Company to comply with any of the covenants contained in this Warrant Agreement (including, without limitation, any adjustment of the Exercise Price pursuant to Section 12 hereof, the authorization or reservation of shares of Common Stock pursuant to Section 11 hereof, and the due execution and delivery by the Company of this Warrant Agreement or any Global Warrant Certificate) or in the Global Warrant Certificates to be complied with by the Company.

(f) The Warrant Agent may consult at any time with counsel satisfactory to it (who may be counsel for the Company or an employee of the Warrant Agent) and the Warrant Agent shall incur no liability or responsibility to the Company or any holder of any Warrant in respect of any action taken, suffered or omitted by it hereunder and in accordance with the opinion or the advice of such counsel.

(g) The Warrant Agent shall incur no liability or responsibility for any action taken in reliance on any Global Warrant Certificate, Warrant Statement, certificate representing shares of Common Stock, notice, resolution, waiver, consent, order, certificate, or other paper, document or instrument believed by it to be genuine and to have been signed, sent or presented by the proper party or parties. The Warrant Agent shall not be bound by any notice or demand, or any waiver, modification, termination or revision of this Warrant Agreement or any of the terms hereof, unless evidenced by a writing between and signed by, the Company and the Warrant Agent. The Warrant Agent shall not be required to take instructions or directions except those given in accordance with this Warrant Agreement.

(h) The Warrant Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys, accountants, agents or other experts, and the Warrant Agent will not be answerable or accountable for any act, default, neglect or unintentional misconduct of any such attorneys or agents or for any loss to the Company or the holders of the Warrants resulting from any such act, default, neglect or unintentional misconduct, absent gross negligence, willful misconduct or bad faith (as each is determined by a final non-appealable order of a court of competent jurisdiction) in the selection and continued employment or engagement thereof.

(i) The Warrant Agent will not be under any duty or responsibility to insure compliance with any applicable federal or state securities laws in connection with the issuance, transfer or exchange of Global Warrant Certificates.

(j) The Warrant Agent shall not incur any liability for not performing any act, duty, obligation or responsibility by reason of any occurrence beyond the control of the Warrant Agent (including, without

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limitation, any act or provision of any present or future law or regulation or governmental authority, any act of God, war, civil disorder or failure of any means of communication).

(k) The Company agrees to pay to the Warrant Agent reasonable compensation for all services rendered by the Warrant Agent in the preparation, delivery, administration and execution of this Warrant Agreement and the exercise and performance of its duties hereunder, to reimburse the Warrant Agent for all reasonable expenses (including reasonable counsel fees), taxes (including withholding taxes) and governmental charges and other charges of any kind and nature actually incurred by the Warrant Agent in the execution, delivery and performance of its responsibilities under this Warrant Agreement and to indemnify the Warrant Agent and save it harmless against any and all liabilities, including judgments, costs and counsel fees, for anything done or omitted by the Warrant Agent, or any person acting on behalf of the Warrant Agent, in the execution, delivery and performance of its responsibilities under this Warrant Agreement except as a result of its gross negligence, bad faith or willful misconduct (each as determined by a final, non-appealable order of a court of competent jurisdiction).

(l) The Warrant Agent, shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense unless the Company or one or more holders of Global Warrant Certificates shall furnish the Warrant Agent with reasonable security and indemnity for any costs and expenses which may be incurred, but this provision shall not affect the power of the Warrant Agent to take such action as it may consider proper, whether with or without any such security or indemnity. All rights of action under this Warrant Agreement or under any of the Warrants may be enforced by the Warrant Agent without the possession of any of the Warrants or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by the Warrant Agent shall be brought in its name as Warrant Agent and any recovery of judgment shall be for the ratable benefit of the holders of the Warrants, as their respective rights or interests may appear.

(m) Except as otherwise prohibited by applicable law, the Warrant Agent, and any member, stockholder, director, officer or employee of the Warrant Agent, may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Warrant Agent under this Warrant Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(n) The Warrant Agent shall act hereunder solely as agent for the Company, and its duties shall be determined solely by the express provisions hereof. The Warrant Agent shall not be liable for anything which it may do or refrain from doing in connection with this Warrant Agreement, except for its own gross negligence, bad faith or willful misconduct (each as determined by a final, non-appealable order of a court of competent jurisdiction); provided that in no event shall the Warrant Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including, without limitation, lost profits). Any liability of the Warrant Agent under this Agreement, except for liability arising out of, or in connection with, the gross negligence, bad faith or willful misconduct (each as determined by a final, non-appealable order of a court of competent jurisdiction) of the Warrant Agent, will be limited to the amount of aggregate fees paid by the Company to the Warrant Agent.

(o) The Warrant Agent shall not at any time be under any duty or responsibility to any holder of any Warrant to make or cause to be made any adjustment of the Exercise Price or number of the shares of Common Stock or other securities or property deliverable as provided in this Warrant Agreement, or to determine whether any facts exist which may require any of such adjustments, or with respect to the nature or extent of any such adjustments, when made, or with respect to the method employed in making the same. The Warrant Agent shall not be accountable with respect to the validity or value or the kind or amount of any shares of Common Stock or of any securities or property which may at any time be issued or delivered upon the exercise of any Warrant or with respect to whether any such shares of Common

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Stock or other securities will when issued be validly issued and fully paid and nonassessable, and makes no representation with respect thereto. The Warrant Agent shall not be accountable to confirm or verify the accuracy or necessity of any calculation.

(p) The Company agrees to perform, execute and acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments, and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

(q) The Warrant Agent shall have no responsibility or liability with respect to the validity of this Agreement or with respect to the validity or execution of any Warrant (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant; nor shall it be responsible to make or be liable for any adjustments required under any provision hereof, including but not limited to Section 11 hereof, or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment; nor shall it by act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock to be issued pursuant to this Agreement or any Warrant or as to whether any shares of Common Stock will, when issued, be valid and fully paid and nonassessable.

(r) Notwithstanding anything to the contrary contained herein, the Company shall make all determinations with respect to Cashless Exercises, and the Warrant Agent shall have no duty or obligation to investigate or confirm whether the Company determination regarding the number of Shares to be issued in the event of a Cashless Exercise is accurate or correct. Notwithstanding anything to the contrary contained herein, the Warrant Agent shall also have no duty or obligation to investigate or confirm whether any determination of the Exercise Amount under Section 8 is correct or accurate.

(s) No provision of this Agreement shall require the Warrant Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights, except to the extent otherwise expressly set forth herein.

(t) Notwithstanding the foregoing, nothing in this Section 18 shall relieve the Warrant Agent from any liability arising from the Warrant Agent's transfer of any Warrant without obtaining confirmation from the Company as described in Section 6 hereof.

(u) All rights and obligations contained in this Section 18 and Section 19 hereof shall survive the termination of this Warrant Agreement and the resignation, replacement or removal of the Warrant Agent.

**SECTION 19 Expenses.** All expenses incident to the Company's performance of or compliance with this Warrant Agreement will be borne by the Company, including, without limitation: (i) all expenses of printing Global Warrant Certificates; (ii) messenger and delivery services and telephone calls; (iii) all fees and disbursements of counsel for the Company; (iv) all fees and disbursements of independent certified public accountants or knowledgeable experts selected by the Company; and (v) the Company's internal expenses (including, without limitation, all salaries and expenses of their officers and employees performing legal or accounting duties).

#### **SECTION 20 Change of Warrant Agent.**

(a) If the Company terminates the Warrant Agent or the Warrant Agent shall become incapable of acting as Warrant Agent or shall resign as provided below, the Company shall appoint a successor to such Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after it has terminated the Warrant Agent or it has been notified in writing of a resignation or incapacity by the Warrant Agent, then any holder of a Warrant may apply to any court of competent jurisdiction for the appointment of a successor to the Warrant Agent. Pending appointment of a successor to the Warrant Agent, either by the Company or by such a court, the duties of the Warrant Agent shall be carried out by

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the Company. Any successor Warrant Agent, whether appointed by the Company or by such a court, shall be a bank or trust company, in good standing, incorporated under the laws of any state or of the United States of America. As soon as practicable after appointment of the successor Warrant Agent, the Company shall cause written notice of the change in the Warrant Agent to be given to each of the holders of the Warrants at such holder's address appearing on the Warrant Register. After appointment, the successor to the Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed. The former Warrant Agent shall deliver and transfer to the successor to the Warrant Agent any property at the time held by it hereunder and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Failure to give any notice provided for in this Section 20, however, or any defect therein, shall not affect the legality or validity of the appointment of a successor to the Warrant Agent.

(b) The Warrant Agent may resign at any time and be discharged from the obligations hereby created by so notifying the Company in writing at least 30 days in advance of the proposed effective date of its resignation. If no successor Warrant Agent accepts the engagement hereunder by such time, the Company shall act as Warrant Agent.

**SECTION 21 Notices to the Company and Warrant Agent.** Any notice or demand authorized or permitted by this Warrant Agreement to be given or made by the Warrant Agent or by any holder of the Warrants to or on the Company to be effective shall be in writing (including by facsimile), and shall be deemed to have been duly given or made when delivered by hand, or two (2) business days after being delivered to a recognized courier (whose stated terms of delivery are two (2) business days or less to the destination of such notice), or five (5) days after being deposited in the mail, first class and postage prepaid or, in the case of facsimile notice, when received, addressed as follows (until another address or facsimile number is filed in writing by the Company with the Warrant Agent):

Visteon Corporation  
One Village Center Drive  
Van Buren Township, Michigan 48111  
Facsimile: (734) 710-7112  
Attention: Chief Financial Officer

with a copy (which shall not constitute notice) to:

Pachulski Stang Ziehl & Jones LLP  
919 North Market Street, 17th Floor  
Wilmington, Delaware 19899-8705  
Facsimile: (302) 652-4400  
Attention: Laura Davis Jones  
James E. O'Neill  
Mark M. Billion

and

Kirkland & Ellis LLP  
300 North LaSalle  
Chicago, Illinois 60654  
Facsimile: (312) 862-2200  
Attention: James H. M. Sprayregen, P.C.  
James J. Mazza, Jr.  
Gerald T. Nowak, P.C.  
Howard Norber

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and

Kirkland & Ellis LLP  
601 Lexington Avenue  
New York, New York 10022  
Facsimile: (212) 446-4900  
Attention: Marc Kieselstein, P.C.  
Brian S. Lennon

Any notice or demand pursuant to this Warrant Agreement to be given by the Company or by any holder(s) of the Warrants to the Warrant Agent shall be sufficiently given if sent in the same manner as notices or demands are to be given or made to or on the Company (as set forth above) to the Warrant Agent at the Warrant Agent Office as follows (until another address is filed in writing by the Warrant Agent with the Company):

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**SECTION 22 Supplements and Amendments.** The Company and the Warrant Agent may from time to time supplement or amend this Warrant Agreement (a) without the approval of any holders of Warrants in order to cure any ambiguity or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters or questions arising hereunder that the Company may deem necessary or desirable and that shall not adversely affect the rights or interests of the holders of Warrants or (b) with the prior written consent of holders of the Warrants exercisable for a majority of the shares of Common Stock then issuable upon exercise of the Warrants then outstanding; provided, however, that the consent of each holder of a Warrant affected shall be required for any amendment of this Warrant Agreement that would (i) increase the Exercise Price or decrease the number of shares of Common Stock purchasable upon exercise of the Warrants, except that such consent shall not be required for any adjustment to the Exercise Price or the number of shares of Common Stock purchasable if made pursuant to the provisions of Section 12 hereof, (ii) alter the Company's obligation to issue Warrant Shares upon exercise of the underlying Warrant (other than pursuant to adjustments otherwise provided for in this Agreement, including the adjustments provided for in Section 12 hereof), (iii) change the Expiration Date of the Warrants to an earlier date, (iv) waive the application of the adjustment provisions contained in Section 12 in connection with any events to which such provisions apply or otherwise modify the adjustment provisions contained in Section 12 in a manner that would have an adverse economic impact on the holders of Warrants, or (v) treat such holder differently in an adverse way from any other holder of Warrants. The Warrant Agent may, but shall not be obligated to, execute any amendment or supplement which affects the rights or increases the duties or obligations of the Warrant Agent.

**SECTION 23 Successors.** All the covenants and provisions of this Warrant Agreement by or for the benefit of the Company, the holders of the Warrants or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

**SECTION 24 Termination.** This Warrant Agreement shall terminate at 5:00 p.m., New York City time, on the Expiration Date (or, at 5:00 p.m., New York City time, on the Settlement Date with respect to any Warrant Exercise Notice delivered prior to 5:00 p.m., New York City time, on the Expiration Date). Notwithstanding the foregoing, this Warrant Agreement will terminate on such earlier date on which all outstanding Warrants have been exercised. Termination of this Warrant Agreement shall not relieve the Company or the Warrant Agent of any of their obligations arising prior to the date of such termination or

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in connection with the settlement of any Warrant exercised prior to 5:00 p.m., New York City time, on the Expiration Date.

**SECTION 25 Governing Law.** This Warrant Agreement and each Warrant issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the laws of the State of New York without giving effect to conflict of laws principles.

**SECTION 26 Benefits of this Warrant Agreement.** This Warrant Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the holders of the Warrants, and nothing in this Warrant Agreement shall be construed to give to any person other than the Company, the Warrant Agent and the holders of the Warrants any legal or equitable right, remedy or claim under this Warrant Agreement. Each holder, by acceptance of a Warrant, agrees to all of the terms and provisions of this Warrant Agreement applicable thereto.

**SECTION 27 Counterparts.** This Warrant Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

**SECTION 28 Further Assurances.** From time to time on and after the date hereof, the Company shall deliver or cause to be delivered to the Warrant Agent such further documents and instruments and shall do and cause to be done such further acts as the Warrant Agent shall reasonably request (it being understood that the Warrant Agent shall have no obligation to make such request) to carry out more effectively the provisions and purposes of this Warrant Agreement, to evidence compliance herewith or to assure itself that it is protected hereunder.

**SECTION 29 Entire Agreement.** This Warrant Agreement and the Global Warrant Certificates constitute the entire agreement of the Company, the Warrant Agent and the holders of the Warrants with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, among the Company, the Warrant Agent and the holders of the Warrants with respect to the subject matter hereof. Except as expressly made herein, the Company makes no representation, warranty, covenant or agreement with respect to the Warrants.

**SECTION 30 Severability.** Wherever possible, each provision of this Warrant Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Warrant Agreement; provided, however, that if such excluded or added provision shall materially affect the rights, immunities, duties or obligations of the Warrant Agent, the Warrant Agent shall be entitled to resign immediately upon notification in writing to the Company.

**SECTION 31 Force Majeure.** In no event shall the Warrant Agent be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services.

---

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be duly executed, as of the day and year first above written.

VISTEON CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

[\_\_\_\_],  
as Warrant Agent

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT A

FORM OF GLOBAL WARRANT CERTIFICATE

FORM OF FACE OF GLOBAL WARRANT CERTIFICATE

VOID AFTER 5:00 P.M., NEW YORK CITY TIME, ON [\_\_\_\_]

THE SALE, ASSIGNMENT, PLEDGE, ENCUMBRANCE, EXCHANGE OR OTHER TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS OF THE WARRANT AGREEMENT, DATED AS OF [\_\_\_\_], 2010 (THE "WARRANT AGREEMENT"), BETWEEN THE ISSUER OF THIS CERTIFICATE AND THE WARRANT AGENT NAMED THEREIN. BY ACCEPTING ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE, THE RECIPIENT OF SUCH SECURITIES SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL OF THE PROVISIONS OF THE WARRANT AGREEMENT. A COPY OF THE WARRANT AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE CORPORATE SECRETARY OF THE ISSUER OF THIS CERTIFICATE.

NO. W-1

WARRANT TO PURCHASE  
\_\_\_\_SHARES OF COMMON  
STOCK

VISTEON CORPORATION

WARRANT TO PURCHASE COMMON STOCK, PAR VALUE \$0.01 PER SHARE

CUSIP # [\_\_\_\_]

DISTRIBUTION DATE: [\_\_\_\_], 2010

This Global Warrant Certificate certifies that Cede & Co., or its registered assigns, is the registered holder of a Warrant (this "Warrant") of **VISTEON CORPORATION**, a Delaware corporation (the "Company"), to purchase the number of shares of common stock, par value \$0.01 per share ("Common Stock"), of the Company set forth above (as adjusted from time to time in accordance with the terms of the Warrant Agreement). This Warrant expires at 5:00 p.m., New York City time on [\_\_\_\_] (the "Expiration Date") and entitles the holder upon exercise at any time, and from time to time, in whole or in part, on or after the date of this Warrant Certificate and prior to the Expiration Date to purchase from the Company up to the number of fully paid and nonassessable shares of Common Stock set forth above at an exercise price of \$9.66 per share of Common Stock (as adjusted from time to time in accordance with the terms of the Warrant Agreement, the "Exercise Price"). The Exercise Price and the number of shares of Common Stock purchasable upon exercise of this Warrant are subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS GLOBAL WARRANT CERTIFICATE SET FORTH ON THE REVERSE HEREOF. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

This Global Warrant Certificate shall not be valid unless countersigned by the Warrant Agent.

All capitalized terms used herein and not defined herein shall have the meanings assigned to them in the Warrant Agreement.



**IN WITNESS WHEREOF**, the Company has caused this Global Warrant Certificate to be executed by its duly authorized officers as of the date below set forth.

Dated: \_\_\_\_\_, 2010

**VISTEON CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

Countersigned:

[\_\_\_\_],  
as Warrant Agent

By: \_\_\_\_\_  
Name:  
Title:

Address of Registered Holder for Notices (until changed in accordance with the Warrant Agreement):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

## FORM OF REVERSE OF GLOBAL WARRANT CERTIFICATE

The Warrant evidenced by this Global Warrant Certificate is a part of a duly authorized issue of Warrants to purchase up to \_\_\_\_\_ shares of Common Stock issued pursuant to the Warrant Agreement. The Warrant Agreement is hereby incorporated by reference herein and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the registered holders of the Warrants. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Warrant Agreement.

Upon due presentment for registration of transfer of the Warrant and surrender of this Global Warrant Certificate at the office of the Warrant Agent designated for such purpose, a new Global Warrant Certificate or Global Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee in exchange for this Global Warrant Certificate, subject to the limitations set forth in the Warrant Agreement, without charge except for any applicable tax or other charge.

Subject to Section 14 of the Warrant Agreement, the Company shall not be required to issue fractional shares of Common Stock.

No Warrants may be sold, exchanged or otherwise transferred in violation of the Securities Act state securities laws or other applicable law. The Warrant does not entitle the registered holder thereof to any of the rights of a stockholder of the Company.

The Company and Warrant Agent may deem and treat the registered holder hereof as the absolute owner of this Global Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone other than the Company or the Warrant Agent) for the purpose of any exercise hereof and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

This Global Warrant Certificate is held by The Depository Trust Company (the “Depository.”) or its nominee in custody for the benefit of the beneficial owners hereof, and is not transferable to any Person under any circumstances except that (i) this Global Warrant Certificate may be transferred in whole pursuant to Section 6(e) of the Warrant Agreement (as hereinafter defined) and (ii) this Global Warrant Certificate may be delivered to the Warrant Agent for cancellation pursuant to Sections 6(g) and 8(n) of the Warrant Agreement.

Unless this Global Warrant Certificate is presented by an authorized representative of the Depository to the Company or the Warrant Agent for registration of transfer, exchange or payment and any certificate issued is registered in the name of Cede & Co., or such other entity as is requested by an authorized representative of the Depository (and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of the Depository), any transfer, pledge or other use hereof for value or otherwise by or to any Person is wrongful because the registered owner hereof, Cede & Co., has an interest herein.

No registration or transfer of the securities issuable pursuant to the Warrant will be recorded on the books and records of the Company or the Warrant Agent until the provisions set forth in the Warrant Agreement have been complied with.

In the event of any conflict or inconsistency between this Global Warrant Certificate and the Warrant Agreement, the Warrant Agreement shall control.

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**EXHIBIT B-1**

**EXERCISE FORM FOR HOLDERS  
HOLDING BOOK-ENTRY WARRANTS  
(To be executed upon exercise of the Warrant(s))**

The undersigned hereby irrevocably elects to exercise the right, represented by the Book-Entry Warrant(s), to purchase shares of Common Stock of Visteon Corporation and (check one or both):

- ☐ herewith tenders in payment for \_\_\_\_\_ shares of Common Stock an amount of \$\_\_\_\_\_ by certified or official bank check made payable to the order of Visteon Corporation or by wire transfer in immediately available funds to an account arranged with Visteon Corporation; and/or
- ☐ herewith tenders the Warrant(s) for \_\_\_\_\_ shares of Common Stock pursuant to the cashless exercise provision of Section 8 (h) of the Warrant Agreement.

Please check below if this exercise is contingent upon the consummation of a Reorganization Event as provided in Sections 8(i) and 12(d) of the Warrant Agreement:

- ☐ This exercise is being made in connection with a Reorganization Event; provided, that in the event the Reorganization Event shall not be consummated, then this exercise shall be deemed to be revoked.

The undersigned requests that a statement representing the shares of Common Stock issued upon exercise of the Warrant(s) be delivered in accordance with the instructions set forth below.

Dated: \_\_\_\_\_, 20\_\_\_\_\_

THIS EXERCISE NOTICE MUST BE DELIVERED TO THE WARRANT AGENT, PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

ALL CAPITALIZED TERMS USED HEREIN BUT NOT DEFINED HEREIN SHALL HAVE THE MEANINGS ASSIGNED TO THEM IN THE WARRANT AGREEMENT.

**THE UNDERSIGNED REQUESTS THAT A STATEMENT REPRESENTING THE SHARES OF COMMON STOCK BE DELIVERED AS FOLLOWS:**

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Social Security Number or Other Taxpayer Identification Number (if applicable):

\_\_\_\_\_

---

**IF SAID NUMBER OF SHARES SHALL NOT BE ALL THE SHARES PURCHASABLE UNDER THE WARRANT(S), THE UNDERSIGNED REQUESTS THAT NEW BOOK-ENTRY WARRANT(S) REPRESENTING THE BALANCE OF SUCH WARRANT(S) SHALL BE REGISTERED AS FOLLOWS:**

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Social Security Number or Other Taxpayer Identification Number (if applicable):  
\_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Capacity in which Signing: \_\_\_\_\_

SIGNATURE GUARANTEED BY: \_\_\_\_\_

Signatures must be guaranteed by a participant in the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program.

\_\_\_\_\_

**EXHIBIT B-2**

**EXERCISE FORM FOR HOLDERS  
HOLDING WARRANTS THROUGH THE DEPOSITORY TRUST COMPANY**

TO BE COMPLETED BY DIRECT PARTICIPANT  
IN THE DEPOSITORY TRUST COMPANY  
(To be executed upon exercise of the Warrant(s))

The undersigned hereby irrevocably elects to exercise the right, represented by Global Warrant Certificate No. \_\_\_\_ held for its benefit through the book-entry facilities of The Depository Trust Company (the "Depository"), to purchase \_\_\_\_ shares of Common Stock of Visteon Corporation and (check one or both):

- o herewith tenders in payment for such shares an amount of \$\_\_\_\_ by certified or official bank check made payable to the order of Visteon Corporation or by wire transfer in immediately available funds to an account arranged with Visteon Corporation; and/or
- o herewith tenders the Warrant(s) for \_\_\_\_ shares of Common Stock pursuant to the cashless exercise provision of Section 8 (h) of the Warrant Agreement.

Please check below if this exercise is contingent upon the consummation of a Reorganization Event as provided in Sections 8(i) and 12(d) of the Warrant Agreement:

- o This exercise is being made in connection with a Reorganization Event; provided, that in the event the Reorganization Event shall not be consummated, then this exercise shall be deemed to be revoked.

The undersigned requests that the shares of Common Stock issuable upon exercise of the Warrant(s) be in registered form in the authorized denominations, registered in such names and delivered, all as specified in accordance with the instructions set forth below; provided, that if the shares of Common Stock are evidenced by global securities, the shares of Common Stock shall be registered in the name of the Depository or its nominee.

Dated: \_\_\_\_\_, 20\_\_\_\_\_

THIS EXERCISE NOTICE MUST BE DELIVERED TO THE WARRANT AGENT, PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE. THE WARRANT AGENT SHALL NOTIFY YOU (THROUGH THE CVISTEONING SYSTEM) OF (1) THE WARRANT AGENT'S ACCOUNT AT THE DEPOSITORY TO WHICH YOU MUST DELIVER YOUR WARRANT(S) ON THE EXERCISE DATE AND (2) THE ADDRESS, PHONE NUMBER AND FACSIMILE NUMBER WHERE YOU CAN CONTACT THE WARRANT AGENT AND TO WHICH WARRANT EXERCISE NOTICES ARE TO BE SUBMITTED.

ALL CAPITALIZED TERMS USED HEREIN BUT NOT DEFINED HEREIN SHALL HAVE THE MEANINGS ASSIGNED TO THEM IN THE WARRANT AGREEMENT.

---

**NAME OF DIRECT PARTICIPANT IN THE DEPOSITORY:**

Account Name \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
\_\_\_\_\_

Contact Name: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Social Security Number or Other Taxpayer Identification Number (if applicable):  
\_\_\_\_\_

Account from which Warrant(s) are Being Delivered: \_\_\_\_\_

Depository Account Number: \_\_\_\_\_

**WARRANT HOLDER DELIVERING WARRANT(S), IF OTHER THAN THE DIRECT PARTICIPANT: Name:**

Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Account from which the Shares of Common Stock are to be Credited: \_\_\_\_\_

Depository Account Number: \_\_\_\_\_

\_\_\_\_\_

**FILL IN FOR DELIVERY OF THE COMMON STOCK, IF OTHER THAN TO THE PERSON DELIVERING THIS WARRANT EXERCISE NOTICE:**

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
\_\_\_\_\_

Contact Name: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Social Security Number or Other Taxpayer Identification Number (if applicable):  
\_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Capacity in which Signing: \_\_\_\_\_

Signature Guaranteed By: \_\_\_\_\_

**THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THE DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	)	
In re:	)	Chapter 11
	)	
VISTEON CORPORATION, <u>et al.</u> <sup>1</sup>	)	Case No. 09-11786 (CSS)
	)	
	)	Jointly Administered
Debtors.	)	
	)	

**DEBTORS' THIRD AMENDED DISCLOSURE STATEMENT FOR THE THIRD AMENDED JOINT PLAN OF REORGANIZATION OF  
VISTEON CORPORATION AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

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 New York, New York 10022-4611  
 Telephone: (212) 446-4800

*Attorneys for the Debtors and Debtors in Possession*

Dated: May 24, 2010

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Visteon Corporation (9512); ARS, Inc. (3590); Fairlane Holdings, Inc. (8091); GCM/Visteon Automotive Leasing Systems, LLC (4060); GCM/Visteon Automotive Systems, LLC (7103); Infinitive Speech Systems Corp. (7099); MIG-Visteon Automotive Systems, LLC (5828); SunGlas, LLC (0711); The Visteon Fund (6029); Tyler Road Investments, LLC (9284); VC Aviation Services, LLC (2712); VC Regional Assembly & Manufacturing, LLC (3058); Visteon AC Holdings Corp. (9371); Visteon Asia Holdings, Inc. (0050); Visteon Automotive Holdings, LLC (8898); Visteon Caribbean, Inc. (7397); Visteon Climate Control Systems Limited (1946); Visteon Domestic Holdings, LLC (5664); Visteon Electronics Corporation (9060); Visteon European Holdings Corporation (5152); Visteon Financial Corporation (9834); Visteon Global Technologies, Inc. (9322); Visteon Global Treasury, Inc. (5591); Visteon Holdings, LLC (8897); Visteon International Business Development, Inc. (1875); Visteon International Holdings, Inc. (4928); Visteon LA Holdings Corp. (9369); Visteon Remanufacturing Incorporated (3237); Visteon Systems, LLC (1903); Visteon Technologies, LLC (5291). The location of the Debtors' corporate headquarters and the service address for all the Debtors is: One Village Center Drive, Van Buren Township, Michigan 48111.



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## **EXHIBITS**

<b>Exhibit A</b>	Third Amended Joint Plan of Reorganization of Visteon Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy Code
<b>Exhibit B</b>	Approved Disclosure Statement Order [To Be Filed]
<b>Exhibit C</b>	The Reorganized Debtors' Financial Projections
<b>Exhibit D</b>	Liquidation Analyses
<b>Exhibit E</b>	Term Loan Lender Proposal, Dated April 16, 2010
<b>Exhibit F</b>	Term Loan Lender Proposal, Dated May 7, 2010

## DISCLAIMER

THE DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DEBTORS' PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION INCLUDED IN THE DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN. THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS WHICH ARE ATTACHED TO, OR INCORPORATED BY REFERENCE IN, THE DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THE DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THE DISCLOSURE STATEMENT BY REFERENCE, THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT HAVE BEEN MADE AS OF THE DATE OF THE DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THE DISCLOSURE STATEMENT SHOULD NOT ASSUME AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THE DISCLOSURE STATEMENT SINCE THE DATE OF THE DISCLOSURE STATEMENT. EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN, THE DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT IN THEIR ENTIRETY BEFORE CASTING A BALLOT. THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ANY ENTITIES DESIRING ANY SUCH ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO ONE IS AUTHORIZED TO PROVIDE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THE DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THE DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT, THE DOCUMENTS ATTACHED TO THE DISCLOSURE STATEMENT, AND THE PLAN SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT

BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE.

THE SECURITIES DESCRIBED IN THE DISCLOSURE STATEMENT TO BE ISSUED PURSUANT TO THE PLAN WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT, AS AMENDED, OR ANY SIMILAR FEDERAL, STATE, OR LOCAL LAW, GENERALLY IN RELIANCE ON THE EXEMPTIONS SET FORTH IN SECTION 4(2) OF THE SECURITIES ACT AND/OR SECTION 1145 OF THE BANKRUPTCY CODE.

THE DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION COMMENTED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT.

THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THE DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, EXCEPT AS SPECIFICALLY INDICATED OTHERWISE.

THE FINANCIAL PROJECTIONS, ATTACHED HERETO AS **EXHIBIT C** AND DESCRIBED IN THE DISCLOSURE STATEMENT, HAVE BEEN PREPARED BY THE DEBTORS' MANAGEMENT TOGETHER WITH THEIR ADVISORS. THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE DEBTORS' MANAGEMENT AND THEIR ADVISORS, MAY NOT ULTIMATELY BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE PROJECTIONS OR TO THE ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND, THUS, THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

PLEASE REFER TO ARTICLE IX OF THE DISCLOSURE STATEMENT, ENTITLED "PLAN-RELATED RISK FACTORS AND ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN" FOR A DISCUSSION OF CERTAIN FACTORS THAT A CREDITOR VOTING ON THE PLAN SHOULD CONSIDER.

FOR A VOTE ON THE PLAN TO BE COUNTED, THE BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY KURTZMAN CARSON CONSULTANTS, LLC, THE DEBTORS' CLAIMS AND SOLICITATION AGENT ("KCC") NO LATER THAN 5:00 P.M. PREVAILING PACIFIC TIME, ON [•], 2010. SUCH BALLOTS SHOULD BE CAST IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN ARTICLE III OF THE DISCLOSURE STATEMENT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE SHALL NOT BE COUNTED UNLESS OTHERWISE DETERMINED BY THE DEBTORS IN THEIR SOLE AND ABSOLUTE DISCRETION.

THE CONFIRMATION HEARING WILL COMMENCE ON [•], 2010 AT [•] A.M./P.M. PREVAILING EASTERN TIME, BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, WILMINGTON, DELAWARE 19801. THE DEBTORS MAY CONTINUE THE CONFIRMATION HEARING FROM TIME TO TIME WITHOUT FURTHER NOTICE OTHER THAN AN ADJOURNMENT ANNOUNCED IN OPEN COURT OR A NOTICE OF ADJOURNMENT FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE MASTER SERVICE LIST AND THE ENTITIES WHO HAVE FILED AN OBJECTION TO THE PLAN, WITHOUT FURTHER NOTICE TO PARTIES IN INTEREST. THE BANKRUPTCY COURT, IN ITS DISCRETION AND BEFORE THE CONFIRMATION HEARING, MAY PUT IN PLACE ADDITIONAL PROCEDURES GOVERNING THE CONFIRMATION HEARING. THE PLAN MAY BE MODIFIED, IF NECESSARY, PRIOR TO, DURING, OR AS A RESULT OF THE CONFIRMATION HEARING, WITHOUT FURTHER NOTICE TO PARTIES IN INTEREST.

THE PLAN OBJECTION DEADLINE IS [•], 2010, AT 5:00 P.M. PREVAILING EASTERN TIME. ALL PLAN OBJECTIONS MUST BE FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE DEBTORS AND CERTAIN OTHER PARTIES IN INTEREST IN ACCORDANCE WITH THE DISCLOSURE STATEMENT ORDER SO THAT THEY ARE RECEIVED ON OR BEFORE THE PLAN OBJECTION DEADLINE.

**ARTICLE I.**  
**INTRODUCTION**

On May 28, 2009, (the “Petition Date”), the above captioned debtors and debtors in possession (collectively, the “Debtors,” and with their non-Debtor affiliates, “Visteon”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Chapter 11 Cases”). On May 29, 2009, the Bankruptcy Court entered an order jointly administering the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b) under the lead case: Visteon Corporation; Case No. 09-11786. The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in the Chapter 11 Cases. On June 8, 2009, the United States Trustee for the District of Delaware (the “United States Trustee”) appointed an official committee of unsecured creditors (the “Creditors’ Committee”) pursuant to section 1102 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) [Docket No. 178].

The Debtors filed a plan of reorganization and accompanying disclosure statement with the Bankruptcy Court on December 17, 2009 [Docket Nos. 1475, 1476], a first amended plan of reorganization and accompanying disclosure statement with the Bankruptcy Court on March 15, 2010 [Docket Nos. 2544, 2545], and a second amended plan of reorganization and accompanying disclosure statement with the Bankruptcy Court on May 7, 2010 [Docket Nos. 3011, 3012]. The Debtors submit this third amended disclosure statement (the “Disclosure Statement”) pursuant to section 1125 of the Bankruptcy Code for purposes of soliciting votes to accept or reject the *Third Amended Joint Plan of Reorganization of Visteon Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the “Plan”), a copy of which is attached to the Disclosure Statement as Exhibit A.<sup>2</sup>

This Disclosure Statement sets forth certain information regarding the Debtors’ prepetition operations and financial history, their reasons for seeking protection under chapter 11, and significant events that have occurred during the Chapter 11 Cases. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of Confirmation of the Plan, certain risk factors associated with the Plan and the securities to be issued under the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the requirements for Confirmation of the Plan and the voting procedures that holders of Claims entitled to vote on the Plan must follow for their votes to be counted.

**A. Rules of Interpretation**

The following rules for interpretation and construction shall apply to the Disclosure Statement: (1) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference in the Disclosure Statement to a contract,

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<sup>2</sup> Capitalized terms used in the Disclosure Statement and not otherwise defined shall have the meanings ascribed to such terms in Article I.A of the Plan.



instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (3) unless otherwise specified, any reference in the Disclosure Statement to an existing document, schedule, or exhibit, whether or not filed, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (4) any reference to an Entity as a holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references in the Disclosure Statement to Articles are references to Articles of the Disclosure Statement; (6) unless otherwise specified, all references in the Disclosure Statement to exhibits are references to exhibits to the Disclosure Statement; (7) the words "herein," "hereof," and "hereto" refer to the Disclosure Statement in its entirety rather than to a particular portion of the Disclosure Statement; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Disclosure Statement; (9) unless otherwise set forth in the Disclosure Statement, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (10) any term used in capitalized form in the Disclosure Statement that is not otherwise defined in the Disclosure Statement, Plan, or exhibits to the Disclosure Statement Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (11) all references to docket numbers of documents filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (12) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, unless otherwise stated; (13) in computing any period of time prescribed or allowed, the provisions of Bankruptcy Rule 9006(a) shall apply, and if the date on which a transaction may occur pursuant to the Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day; and (14) unless otherwise specified, all references in the Disclosure Statement to monetary figures shall refer to currency of the United States of America.

## **ARTICLE II. OVERVIEW OF THE PLAN**

### **A. General Structure of the Plan**

The Plan is comprised of two mutually exclusive sub plans—the Rights Offering Sub Plan and the Claims Conversion Sub Plan (together, the "Sub Plans"). The Plan Support Agreement has been executed and delivered by holders of more than two-thirds in amount of the 12.25% Senior Notes Claims and two-thirds in aggregate amount of the 7.00% Senior Notes Claims and the 8.25% Senior Notes Claims. A separate plan support agreement has also been executed with the Creditors' Committee (the "Committee Plan Support Agreement"), pursuant to which the Creditors' Committee will support the Plan, except in certain limited circumstances. Following is a general description of each Sub Plan.

#### **1. The Rights Offering Sub Plan**

The Debtors will seek to consummate the Rights Offering Sub Plan in the event sufficient new capital is raised to satisfy the Term Loan Facility Claims in Cash in full, thus leaving the Term Loan Facility Claims Unimpaired. The Rights Offering Sub Plan contemplates the

following sources of new capital to satisfy the Term Loan Facility Claims: (a) \$950.0 million through a Rights Offering of New Visteon Common Stock to holders of 12.25% Senior Notes Claims, 7.00% Senior Notes Claims, and 8.25% Senior Notes Claims (collectively, the “Note Holders”), who qualify as accredited investors, as such term is defined in Rule 501(a) of Regulation D of the Securities Act (the “Eligible Holders”), through a private placement under section 4(2) of the Securities Act; (b) a \$300.0 million direct purchase commitment from the Investors; and (c) the Exit Financing Facility. The Equity Commitment Agreement entered into by the Debtors and Investors in connection with the Rights Offering Sub Plan provides that any shares of New Visteon Common Stock that are not purchased through the Rights Offering, or distributed to holders of the 12.25% Senior Notes Claims, as described below, shall be purchased by the Investors subject to the terms and conditions of the Equity Commitment Agreement.

Under the Rights Offering Sub Plan, all Note Holders shall be entitled to receive a Pro Rata distribution of 5.0% of New Visteon Common Stock and all Eligible Holders shall be entitled to participate in a Rights Offering for the remaining 95.0% of New Visteon Common Stock.<sup>3</sup> Each Non-Eligible Holder, (i.e., a Note Holder not permitted to participate in a rights offering under section 4(2) of the Securities Act) shall also receive the lesser of (i) its Pro Rata share of \$50.0 million in Cash or (ii) 40.0% of the amount of such holder’s Allowed Claim in Cash, on account of the value of the Subscription Rights which such Non-Eligible Holder would have been entitled to had such Non-Eligible Holder been an Eligible Holder. Holders of the 12.25% Senior Notes Claims will receive additional consideration on account of guarantees from Visteon Corporation’s wholly-owned domestic operating subsidiaries (the “Domestic Subsidiary Guarantees”) in the form of their Pro Rata share of warrants to purchase New Visteon Common Stock on terms described in the warrant agreement attached as Exhibit B to the Plan (the “Warrant Agreement”). The Cash Recovery Backstop Investors, a subset of the Investors, shall fund the aggregate Cash Amount provided to Non-Eligible Holders and, therefore, such Cash distribution will have no impact on the Debtors’ Cash availability.

Holders of General Unsecured Claims against the Debtor Entity Visteon International Holdings, Inc. (“VIHI”) will be paid in full in Cash due to VIHI’s interest in valuable foreign stock holding companies and position in the Debtors’ corporate structure, which makes direct Claims against VIHI structurally superior to other General Unsecured Claims.<sup>4</sup> Each remaining holder of a General Unsecured Claim will receive a Cash recovery equal to the lesser of (x) such holder’s Pro Rata share of \$141.0 million in Cash or (y) 50.0% recovery of the amount of such holder’s Allowed Class H Claim. The Rights Offering Sub Plan also contemplates Reorganized Visteon’s entry into a new \$300.0 million working capital facility, which is projected to be undrawn upon emergence from chapter 11.

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<sup>3</sup> The 5.0% of New Visteon Common Stock distributed to the Note Holders shall be subject to dilution from the Management Equity Incentive Program and the 95.0% of New Visteon Common Stock offered through the Rights Offering shall be subject to dilution from the Guaranty Equity Amount and the Management Equity Incentive Program.

<sup>4</sup> The Debtors estimate that there will be a total of \$3.4 million in Allowed General Unsecured Claims against VIHI. If however, Allowed General Unsecured Claims against VIHI exceed \$20.0 million, then holders of such Claims shall receive their Pro Rata share of \$20.0 million in Cash. Article IV.D herein contains a chart which illustrates the structural superiority of Claims against VIHI as compared to other General Unsecured Claims that do not have the Domestic Subsidiary Guarantees.

## 2. The Claims Conversion Sub Plan

The Plan shall “toggle” from the Rights Offering Sub Plan to the Claims Conversion Sub Plan in the event sufficient capital is not raised under the Rights Offering Sub Plan to satisfy the Term Loan Facility Claims in full in Cash. Under the Claims Conversion Sub Plan, Reorganized Visteon shall issue New Visteon Common Stock to the Term Loan Lenders and the Note Holders in the following percentages based on their relative priorities and positions in the Debtors’ capital structure: 84.9% to 86.2% to the holders of the Term Loan Facility Claims; 6.3% to 6.5% to the holders of the 12.25% Senior Notes Claims; and 7.5% to 8.6% to the holders of the 7.00% Senior Notes Claims and 8.25% Senior Notes Claims. Under the Claims Conversion Sub Plan, holders of General Unsecured Claims will receive the same recovery provided under the Rights Offering Sub Plan—i.e., the lesser of (a) such holder’s Pro Rata share of \$141.0 million in Cash or (b) 50.0% recovery of the amount of such holder’s Allowed Class H Claim. General Unsecured Claims against VIHI also will be paid in Cash in full, subject to a \$20.0 million cap.<sup>5</sup>

Under the Claims Conversion Sub Plan, holders of the Term Loan Facility Claims would receive the highest percentage of New Visteon Common Stock based on the first Lien they hold against the Debtors’ most valuable assets, including certain Debtor foreign stock holding companies (the “Foreign Stock Holding Companies”) and at least 65.0% of the Foreign Stock Holding Companies’ equity interests in their foreign subsidiaries. After the Term Loan Facility Claims are satisfied in full (including postpetition default interest and fees),<sup>6</sup> the Note Holders shall receive the remaining shares of New Visteon Common Stock. Holders of 12.25% Senior Notes Claims will receive a higher Pro Rata percentage of New Visteon Common Stock than holders of 7.00% Senior Notes Claims and 8.25% Senior Notes Claims on account of the Domestic Subsidiary Guarantees. The Claims Conversion Sub Plan contemplates Reorganized Visteon’s entry into a new \$150.0 million working capital facility, which is projected to be undrawn upon emergence from chapter 11.

## 3. The Plan Support Agreement

The Plan Support Agreement entered into in connection with the Plan by and among the Debtors and the Consenting Note Holders (in sufficient number and holdings to assure their respective Classes’ acceptance of the Plan) provides that the parties thereto shall support the Plan in all aspects, including the findings of the valuation analysis prepared by the Debtors and their advisors, as described in further detail in Article VIII.D (the “Valuation Analysis”).

In certain limited circumstances, the Consenting Note Holders have the right to terminate the Plan Support Agreement and withdraw their support for the Plan. Those termination rights are enumerated in Section 7.1 of the Plan Support Agreement. For example, under Section 7.1(e)(2) of the Plan Support Agreement, the Consenting Note Holders may terminate the Plan Support Agreement and shall not be required to support the Plan if (a) the representations and warranties made by the Debtors in connection with the Equity Commitment Agreement fail to be true and correct so as to be reasonably expected to result in a Material Adverse Effect, as such

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<sup>5</sup> General Unsecured Claims against VIHI shall be satisfied first, up to \$20.0 million, under both the Rights Offering Sub Plan and Claims Conversion Sub Plan.

<sup>6</sup> The estimated Allowed amount of the Term Loan Facility Claims is \$1.629 billion.

term is defined in the Equity Commitment Agreement, or (b) the Debtors fail to materially perform or comply with any covenants contained in the Equity Commitment Agreement. The Plan Support Agreement permits the Debtors to commence expedited proceedings in the Bankruptcy Court to determine whether a termination event has actually occurred under the Plan Support Agreement. Furthermore, if the Consenting Note Holders were to terminate the Plan Support Agreement pursuant to Section 7.1(e) thereof after the Debtors have solicited votes on the Plan, the Debtors shall not be required to re-solicit, but the Consenting Note Holders shall be deemed to have rejected the Plan and may also formally object to Confirmation of the Plan.

On the other hand, if the representations and warranties made by the Investors in connection with the Equity Commitment Agreement fail to be true and correct so as to be reasonably expected to prohibit, materially delay or materially and adversely impact the Investors' performance of their obligations under the Equity Commitment Agreement, or the Investors fail to materially perform or comply with any covenants contained in the Equity Commitment Agreement, the Debtors may terminate the Equity Commitment Agreement and proceed with Confirmation of the Claims Conversion Sub Plan. The Debtors may also terminate the Equity Commitment Agreement and proceed with Confirmation of the Claims Conversion Sub Plan if the Investors, together with the proceeds from the Rights Offering, do not deliver the capital contemplated by the Rights Offering Sub Plan to satisfy the Term Lenders' Claims in Cash in full. Under the circumstances described above, the Consenting Note Holders would remain bound by the Plan Support Agreement and would thus be required to support Confirmation of the Claims Conversion Sub Plan. Lastly, if the Equity Commitment Agreement fails to close within the timeframe specified in section 10.1(b) (iii) of the Equity Commitment Agreement, the Debtors may terminate the Equity Commitment Agreement and proceed with Confirmation of the Claims Conversion Sub Plan with the Consenting Note Holders' support secured pursuant to the Plan Support Agreement.

#### 4. The Committee Plan Support Agreement

The Committee Plan Support Agreement obligates the Creditors' Committee, subject to its exercise of a fiduciary out and certain conditions, to (a) support entry of an order approving the Disclosure Statement; (b) prepare a recommendation letter supporting the Plan for inclusion in Visteon's solicitation package; and (c) support confirmation of the Plan. However, the Creditors' Committee may terminate the Committee Plan Support Agreement if (i) the Debtors' chapter 11 cases are dismissed or converted to chapter 7 cases, (ii) an examiner with expanded powers or a trustee under chapter 7 or chapter 11 is appointed, (iii) the Debtors withdraw the Plan, (iv) any court has by final, non-appealable order declared the Committee Plan Support Agreement unenforceable, or (v) there is a materially adverse change or modification to the Plan or a related document without the Creditors' Committee's consent. Also, the Committee Plan Support Agreement terminates automatically if the Note Holder Plan Support Agreement is terminated under certain conditions.

The Term Loan Lenders believe the proposed agreements (x) contain no definitive date by which the new capital must be delivered, (y) excuse the Investors from any liability for breach of their commitments, and (z) would likely suspend confirmation in the event the Investors or Note Holders litigate regarding the toggle. The Debtors believe the Term Loan Lenders

completely misinterpret the Equity Commitment Agreement and Plan Support Agreement and disagree with the Term Loan Lenders' assertions.

## **B. Treatment of Claims and Interests**

### **1. Classification**

The Plan divides all Claims (except Administrative Claims, Professional Claims, DIP Facility Claims, and Priority Tax Claims) and all Interests into various Classes. Listed below is a summary of the Classes of Claims and Interests under the Plan.

<b>Class</b>	<b>Claim or Interest</b>
A	ABL Claims
B	Secured Tax Claims
C	Other Secured Claims
D	Other Priority Claims
E	Term Loan Facility Claims
F	7.00% Senior Notes Claims and 8.25% Senior Notes Claims
G	12.25% Senior Notes Claims
H	General Unsecured Claims
I	Intercompany Claims
J	Interests in Visteon Corporation
K	Intercompany Interests
L	Section 510(b) Claims

### **2. Unclassified Claims**

In accordance with section 1123(a)(1) of the Bankruptcy Code, the Plan does not classify Administrative Claims, Professional Claims, DIP Facility Claims, or Priority Tax Claims. These Claims are therefore excluded from the Classes of Claims set forth in Article III of the Plan.

<b>Claim</b>	<b>Plan Treatment</b>	<b>Estimated Aggregate Amount of Allowed Claims Under Rights Offering Sub Plan</b>	<b>Estimated Aggregate Amount of Allowed Claims Under Claims Conversion Sub Plan</b>	<b>Projected Recovery Under the Plan</b>
<b>Administrative and Professional Claims</b>	Paid in full in Cash.	\$225.0 million <sup>7</sup>	\$105.0 million	100%
<b>DIP Facility Claims</b>	Paid in full in Cash, unless otherwise agreed.	\$75.0 million	\$75.0 million	100%

<sup>7</sup> The estimate of Allowed Administrative Claims and Professional Claims does not include amounts paid by the Debtors in the ordinary course of business during the Chapter 11 Cases. Included within the estimate of Administrative Claims and Professional Claims under the Rights Offering Sub Plan are approximately \$120.0 million in fees that would be incurred in connection with the Rights Offering, which include fees to be paid pursuant to the Equity Commitment Agreement together with other professional fees to be paid by the Debtors, \$50.0 million in Professional Claims, \$25.0 million in Cure payments, and \$30.0 million in 503(b)(9) Claims. Included within the estimate of Administrative Claims and Professional Claims under the Claims Conversion Sub Plan are \$50.0 million in Professional Claims, \$25.0 million in Cure payments, and \$30.0 million in 503(b)(9) Claim.

Claim	Plan Treatment	Estimated Aggregate Amount of Allowed Claims Under Rights Offering Sub Plan	Estimated Aggregate Amount of Allowed Claims Under Claims Conversion Sub Plan	Projected Recovery Under the Plan
Priority Tax Claims	Paid in full in Cash.	\$5.3 million	\$5.3 million	100%

### C. Treatment of Claims and Interests Under the Plan

The table below summarizes the Classes of Claims and Interests under the Plan, the treatment of such Classes, the voting rights of such Classes, and the projected recovery, if any, under each Sub Plan for such Classes. To the extent of any inconsistency between the summaries contained in the Disclosure Statement and those set forth in the Plan, the Plan shall govern. These projected recoveries are based upon certain assumptions contained in the Valuation Analysis. As more fully described below, the Debtors' assumed reorganization value of the New Visteon Common Stock was derived from commonly accepted valuation techniques and is not an estimate of the trading value for such securities.

The Debtors have not completed full reconciliation of the Class H General Unsecured Claims and have accordingly developed low and high-end ranges of estimates for the ultimate amount of Allowed General Unsecured Claims, as set forth below. The amount of Allowed General Unsecured Claims will impact the Cash availability of the Debtors and, in turn, the value of the New Visteon Common Stock to be distributed to the Note Holders under the Rights Offering Sub Plan and the Note Holders and Term Loan Lenders under the Claims Conversion Sub Plan. The range of estimates for the Class H General Unsecured Claims is based upon a number of assumptions, including, the following.

#### 1. Low-End Claims Estimate

The Debtors' low-end estimate of Allowed Class H General Unsecured Claims assumes, among other things, that: (a) no Claims will be Allowed against the Debtors on account of the Visteon UK Pension Plan (the "VUK Pension Plan"), as such Claims have been withdrawn by the claimants, or the Visteon Engineering Services Pension Plan (the "VES Pension Plan"); (b) no Claims will be Allowed against the Debtors on account of the termination of the Visteon Corporation Supplemental Executive Retirement Plan (the "SERP"), the Visteon Corporation Pension Parity Plan (the "PPP"), and the Visteon Corporation Executive Separation Allowance Plan (the "ESAP"); (c) certain customer Claims, including warranty and services contract Claims, will not ultimately be Allowed based on mutually agreed to contractual amendments or Claim waivers; and (d) contingent litigation Claims will be resolved in amounts at the low-end of possible litigation outcomes.<sup>8</sup>

<sup>8</sup> The VUK Pension Plan and VES Pension Plan are discussed further in Article V.I. The SERP, PPP, and ESAP are discussed further in Article IV.H.

## 2. High-End Claims Estimate

In contrast, the high-end estimates for Allowed Class H General Unsecured Claims assume maximum liability for a number of contingent, unliquidated, and Disputed Claims including (a) Allowed Claims for approximately \$30.9 million against the Debtors on account of the termination of the SERP, PPP, and ESAP and (b) certain litigation related Claims will be Allowed at the high-range of possible litigation outcomes (but not at the face amount stated on the relevant Proof of Claim).<sup>9</sup> Neither the high nor the low-end estimates on which the recoveries stated below are based project allowance of any Claims on account of the VUK Pension Plan, the VES Pension Plan, and certain customer contract and warranty Claims.

Holders of Class H General Unsecured Claims are projected to receive a 50.0% recovery on their Claims based on the Debtors' Claims estimate. However, to the extent the amount of Allowed Class H General Unsecured Claims exceeds \$282.0 million, a 69.0% increase over the Debtors' high-end Claims projection, holders of Allowed Class H General Unsecured Claims would receive less than a 50.0% recovery on their Claims.

Class	Type of Claim or Equity Interest	Estimated Range of Allowed Claims or Interests	Rights Offering Sub Plan		Claims Conversion Sub Plan	
			Treatment of Claim/Interest	Estimated Range of % Recovery of under the Plan	Treatment of Claim/Interest	Estimated Range of % Recovery of under the Plan <sup>10</sup>
A	ABL Claims	\$127.15 million	Paid in full in Cash.	100%	Paid in full in Cash.	100%
B	Secured Tax Claims	\$2.5 million	Paid in full in Cash.	100%	Paid in full in Cash.	100%
C	Other Secured Claims	\$2.85 million	Paid in full in Cash.	100%	Paid in full in Cash.	100%
D	Other Priority Claims	\$0.01 million	Paid in full in Cash.	100%	Paid in full in Cash.	100%
E	Term Loan Facility Claims	\$1.629 billion <sup>11</sup>	Paid in full in Cash.	100%	Pro Rata share of 85.0% — 86.2% of shares of New Visteon Common Stock.	100%

<sup>9</sup> The Claims arising from agreements with Ford are discussed further in Article V.F.

<sup>10</sup> The estimated Claim recoveries provided in this Disclosure Statement do not account for dilution by the Management Equity Incentive Program.

<sup>11</sup> The estimated aggregate amount of Allowed Term Loan Facility Claims includes postpetition interest on the Term Loan Facility Claims.

Class	Type of Claim or Equity Interest	Estimated Range of Allowed Claims or Interests	Rights Offering Sub Plan		Claims Conversion Sub Plan	
			Treatment of Claim/Interest	Estimated Range of % Recovery of under the Plan	Treatment of Claim/Interest	Estimated Range of % Recovery of under the Plan <sup>10</sup>
F	7.00% Senior Notes Claims and 8.25% Senior Notes Claims	\$668.23 million	For Eligible Holders, (i) Pro Rata Allocation of 5.0% of the Distributable Equity Value and (ii) Pro Rata Allocation of Subscription Rights. <sup>12</sup>  For Non-Eligible Holders, (i) Pro Rata Allocation of 5.0% of the Distributable Equity Value and (ii) the Cash Amount.	8.1% — 8.2% (for Eligible Holders)  48.16% — 48.2% (for Non-Eligible Holders)	Pro Rata share of 7.5% — 8.6% of shares of New Visteon Common Stock.	21.0% — 25.0%
G	12.25% Senior Note Claims	\$202.36 million	For Eligible Holders, (i) Pro Rata Allocation of 5.0% of the Distributable Equity Value, (ii) Pro Rata Allocation of Subscription Rights, and (iii) Pro Rata portion of the Guaranty Equity Amount. <sup>13</sup>  For Non-Eligible Holders, (i) Pro Rata Allocation of 5.0% of the Distributable Equity Value, (ii) the Cash Amount, and (iii) the Pro Rata portion of the Guaranty Equity Amount.	29.5% — 30.3% (for Eligible Holders)  69.5% — 70.3% (for Non-Eligible Holders)	Pro Rata share of 6.3% — 6.5% shares of New Visteon Common Stock.	58.0% — 62.0%

<sup>12</sup> The estimated range of recovery for Eligible Holders in Class F reflects an approximate \$0.41 to \$0.91 per share discount at which New Visteon Common Stock may be purchased upon an Eligible Holder's exercise of Subscription Rights at \$27.69 per share as compared to the Plan's valuation of the New Visteon Common Stock at \$28.10 per share under the high-end Claims estimate and \$28.60 per share under the low-end Claims estimate.

<sup>13</sup> The estimated range of recovery for Eligible Holders in Class G reflects an approximate \$0.41 to \$0.91 per share discount at which New Visteon Common Stock may be purchased upon an Eligible Holder's exercise of Subscription Rights at \$27.69 per share as compared to the Plan's valuation of the New Visteon Common Stock at \$28.10 per share under the high-end Claims estimate and \$28.60 per share under the low-end Claims estimate.



Class	Type of Claim or Equity Interest	Estimated Range of Allowed Claims or Interests	Rights Offering Sub Plan		Claims Conversion Sub Plan	
			Treatment of Claim/Interest	Estimated Range of % Recovery of under the Plan	Treatment of Claim/Interest	Estimated Range of % Recovery of under the Plan <sup>10</sup>
H	General Unsecured Claims	\$107.96 million — \$166.76 million	The lesser of: (i) the Pro Rata share of \$141.0 million or (ii) 50.0% recovery of the amount of such holder's Allowed Class H Claim. <sup>14</sup>	50.0%	The lesser of: (i) the Pro Rata share of \$141.0 million or (ii) 50% recovery of the amount of such holder's Allowed Class H Claim.	50.0%
I	Intercompany Claims	\$16.39 billion	No recovery, but may be reinstated in the discretion of the Reorganized Debtors.	N/A	No recovery, but may be reinstated in the discretion of the Reorganized Debtors.	N/A
J	Interests in Visteon Corporation	N/A	Cancelled.	0.0%	Cancelled.	0.0%
K	Intercompany Interests	N/A	No recovery, but may be reinstated in the discretion of the Reorganized Debtors.	N/A	No recovery, but may be reinstated in the discretion of the Reorganized Debtors.	N/A
L	Section 510(b) Claims	N/A	No recovery.	0.0%	No recovery.	0.0%

The Debtors' Claims and Solicitation Agent has received approximately 3,300 Proofs of Claim totaling approximately \$7.9 billion (excluding Intercompany Claims). Approximately 55 Proofs of Claim, totaling approximately \$5.9 billion, represent the Term Loan Facility Claims, the 7.00% Senior Notes Claims, the 8.25% Senior Notes Claims, and the 12.25% Senior Notes Claims for which the Debtors have recorded approximately \$2.5 billion in aggregate liability. The Debtors believe the Claim amounts in excess of \$2.5 billion are duplicative and will ultimately be resolved through the Plan or omnibus objections to Claims. Additionally, Proofs of Claims in the amount of \$1.064 billion, which were filed on account of pension termination liabilities will be disallowed because the Pension Plans are to be maintained by the Reorganized Debtors. Lastly, the Debtors believe that approximately 530 Proofs of Claim, totaling approximately \$240.0 million, will ultimately be disallowed by the Bankruptcy Court primarily because these Claims appear to be duplicative or unsubstantiated. While the Debtors have not reconciled all filed Proofs of Claim against their books and records, they believe that many of the remaining filed Proofs of Claim are invalid, untimely, duplicative, or overstated, and, therefore, have assumed for purposes of estimating recoveries that such Claims shall be reduced in amount or expunged from the Claims Register. On the other hand, additional Proofs of Claim may be

<sup>14</sup> General Unsecured Claims against VIHI shall be satisfied first, up to \$20.0 million, under both the Rights Offering Sub Plan and Claims Conversion Sub Plan.

filed after the Bar Date, which could be Allowed by the Bankruptcy Court. Accordingly, the ultimate number and Allowed amount of Claims asserted against the Debtors are not presently known and the final resolution of such Claims could result in a material adjustment to the recoveries and Claim estimates provided above.

#### **D. Liquidation and Valuation Analyses**

The Debtors believe that each of the Sub Plans provides the same or a greater recovery for holders of Allowed Claims and Interests as would be achieved in a liquidation pursuant to chapter 7 of the Bankruptcy Code because of, among other things, the additional Administrative Claims generated by conversion to a chapter 7 case, the administrative costs of liquidation and associated delays in connection with a chapter 7 liquidation, and the negative impact on the market for the Debtors' assets caused by attempting to sell a large number of assets in a short time frame, each of which likely would diminish the value of the Debtors' assets available for distributions.

The Debtors have prepared liquidation analyses, attached hereto as **Exhibit D** and discussed in Article VIII.C (the "**Liquidation Analyses**"), and a Valuation Analysis to assist holders of Claims and Interests in evaluating each of the Sub Plans. The Liquidation Analyses were prepared in connection with the filing of the plan of reorganization on March 15, 2010 but have been updated to reflect a later Effective Date and other variables dependent upon timing. The Liquidation Analyses compare the Creditor recoveries to be realized if the Debtors were to be liquidated in a hypothetical case under chapter 7 of the Bankruptcy Code with the distributions to holders of Allowed Claims and Interests under each of the Sub Plans. The analyses are based upon the value of the Debtors' assets and liabilities as of a certain date, and incorporate various estimates and assumptions, including a hypothetical conversion to a chapter 7 liquidation as of a certain date. Further, each analysis is subject to potentially material changes including with respect to economic and business conditions and legal rulings. Therefore, the actual liquidation value of the Debtors could vary materially from the estimates provided in the Liquidation Analyses, and the actual total enterprise value and reorganization equity value of the Reorganized Debtors could vary materially from the estimates contained in the Valuation Analysis.

#### **E. Certain Factors to Be Considered Prior to Voting**

There are a variety of factors that all holders of Claims entitled to vote on the Plan should consider prior to voting to accept or reject the Plan. Some of these factors, which are described in more detail in Article IX and Article X, are as follows and may impact recoveries under the Plan:

- o Unless otherwise specifically indicated, the financial information contained in the Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and Disclosure Statement.
- o Article X describes certain significant federal tax consequences of the transactions contemplated by the Plan that may affect the Debtors, including the realization of cancellation of indebtedness income, reduction of net operating loss ("**NOL**")

carryforwards and unrealized built-in losses, and the limitations that may apply to the Debtors' usage of those NOLs and unrealized built-in-losses. Article X also describes the federal tax consequences of the transactions contemplated by the Plan that may affect holders of Claims and Interests, including the recognition of taxable income by such holders. Holders of Claims and Interests are urged to consult with their own tax advisors regarding the federal, state, local, and foreign tax consequences of the Plan.

- o Although the Debtors believe that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtors cannot assure such compliance nor that the Bankruptcy Court will confirm the Plan.
- o The Debtors may request Confirmation without the acceptance of all Impaired Classes entitled to vote in accordance with section 1129(b) of the Bankruptcy Code.
- o Any delays of either Confirmation or Consummation could result in, among other things, increased Administrative Claims and Professional Claims.

While these factors could affect distributions available to holders of Allowed Claims under the Plan, the occurrence or impact of such factors will not necessarily affect the validity of the vote of the Impaired Classes entitled to vote to accept or reject the Plan (the "Voting Classes") or necessarily require a re-solicitation of the votes of holders of Claims in such Voting Classes.

**AS DESCRIBED FURTHER IN ARTICLE VI.M.1.I HEREIN, HOLDERS OF ALLOWED CLAIMS THAT WOULD BE IN VIOLATION OF ANY APPLICABLE LAWS OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL UNIT AS A RESULT OF THE RECEIPT OF SHARES OF NEW VISTEON COMMON STOCK PURSUANT TO THE PLAN SHALL NOT BE ENTITLED TO RECEIVE SUCH SHARES UNLESS AND UNTIL SUCH HOLDERS ARE IN COMPLIANCE WITH ANY SUCH APPLICABLE LAWS OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL UNIT.**

### ARTICLE III. VOTING AND RIGHTS OFFERING SUBSCRIPTION PROCEDURES

The following Classes are the only Classes entitled to vote to accept or reject the Plan:

Class	Claim or Interest	Status Under Rights Offering Sub Plan	Status Under the Claims Conversion Sub Plan
E	Term Loan Facility Claims	Unimpaired	Impaired
F	7.00% Senior Notes Claims and 8.25% Senior Notes Claims	Impaired	Impaired
G	12.25% Senior Notes Claims	Impaired	Impaired
H	General Unsecured Claims	Impaired	Impaired

If your Claim or Interest is not included in these Classes, you are not entitled to vote and you will not receive a Solicitation Package.<sup>15</sup>

**A. Vote Required for Acceptance by a Class**

Under the Bankruptcy Code, acceptance of a plan of reorganization by a Class of Claims is determined by calculating the number and the amount of Claims voting to accept, based on the actual total Allowed Claims voting on the Plan. Acceptance by a Class requires more than one-half of the number of total Allowed Claims in the Class to vote in favor of the Plan and at least two-thirds in dollar amount of the total Allowed Claims in the Class to vote in favor of the Plan.

**B. Classes Not Entitled to Vote**

Under the Bankruptcy Code, Creditors are not entitled to vote if their contractual rights are Unimpaired by the Plan or if they will receive no distribution of property under the Plan. All non-voting Classes of Claims shall receive the same recovery under the Rights Offering Sub Plan and Claims Conversion Sub Plan. Based on this standard, the following Classes of Claims will not be entitled to vote on the Plan:

Class	Claim or Interest	Status	Voting Rights
A	ABL Claims	Unimpaired	Conclusively Presumed to Accept
B	Secured Tax Claims	Unimpaired	Conclusively Presumed to Accept
C	Other Secured Claims	Unimpaired	Conclusively Presumed to Accept
D	Other Priority Claims	Unimpaired	Conclusively Presumed to Accept
I	Intercompany Claims	Unimpaired	Conclusively Presumed to Accept
J	Interests in Visteon Corporation	Impaired	Deemed to Reject
K	Intercompany Interests	Unimpaired	Conclusively Presumed to Accept
L	Section 510(b) Claims	Impaired	Deemed to Reject

**C. Solicitation Procedures**

**1. Claims and Solicitation Agent**

The Debtors retained KCC to, among other things, act as Claims and Solicitation Agent in connection with the solicitation of votes to accept or reject the Plan.

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<sup>15</sup> Capitalized terms used in this Article III but not defined in the Disclosure Statement or the Plan shall have the meanings ascribed to them in the Solicitation Procedures attached as Exhibit 5 to the Disclosure Statement Order, to be attached hereto as Exhibit B once approved.

## 2. Solicitation Package

The following materials shall constitute the Solicitation Package:

- o the *Notice of (A) Approval of Adequacy of Disclosure Statement, (B) Solicitation and Voting Procedures, (C) the Objection and Voting Deadlines, and (D) the Hearing to Confirm the Debtors' Third Amended Plan of Reorganization*;
- o the appropriate Ballot(s) and Master Ballots and applicable voting instructions, together with a pre-addressed, postage pre-paid return envelope;
- o the Disclosure Statement, as approved by the Bankruptcy Court (with all appendices thereto, including the Plan);
- o the *Order (A) Approving the Adequacy of the Debtors' Third Amended Disclosure Statement; (B) Approving Solicitation and Notice Procedures with Respect to Confirmation of the Debtors' Proposed Plan of Reorganization; (C) Approving the Form of Various Ballots and Notices in Connection Therewith; and (D) Scheduling Certain Dates with Respect Thereto* (the "Disclosure Statement Order"), which shall be attached hereto as **Exhibit B**, without exhibits except for Exhibit 1 thereto, once approved by the Bankruptcy Court;
- o a letter from the Debtors to the Voting Classes recommending that holders of Claims in such Classes vote to accept the Plan; and
- o any supplemental solicitation materials the Debtors may file with the Bankruptcy Court.

## 3. Distribution of the Solicitation Package and Plan Supplement

Through the Claims and Solicitation Agent and Financial Balloting Group LLC (the "Special Voting Agent"), the Debtors intend to distribute the Solicitation Packages within five Business Days after entry of the Disclosure Statement Order, a date approximately 30 days in advance of the Voting Deadline.

The Solicitation Package will be distributed in accordance with the Solicitation Procedures, which shall be attached as Exhibit 5 to the Disclosure Statement Order. The Solicitation Package (except the Ballots and Master Ballots) may also be obtained from the Claims and Solicitation Agent by: (a) calling the Debtors' restructuring hotline at (866) 967-0260 within the U.S. or Canada or, outside of the U.S. or Canada, by calling (310) 751-2660; (b) visiting the Debtors' restructuring website at: <http://www.kccllc.net/visteon>; and/or (c) writing to Visteon Corporation, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for free by visiting the Debtors' restructuring website at <http://www.kccllc.net/visteon> or for a fee via PACER at <http://www.deb.uscourts.gov>.

Prior to the Confirmation Hearing, the Debtors intend to file a Plan Supplement that includes, among other things, the list of assumed Executory Contracts (with associated Cure

Amounts, if any), and a description of retained Causes of Action. As the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Debtors' restructuring website. The Debtors will not serve paper or CD-ROM copies of the Plan Supplement; however, parties may obtain a copy of the Plan Supplement from the Claims and Solicitation Agent by: (a) calling the Debtors' restructuring hotline at (866) 967-0260 within the U.S. or Canada or, outside of the U.S. or Canada, calling (310) 751-2660; (b) visiting the Debtors' restructuring website at: <http://www.kccllc.net/visteon>; and/or (c) writing to Visteon Corporation, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245.

#### **D. Voting Procedures**

The Voting Record Date is [•] 2010. The Voting Record Date is the date for determining (1) which holders of Claims are entitled to vote to accept or reject the Plan and receive the Solicitation Package in accordance with the Solicitation Procedures and (2) whether Claims have been properly assigned or transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of a Claim. The Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' Creditors and other parties in interest.

Under the Plan, holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan. In order for the holder of a Claim in the Voting Classes to have such holder's Ballot counted as a vote to accept or reject the Plan, such holder's Ballot must be properly completed, executed, and delivered by using the return envelope provided by: (a) first class mail; (b) courier; or (c) personal delivery to Visteon Corporation Balloting Center c/o Kurtzman Carson Consultants LLC 2335 Alaska Avenue, El Segundo, CA 90245, so that such holder's Ballot or the Master Ballot incorporating the vote cast by such Ballot, as applicable, is **actually received** by the Claims and Solicitation Agent prior to 5:00 p.m. prevailing Pacific Time on [•], 2010 (the "**Voting Deadline**").

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE IN THEIR SOLE AND ABSOLUTE DISCRETION.

ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.<sup>16</sup>

EACH HOLDER OF A CLAIM MUST VOTE ALL OF ITS CLAIMS WITHIN A PARTICULAR CLASS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH VOTES. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT

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<sup>16</sup> Holders who return Ballots that do not indicate a vote to accept or reject the Plan may still opt-out of the third party release provisions set forth in the Plan.

NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM HAVE BEEN CAST OR, IF ANY OTHER BALLOTS HAVE BEEN CAST WITH RESPECT TO SUCH CLASS OF CLAIMS, SUCH OTHER BALLOTS INDICATED THE SAME VOTE TO ACCEPT OR REJECT THE PLAN.

IT IS IMPORTANT THAT THE HOLDER OF A CLAIM IN THE VOTING CLASSES FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED ON SUCH HOLDER'S BALLOT AND THE ACCOMPANYING INSTRUCTIONS.

#### **E. Rights Offering Subscription Procedures**

On or about [•], 2010, the Debtors will deliver an Election Form to each Note Holder to determine which Note Holders will be considered Eligible Holders. The Election Form is due by the Election Form Deadline.

The Debtors will mail a Subscription Form to each Note Holder who completes and returns an Election Form evidencing that it is an Eligible Holder by the Election Form Deadline. The Subscription Form will be mailed with instructions for the proper completion, due execution, and timely delivery of such Subscription Form, as well as instructions for payment. Each Eligible Holder that validly exercises in full its Subscription Rights shall be entitled to elect on the Subscription Form to purchase Rights Offering Shares not otherwise subscribed for pursuant to validly exercised Subscription Rights by indicating the number of such unsubscribed shares such Eligible Holder desires to purchase. To exercise its Subscription Rights and, if applicable, Oversubscription Rights, an Eligible Holder must: (1) return a duly completed Subscription Form to the Rights Offering Agent so that such Subscription Form is actually received by the Rights Offering Agent on or before the Subscription Expiration Date, and (2) pay to the Rights Offering Agent on or before the Subscription Expiration Date the Subscription Price multiplied by the number of shares of New Visteon Common Stock such Eligible Holder has elected to purchase, in accordance with the wire instructions set forth on the Subscription Form.

IF THE RIGHTS OFFERING AGENT FOR ANY REASON DOES NOT RECEIVE ON OR PRIOR TO THE ELECTION FORM DEADLINE BOTH A DULY COMPLETED SUBSCRIPTION FORM AND IMMEDIATELY AVAILABLE FUNDS AS SET FORTH ABOVE FROM AN ELIGIBLE HOLDER, SUCH ELIGIBLE HOLDER SHALL BE DEEMED TO HAVE RELINQUISHED AND WAIVED ITS RIGHT TO PARTICIPATE IN THE RIGHTS OFFERING. THE DEBTORS SHALL NOT BE OBLIGATED TO HONOR ANY PURPORTED EXERCISE OF SUBSCRIPTION RIGHTS OR OVERSUBSCRIPTION RIGHTS RECEIVED BY THE RIGHTS OFFERING AGENT AFTER THE SUBSCRIPTION EXPIRATION DATE REGARDLESS OF WHEN THE DOCUMENTS RELATING TO SUCH EXERCISE WERE SENT. ONCE THE ELIGIBLE HOLDER HAS VALIDLY EXERCISED ITS SUBSCRIPTION RIGHTS AND, IF APPLICABLE, OVERSUBSCRIPTION RIGHTS, SUCH EXERCISE WILL NOT BE PERMITTED TO BE REVOKED.

#### **F. Confirmation Hearing**

Pursuant to section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing on Confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

The Confirmation Hearing will commence on [•], 2010 at [•] a.m./p.m. prevailing Eastern Time, before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801. The Confirmation Hearing may be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served on the master service list and the Entities who have filed an objection to the Plan (“Plan Objection”), without further notice to parties in interest. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. The Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

The deadline to file Plan Objections is 5:00 p.m. prevailing Eastern Time on [•], 2010. All Plan Objections must be filed with the Bankruptcy Court and served on the Debtors and certain other parties in interest in accordance with the Disclosure Statement Order so that they are received on or before the deadline to file Plan Objections.

#### **G. Confirmation and Consummation of the Plan**

The Confirmation Order shall approve all provisions, terms, and conditions of the Plan unless such provisions, terms, or conditions are otherwise satisfied or waived pursuant to the Plan provisions described in Article VI.O.2 herein.

### **ARTICLE IV. GENERAL INFORMATION**

#### **A. Overview of the Debtors’ History and Industry**

Visteon Corporation was incorporated in Delaware in January 2000 as a wholly-owned subsidiary of Ford. Subsequently, Ford transferred the assets and liabilities comprising its automotive components and systems business to Visteon Corporation. Visteon Corporation separated from Ford on June 28, 2000, when all of Visteon Corporation’s common stock was distributed by Ford to Ford’s shareholders. In 2005, Visteon Corporation negotiated for Ford to reacquire some of the assets spun off to Visteon Corporation in 2000 at their then current fair values. As a result of these negotiations, in September 2005, Visteon Corporation transferred 23 of its North American facilities and certain other related assets and liabilities to Automotive Component Holdings, LLC (“ACH”), an indirect, wholly-owned subsidiary of Visteon Corporation at the time. On October 1, 2005, Visteon Corporation sold ACH to Ford for cash proceeds of approximately \$300.0 million, as well as the forgiveness of certain employee and retiree welfare benefit liabilities and the assumption of certain other liabilities (together, the “ACH Transactions”).



Through the ACH Transactions, Visteon transformed itself into a leaner company focused on a smaller set of core competencies and with a much improved labor cost position. Through the ACH Transactions, Visteon Corporation ceased leasing, or transferred, 18,000 hourly employees, including those employees covered by an uncompetitive master agreement with the International Union of United Automobile, Aerospace and Agricultural Implement Workers of America (the “UAW”). Eliminating Visteon’s highest cost employees through the ACH Transactions reduced Visteon’s average hourly wage from \$38.00 per hour in the third quarter of 2005 to \$18.00 per hour in the fourth quarter of 2005.

In addition, Ford agreed to place \$400.0 million in an escrow account to assist with Visteon’s ongoing restructuring efforts, which included, among other things, costs associated with divesting facilities. Ford agreed to reimburse Visteon Corporation for its restructuring costs on a dollar-for-dollar basis up to the first \$250.0 million out of the escrow account and to reimburse Visteon Corporation for one half of the next \$300.0 million of its restructuring costs. On August 14, 2008, Ford placed another \$50.0 million in the escrow account bringing the total amount placed in escrow to \$450.0 million. In connection with the ACH Transactions, Visteon Corporation and Ford also entered into an agreement pursuant to which Ford agreed to reimburse Visteon Corporation for certain separation costs, including severance costs, COBRA health continuation and life insurance premiums, certain pension related costs, and costs of outplacement services, for salaried employees leased to ACH from Visteon Corporation who are terminated by Visteon Corporation.

From January 2006 until the fall of 2008, the Debtors undertook an ambitious restructuring initiative to streamline and improve their business operations. However, as discussed in greater detail below, the Debtors have not been immune to the virtual freeze of the credit and capital markets and global economic recession, which has been particularly acute in the automotive sector. Prior to the Petition Date, these conditions resulted in significant operating losses and cash flow usage, and made filing for chapter 11 protection the best option for the Debtors to right-size their capital structure and operating footprint.

## **B. Visteon’s Products and Services**

Visteon has three core product groups—a climate group, an electronics group, which includes a significant lighting subset, and an interior systems group. Visteon also provides various transition services to ACH and other parties in connection with divestiture transactions.

Based on independent market studies and the Debtors’ internal estimates, Visteon is a market leader in each of its core product groups. In 2009, Visteon’s climate product group had revenue of approximately \$2.5 billion. Visteon also sold \$2.1 billion in electronic component parts (which includes lighting component parts) and generated \$1.9 billion in revenue from its interiors product group in 2009. Visteon employs its design and engineering capabilities to create award winning and market leading products. Visteon has invested considerably in research and development and capital improvements, and has gained industry-wide recognition for its products. Visteon’s investments in research and development have produced—and are expected to continue to produce—the innovative products needed by the automotive industry in the 21st century. In recent years, Visteon’s significant new products include the Hyundai Genesis Climate Control System, which was featured in the 2009 North American International

Auto Show Car of the Year, and the reconfigurable instrument cluster for the 2010 Land Range Rover. Additionally, Visteon has received many awards for outstanding products and manufacturing, including the 2009 Shingo Bronze Medallion for operational excellence, the Best Overall Performance award from Hyundai Motor India, and selection as a PACE award finalist for its two-color, two-shot injection molding manufacturing process.

#### 1. Climate Product Group

Visteon designs and manufactures fully integrated heating, ventilation, and air conditioning systems, such as air induction and HVAC systems, that help ensure a comfortable interior “climate” for automobiles. Some examples of climate products produced by Visteon are heat exchangers, climate controls, compressors, and fluid transport systems. In addition, using power train cooling technologies, Visteon manufactures cooling functionality and thermal management for vehicles’ power train systems. As of December 31, 2009, Visteon produced goods for its climate product group at approximately 27 facilities worldwide.

#### 2. Electronics Product Group

Visteon also designs and manufactures advanced in-vehicle entertainment, driver information systems, wireless communication, climate control, body and security electronics, and lighting technologies and products, such as headlamps and tail lamps. For in-vehicle driver and passenger entertainment, Visteon offers a wide variety of audio systems and components, such as MACH(R) Voice Link Technology, connectivity solutions for portable devices, and a variety of family entertainment systems. As of December 31, 2009, Visteon produced goods for its electronics product group at approximately 14 facilities worldwide.

#### 3. Interiors Product Group

Additionally, Visteon produces cockpit modules, instrument panels, a variety of door and console modules, and interior trim components. Visteon designs its cockpit modules around the instrument panels, which offer optional assemblies like ducts, registers, passenger airbag systems, finished panels, and a glove box. As of December 31, 2009, Visteon produced goods for its interiors product group at approximately 27 facilities worldwide.

#### 4. Services

Visteon’s service operations provide various transition services in support of divestiture transactions, principally related to the ACH Transactions. Services to ACH are provided at a rate intended to equal Visteon’s cost until such time as the services are no longer required by ACH or the expiration of the related agreement. In addition to services provided to ACH, Visteon has also agreed to provide certain transition services related to other divestiture transactions. These services are subject to agreements with ACH and Ford that the Debtors intend to exit during the Chapter 11 Cases.

### **C. Visteon’s Customers**

Visteon’s customers include most of the world’s largest original equipment manufacturers (“OEMs”). Given its historical relationship with Ford, Ford initially accounted

for the majority of Visteon's sales. However, over the last few years, Visteon has diversified its customer base. In 2000, Ford accounted for 84% of Visteon's sales. By 2005, that number was reduced to 62%, and in 2009, that number was only 28%. Today, Visteon makes substantial sales to almost every major OEM in the world. In the first quarter of 2009, Visteon sold its products primarily to global automotive OEMs. In addition, Visteon sells certain of its products to other Tier 1 suppliers and the aftermarket (i.e., consumers and business customers) for use as replacement or enhancement parts. The table below depicts OEM sales made as a percentage of total product sales (by dollar amount) in 2009, which OEM sales collectively account for approximately 86% of Visteon's total product sales:

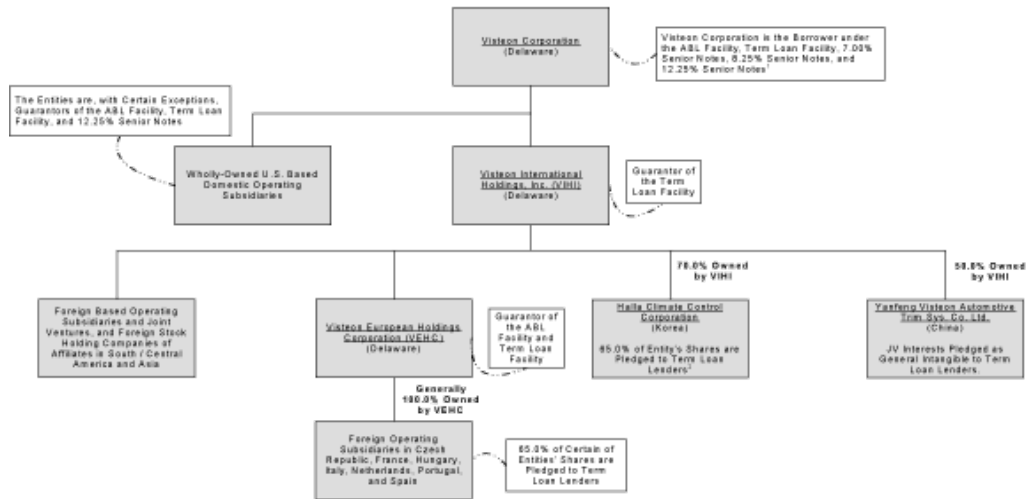
Customer	Percentage of Total Sales Volume
Ford	28%
Hyundai/Kia	27%
Nissan/Renault	9%
PSA Peugeot Citroën	7%
Chrysler	3%
General Motors	3%
Volkswagen	2%
Mazda	2%
BMW	1%
Fiat	1%
Honda	1%
Jaguar/Land Rover	1%
Toyota	1%

#### **D. Visteon's Corporate Structure**

Visteon's business is an interconnected, global operation comprised of the 30 Debtors in the Chapter 11 Cases and more than 100 non-Debtor, foreign Affiliates located throughout the world (e.g., Germany, France, Mexico, Brazil, Argentina, Spain, Netherlands, Portugal, Czech Republic, China, and Korea). Visteon Corporation is the direct parent of 18 domestic Affiliates, including a joint venture that is not a Debtor in the Chapter 11 Cases, Toledo Molding & Die, Inc. Many of Visteon Corporation's direct subsidiaries have subsidiaries of their own.

# **VISTEON CORPORATION & SUBSIDIARIES SELECTED AFFILIATES**

FOR ILLUSTRATIVE PURPOSES ONLY.  
DOES NOT REFLECT THE ENTIRE VISTEON  
CORPORATE STRUCTURE INCLUDING  
MINORITY OWNERSHIP INTERESTS.



1. Each as defined in the Plan.
2. 5.3% of VIHI's 70.3% interest in Halla Climate Control Corporation is not pledged to the Term Loan Lenders.

The corporate structure chart above depicts the Debtors' corporate structure and demonstrates the structural superiority of certain Claims against the Debtors. As explained above, the 12.25% Senior Notes Claims have Domestic Subsidiary Guarantees against a number of Visteon entities against which other Creditors do not have Claims. To provide a recovery on account of the Domestic Subsidiary Guarantees, holders of the 12.25% Senior Notes Claims will receive (1) a Pro Rata portion of warrants to purchase New Visteon Common Stock on terms described in the Warrant Agreement under the Rights Offering Sub Plan and (2) a greater percentage of New Visteon Common Stock than other Note Holders under the Claims Conversion Sub Plan.

Only the Term Loan Lenders and certain General Unsecured Creditors have Claims against VIHI, the direct parent of over 40 foreign Affiliates. Key assets of VIHI include its 70.0% equity stake in Halla Climate Control Corporation ("Halla Korea"), a publicly traded company in South Korea, and a Chinese joint venture, Yanfeng Visteon Automotive Trim Systems Company Ltd., in which VIHI owns 50.0% of the equity. Visteon European Holdings Corporation, a Debtor in the Chapter 11 Cases, owns a number of European foreign Affiliates and Visteon Automotive Holdings, LLC and Visteon Holdings, LLC, also Debtors in the Chapter 11 Cases, own a number of South American, Central American, and Asian Affiliates. The Term Loan Lenders will receive a 100% recovery on their Claims, either through Cash generated from the Rights Offering and the Exit Financing Facility under the Rights Offering Sub Plan or through New Visteon Common Stock under the Claims Conversion Sub Plan. Thus, under either Sub Plan, holders of Allowed General Unsecured Claims against VIHI shall be entitled to receive distributions from VIHI's assets before any such value is shared with holders of other General Unsecured Claims. Given the estimated value of VIHI's assets, holders of Allowed

General Unsecured Claims against VIHI are expected to receive a full recovery on account of such Claims. If however Allowed General Unsecured Claims against VIHI exceed \$20.0 million, holders of such Claims shall receive their Pro Rata share of \$20.0 million in Cash.

#### **E. Visteon's Competition**

Visteon's primary competitors vary by product group and region. Overall, Visteon's primary independent competitors include Alpine Electronics, Inc., Automotive Lighting Reutlingen GmbH, Behr GmbH & Co. KG, Continental AG, Delphi Automotive LLP, Denso Corporation, Faurecia Group, Harman International AKG, Hella KGaA, International Automotive Components Group, Johnson Controls, Inc., Koito Manufacturing Co., Ltd., Magna International Inc., Robert Bosch GmbH, and Valéo S.A.

#### **F. Executive Officers of the Debtors**

The executive management team of the Debtors is composed of highly capable professionals with substantial experience in the automotive industry. The Debtors' executive management team consists of the following individuals:

<u>Name</u>	<u>Position</u>
Donald J. Stebbins	Chairman, President and Chief Executive Officer
William G. Quigley III	Executive Vice President and Chief Financial Officer
Robert C. Pallash	Senior Vice President and President, Global Customer Group
Dorothy L. Stephenson	Senior Vice President, Human Resources
Julie A. Fream	Vice President, North American Customer Groups Strategy, and Communications
Joy M. Greenway	Vice President and President, Climate Products Group
Steve Meszaros	Vice President and President, Electronics Product Group
Michael K. Sharnas	Vice President and General Counsel
James F. Sistek	Vice President and Chief Information Officer

#### **G. Employees**

As of the Petition Date, Visteon employed approximately 30,400 employees worldwide, 5,856 of which the Debtors employed, consisting of 5,218 salaried employees and 2,313 hourly employees. Visteon Corporation leased 1,306 of the salaried employees and 1,416 of the hourly employees to ACH. As of the Petition Date, the Debtors had approximately 1,800 employees whose employment was governed by a collective bargaining agreement ("CBA"). As of the date of this Disclosure Statement, one or more of the Debtors is party to the following CBAs: (1) the Agreements between the UAW and the Visteon Corporation, dated June 29, 2000, which cover hourly employees leased to ACH; (2) the Agreements between Visteon Corporation and the UAW Nurse Bargaining Unit, dated March 1, 2008, which cover salaried nurses leased to ACH; and (3) the 2004 Collective Bargaining Agreement between Visteon Corporation Regional Assembly and Manufacturing LLC Bellevue Plant and United Auto Workers Local 1216, which covers certain hourly employees leased to ACH.

## H. Benefit Plans

As of the Petition Date, the Debtors sponsored the following material employee benefit plans, each of which is governed by provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Internal Revenue Code:

### 1. Pension Plans

#### a. Single-Employer Pension Plans

Visteon Corporation, Visteon Systems, LLC (“Visteon Systems”), and Visteon Caribbean, Inc. (“Visteon Caribbean”), each sponsor one or more of the Pension Plans. The Pension Plans are covered by the termination insurance program described in Title IV of ERISA. The PBGC is a wholly-owned United States government corporation created by ERISA to administer the mandatory pension plan termination insurance program. The PBGC’s principal purpose is to guarantee the payment of certain pension benefits to participants upon termination of a pension plan.<sup>17</sup>

The Visteon Pension Plan (“VPP”), sponsored by Visteon Corporation, accounts for the vast majority of the Debtors’ total projected unfunded benefit obligations of approximately \$460.0 million on a PBGC termination liability basis. As of January 1, 2009, the VPP provided pension benefits to approximately 3,760 employees and 11,990 retirees and deferred vested plan participants.<sup>18</sup> Participants in the VPP include approximately ten salaried employees represented by the UAW and approximately 1,200 non-union, salaried employees—all of whom are leased to ACH. Under that certain Visteon Salaried Employee Lease Agreement, dated October 1, 2005, by and between Visteon Corporation and ACH (the “Salaried Employee Lease Agreement”), ACH pays Visteon Corporation on a monthly basis an amount that is intended to reflect Visteon Corporation’s liability for providing pension benefits to ACH employees. Under this agreement, ACH’s pension-related payment obligation is equal to Visteon Corporation’s reported accounting expense attributable to benefits accrued by these leased employees and not the actual cash contributions that are required to satisfy the periodic pension funding obligations with respect to such benefits.

The Debtors estimated that the VPP was underfunded by approximately \$383.0 million on a PBGC termination liability basis as of December 31, 2009. As a result of the Worker, Retiree, and Employer Recovery Act (“WRERA”), the only contributions due to the VPP during the Chapter 11 Cases were the catch-up contributions on account of the 2008 plan year, due September 15, 2009, for the VPP itself and for the North Penn Pension Plan, which merged into the VPP on December 31, 2008.<sup>19</sup> In their business judgment, the Debtors decided to forgo making these catch-up contributions. Accordingly, \$723,221.00 of the catch-up contributions, in the aggregate, for the VPP and the North Penn Pension Plan for the 2008 plan year remain unpaid. The Debtors will pay this amount plus any interest and any penalties prior to the

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<sup>17</sup> See 29 U.S.C. § 1302.

<sup>18</sup> A “deferred vested” plan participant is a plan participant who is no longer actively employed and has a vested right to a pension benefit under the terms of the Plan, but who has not yet started to receive payment of that pension benefit.

<sup>19</sup> Worker, Retiree, and Employer Recovery Act of 2008, Pub. L. No. 110-458, 122 Stat. 5092.

Effective Date. The Debtors estimate that approximately \$268.0 million will be due in contributions for calendar years 2010 through 2015 based on current economic conditions.

Visteon Corporation also sponsors the UAW Visteon Pension Account Plan (the “UAW Plan”), which as of January 1, 2009 provided pension benefits to approximately 1,820 hourly employees and 270 retirees and deferred vested participants who are, or were, represented by the UAW and leased to ACH. Under that certain Visteon Hourly Employee Lease Agreement, dated October 1, 2005, by and between Visteon Corporation and ACH (the “Hourly Employee Lease Agreement”), ACH’s pension-related payment obligation with respect to the UAW Plan participants is equal to a portion of Visteon Corporation’s reported accounting expense and not the actual funding contributions to the UAW Plan. The Debtors estimated that the UAW Plan was underfunded by \$5.0 million on a PBGC termination liability basis as of December 31, 2009. The Debtors also estimate that approximately \$5.0 million will be due in contributions for calendar years 2010 through 2015 based on current economic conditions.

Visteon Systems sponsors the Pension Plan of Visteon Systems, LLC Connersville and Bedford Plants (the “Visteon Systems C&B Plan”), which as of January 1, 2009 provided pension benefits to approximately 5,180 retirees and deferred vested participants of the Visteon Systems’ C&B Plan who were represented by the International Union of Electrical Workers (the “IUE-CWA”). The Connersville and Bedford plants were shut down on December 31, 2007 and June 30, 2008, respectively. The Visteon Systems C&B Plan is closed, meaning that no active employees are accruing benefits under the plan. The Debtors estimated that the Visteon Systems C&B Plan was underfunded by approximately \$120.0 million on a PBGC termination liability basis as of December 31, 2009. As a result of WRERA, the only contribution due to the Visteon Systems C&B Plan during the Chapter 11 Cases was the catch-up contribution on account of the 2008 plan year, due September 15, 2009, in the amount of \$730,795.00. The Debtors, in their business judgment, decided to forgo making such contribution. The Debtors will pay this amount plus any interest and any penalties prior to the Effective Date. The Debtors estimate that approximately \$57.0 million will be due in contributions for calendar years 2010 through 2015 based on current economic conditions.

When an employer ceases operations at a location that results in more than 20% of a pension plan’s participants being separated from employment, the PBGC can require the plan sponsor and its “controlled group” members to pay the PBGC an amount, to be held in escrow for up to five years, equal to the percentage of unfunded benefit liabilities that is the same as the percentage of active employees separated as a result of the cessation of operations.<sup>20</sup> In lieu of such payment, when the Connersville and Bedford plants were shutdown, the parties reached an agreement, effective as of January 9, 2009 (the “PBGC Agreement”), requiring: (i) Visteon Systems to make an additional \$10.5 million contribution to the Visteon Systems C&B Plan; (ii) Visteon Corporation to provide a \$15.0 million letter of credit in favor of the PBGC (the “L/C”); and (iii) Visteon Systems and Visteon Corporation to procure from certain foreign Affiliates—Visteon Portuguesa, Ltd., Cadiz Electronica S.A., and Visteon Hungaria K.F.T—a guarantee of up to \$30.0 million for unfunded benefit liabilities upon termination of the Visteon Systems

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<sup>20</sup> See 29 U.S.C. § 1362(e), 1363.

C&B Plan (the “PBGC Guarantee”).<sup>21</sup> In accordance with the PBGC Agreement, on September 21, 2009, the PBGC drew from the L/C in an amount equal to the Debtors’ \$730,795.00 missed funding contribution related to the Visteon Systems C&B Plan. On October 29, 2009, the PBGC drew the remaining balance of \$14,269,205.00 from the L/C pursuant to the PBGC Agreement. Because the Plan contemplates maintenance of the Pension Plans, the Debtors reserve any and all rights they may have with respect to the amounts drawn under the L/C.

Lastly, Visteon Caribbean sponsors a pension plan (the “Caribbean Plan”) that provides pension benefits to approximately 255 retirees and deferred vested participants, including retirees who were represented by the UAW prior to the shut-down of Visteon’s Puerto Rico plant in 2005. The Caribbean Plan is a closed plan. The only required contribution to the Caribbean Plan on account of the 2009 plan year was made on January 15, 2009 in the amount of \$0.2 million. The Debtors estimated that the Caribbean Plan was underfunded by approximately \$2.0 million on a PBGC termination liability basis as of December 31, 2009, with approximately \$2.0 million due in contributions for calendar years 2010 through 2015 based on current economic conditions.

On or about October 9, 2009, the PBGC filed 16 separate Proofs of Claim against the Debtors. In accordance with the *Order Approving Stipulation Permitting Pension Benefit Guaranty Corporation To File Consolidated Claims Under A Single Case Number*, [Docket No. 1024], a single Proof of Claim was deemed to constitute the filing of a Proof of Claim against each and every Debtor in the Chapter 11 Cases. Specifically, the PBGC filed a Claim for each of the Pension Plans for:

- o the estimated amount of the Pension Plans’ unfunded benefit liabilities if the Pension Plans were to terminate (“Unfunded Liability Claims”);<sup>22</sup>
- o the estimated amount of unpaid minimum funding contributions that may be owed to the Pension Plans (the “Funding Claims”);<sup>23</sup>
- o the estimated amount of insurance premiums, including termination premiums under 29 U.S.C. 1306(a)(7) (“DRA Premiums”), interest, and penalties that may be owed to PBGC if the Pension Plans were to terminate or be terminated;<sup>24</sup> and

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21 The \$10.5 million additional contribution was made to the Visteon Systems C&B Plan on January 16, 2009. The PBGC Guarantee was executed in January 2009.

22 Specifically, the PBGC filed Claims for the unfunded benefit liabilities of the: (a) VPP in the amount of \$438.1 million; (b) Systems C&B Plan in the amount of \$127.8 million; (c) UAW Plan in the amount of \$4.4 million; and (d) Caribbean Plan in the amount of \$1.8 million. The PBGC asserted a portion of these amounts is entitled to Administrative Claim or Priority Claim status.

23 Specifically, the PBGC filed Claims for unpaid minimum funding contributions that may be owed to the: (a) VPP in the amount of \$490,943.00; (b) Systems C&B Plan in the amount of \$728,974.00; (c) UAW Plan in an unliquidated amount; and (d) Caribbean Plan in an unliquidated amount. The PBGC asserted a portion of these amounts is entitled to Administrative Claim or Priority Claim status.

24 Specifically, the PBGC filed Claims for premiums that may be owed to the PBGC in respect of the: (a) VPP in the amount of \$59.07 million; (b) Systems C&B Plan in the amount of approximately \$19.41 million; (c) UAW Plan in the



- o the shortfall and waiver amortization charges that may be owed to the Pension Plans, in unliquidated amounts.

As described above, the Plan contemplates maintenance of the Debtors' Pension Plans. Because the Unfunded Liability Claims and DRA Premiums only arise upon termination of the Pension Plans, such Claims will not arise and shall not be entitled to any distribution under the Plan. The Debtors intend to pay the amounts owed on account of the Funding Claims to the applicable Pension Plan prior to the Effective Date in satisfaction of such Funding Claims or reach an agreement with the PBGC whereby the amounts drawn under the L/C shall be used to satisfy the Funding Claims.

b. Multiemployer Pension Plans

The Debtors withdrew from the Central States, Southeast and Southwest Areas Pension Plan prior to the Petition Date and were assessed total withdrawal liability of approximately \$2.3 million, the unpaid amount of which had a present value of approximately \$1.2 million as of the Petition Date. In addition, there were three union employees at the Debtors' North Penn plant who participated in another multiemployer pension plan, the Teamsters Pension Trust Fund of Philadelphia and Vicinity. The shutdown of the Debtors' North Penn facility triggered withdrawal liability of approximately \$1.1 million. The bulk of this liability is related to prepetition service and is a General Unsecured Claim. The balance of the liability, related to postpetition service will be paid as an Administrative Claim. The Central States, Southeast, and Southwest Areas Pension Plan and the Teamsters Pension Trust Fund of Philadelphia and Vicinity hold Claims against all of the Debtors, including VIHI, on account of the withdrawal liability from the multiemployer plans pursuant to Section 4201 of ERISA. These claimants are entitled to recover from the assets of VIHI before any such value is upstreamed to satisfy other General Unsecured Claims. Therefore, the Central States, Southeast, and Southwest Areas Pension Plan and the Teamsters Pension Trust Fund of Philadelphia and Vicinity will receive a 100% recovery on their Claims under the Plan.

2. Nonqualified Plans

Visteon Corporation maintains the Visteon Corporation Deferred Compensation Plan, as amended and restated effective January 1, 2009 (the "DCP"), an account balance nonqualified deferred compensation plan covering selected employees of Visteon. The DCP ceased accepting employee deferrals on January 1, 2006. Visteon Corporation also maintains the PPP, a defined benefit nonqualified deferred compensation plan. Under the PPP, participating employees are generally paid the excess of the amount payable under the applicable Pension Plan without application of the limitations of the Internal Revenue Code. Visteon Corporation also sponsors the SERP, which is a defined benefit nonqualified deferred compensation plan that provides supplemental retirement benefits to certain employees of Visteon Corporation and certain of Visteon Corporation's designated Affiliates who participate in the VPP. For employees who participate in the "contributory/non-contributory" component of the SERP, benefits are payable under a final average pay formula, based on years of service and the employee's covered

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amount of \$8.16 million; and (d) Caribbean Plan in the amount of \$990,00.00. The PBGC asserted a portion of these amounts is entitled to Administrative Claim or Priority Claim status.

employment classification. For employees who participate in the “cash balance” component of the SERP, benefits are payable based on the excess of what would be payable under the applicable qualified defined benefit plan cash balance and pension equity formulas without limitations of the Internal Revenue Code and with certain other modifications over the sum of the amount actually payable under the VPP plus the amount actually payable to the employee under the PPP. The Debtors also maintain the ESAP. The ESAP is a defined benefit nonqualified deferred compensation plan that provides supplemental retirement benefits to certain eligible senior executives of Visteon who separate employment at age 55 or later. Benefits are payable under the ESAP as a monthly benefit equal to a percentage of base salary, at a maximum of 60.0%, based on the participant’s age and service. Lastly, Visteon Corporation maintains the Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, an account balance nonqualified deferred compensation plan for non-employee directors (the “Directors’ DCP”), as amended through June 10, 2009. Under the Directors’ DCP, non-employee directors may voluntarily defer any cash remuneration they receive for services as a director.

The Debtors will amend the SERP, PPP, and ESAP to eliminate any and all future benefit payments for all participants in those plans. Immediately prior to the Effective Date, the Debtors shall reject the SERP, the PPP, and the ESAP, all as amended. As a result of these actions, the Debtors do not believe that there will be any Allowed General Unsecured Claims on account of approximately \$30.9 million in eliminated accrued benefits under the SERP, the PPP, and the ESAP. If General Unsecured Claims are ultimately Allowed on account of eliminated accrued benefits, recoveries for General Unsecured Claims will be diluted as reflected in the high range estimates contained in this Disclosure Statement. The Debtors shall also reject the DCP on or prior to the Effective Date.

Without further action of the New Board, the Reorganized Debtors shall establish a new supplemental executive retirement plan and pension parity plan, each of which shall be substantially in the form contained in the Plan Supplement, and shall provide benefits to eligible employees of the Reorganized Debtors that are at least equal to the benefits accrued by such active employees under the SERP and PPP as of one Business Day prior to the date of any amendment of such plan.

### **I. The Debtors’ Prepetition Capital Structure**

As of the Petition Date, the Debtors had approximately \$2.5 billion of outstanding debt on a consolidated basis, of which: approximately \$1.5 billion consisted of loans, interest, and other amounts owed under the Term Loan Facility; approximately \$89.0 million consisted of draws on the ABL Facility and interest and other fees with regard thereto; approximately \$862.0 million consisted of unsecured U.S. bond debt; and approximately \$21.0 million consisted of debt on account of other credit facilities, capital leases for Affiliates, swaps, and other miscellaneous debt obligations. The Debtors’ principal debt obligations, as of the Petition Date, were as follows:

## 1. Secured Debt

### a. Term Loan Facility

On April 10, 2007, Visteon Corporation, as borrower, entered into the Term Loan Facility with several banks and the Term Loan Lenders, and Wilmington Trust FSB, as administrative agent for the Term Loan Lenders and successor to JPMorgan Chase Bank, N.A. (together with any security agreements, mortgages, pledge agreements, guaranties, other collateral agreements, certificates, financing statements and related assignments and transfer powers and additional documents and ancillary agreements entered into by Visteon Corporation or any of its subsidiaries in connection therewith, each as amended from time to time, the “Term Loan Documents”).

As part of the Term Loan Facility, the Term Loan Lenders agreed, subject to the terms and conditions set forth in the Term Loan Documents, to make certain loans to Visteon Corporation, including a \$1.5 billion senior secured term loan. The obligations of Visteon Corporation under the Term Loan Documents are guaranteed by each of the Debtors and certain non-Debtor Affiliates, except for Visteon Electronics Corporation (“VEC”), AutoNeural Systems, LLC, Toledo Mold & Die, Inc., any subsidiary thereof, and any person with capital stock of Toledo Mold & Die, Inc. as its principal assets. To secure its obligations under the Term Loan Facility, Visteon Corporation granted to the Term Loan Lenders (i) a first priority Lien on certain assets of Visteon Corporation and of most of Visteon Corporation’s domestic subsidiaries, including intellectual property, intercompany debt, capital stock of nearly all domestic subsidiaries of Visteon Corporation and 65.0% of the stock of certain foreign subsidiaries of Visteon Corporation (collectively, the “Term Loan Priority Collateral”), including Halla Korea, in which VIHI holds a 70.0% ownership interest—leaving 5.0% of the value of Halla Korea unencumbered and (ii) a second priority Lien on substantially all other assets of Visteon Corporation and of Visteon Corporation’s domestic subsidiaries.

The Term Loan Facility bears interest at either (x) a rate per annum equal to the Eurodollar rate plus 3.00% or (y) a rate per annum equal to the greater of the Prime Rate or the Federal Funds Effective Rate plus 50 bps, plus 2.00%, until the final maturity date of December 13, 2013. As of the Petition Date, approximately \$1.5 billion remained outstanding under the Term Loan Facility. In accordance with the Term Loan Documents, interest was calculated on a Eurodollar Rate basis through July 12, 2009, and has been accruing on a base rate basis since July 13, 2009. The default interest rate under the Term Loan Facility is 2.00% above the applicable rate. The Debtors have not paid interest on the Term Loan Facility during the Chapter 11 Cases.

On May 29, 2009, Wilmington Trust FSB, as administrative agent for the Debtors’ Term Loan Lenders, filed a motion with the Bankruptcy Court seeking adequate protection for use of the Term Loan Lenders’ cash collateral including, but not limited to, cash collateral related to the Term Loan Priority Collateral [Docket No. 70]. The parties reached a stipulation pursuant to which the Debtors would provide the Term Loan Lenders with adequate protection in exchange for use of the Term Loan Lenders’ cash collateral in the form of adequate protection Liens and a superpriority Claim as well as the payment of Professional Fees. The Bankruptcy Court approved the stipulation on July 16, 2009 [Docket No. 598].

b. The ABL Facility

On August 14, 2006, Visteon Corporation and each of its subsidiaries from time to time party thereto, as borrowers, the Bank of New York Mellon, as administrative agent and successor to JPMorgan Chase Bank, N.A., issuing bank and swingline lender, and the ABL Lender entered into the ABL Facility (together with any security agreements, mortgages, pledge agreements, guarantees, other collateral agreements, certificates, financing statements and related assignments and transfer powers and additional documents and ancillary agreements entered into by Visteon Corporation or any of its subsidiaries in connection therewith, each as amended from time to time, the “ABL Loan Documents”). The ABL Facility is a borrowing-base facility in the aggregate principal amount of \$350.0 million that includes a letter of credit subfacility in an amount not to exceed \$250.0 million. Visteon Corporation’s obligations under the ABL Loan Documents are guaranteed by each of the Debtors, except for VEC, VIHI, AutoNeural Systems, LLC, Toledo Mold & Die, Inc., any subsidiary thereof, and any person with capital stock of Toledo Mold & Die, Inc. as its principal assets. To secure its obligations under the ABL Facility, Visteon Corporation granted to the ABL Lenders (i) a first priority Lien on certain assets of Visteon, its domestic subsidiaries, and a limited number of foreign subsidiaries, and (ii) a second priority Lien on all Term Loan Priority Collateral.

The ABL Facility bears interest at either a rate per annum equal to the Eurodollar rate plus 4.0% or a rate per annum equal to the greatest of (x) the Prime Rate, (y) the Federal Funds Effective Rate plus 1/2 of 1.0%, or (z) the adjusted LIBOR rate for a one month interest period plus 1.0%, until the final maturity date of August 14, 2011.

On May 13, 2009, Ford purchased, assumed, and took an assignment of all of the outstanding loans, obligations, and other interests of the lenders under the ABL Facility. As of the Petition Date, there was approximately \$89.0 million outstanding under the ABL Facility and approximately \$59.0 million had been issued under various letters of credit. During the Chapter 11 Cases, approximately \$38.5 million has been drawn under letters of credit under the ABL Facility.

c. Prepetition Waivers

Effective March 31, 2009, Visteon Corporation entered into limited waivers to the Term Loan Facility and ABL Facility until May 30, 2009 with respect to a potential default relating to the inclusion of an explanatory paragraph in the report of Visteon Corporation’s independent registered public accounting firm indicating substantial doubt about Visteon Corporation’s ability to continue as a going concern.

d. The Intercreditor Agreement

The ABL Lenders and the Term Loan Lenders are party to that certain Intercreditor Agreement, dated June 13, 2006 (the “Intercreditor Agreement”). The Intercreditor Agreement governs the relative contractual rights of the parties, including their rights to object to the Debtors’ use of cash collateral from each facility.

## 2. Unsecured Debt

### a. 8.25% Senior Notes Due August 1, 2010

On August 3, 2000, Visteon Corporation issued \$700.0 million of the 8.25% Senior Notes under an indenture, dated as of June 23, 2000, among itself, as issuer, and Bank One Trust Company, N.A., as trustee. On June 4, 2009, the Law Debenture Trust Company of New York was appointed as the successor trustee. The 8.25% Senior Notes provide for interest payments by Visteon Corporation semi-annually on February 1st and August 1st of each year, commencing on February 1, 2001, at a rate of 8.25% per year. The 8.25% Senior Notes are general unsecured obligations of Visteon Corporation that mature on August 1, 2010. As of the Petition Date, approximately \$206.0 million in principal amount remained outstanding under the 8.25% Senior Notes, excluding interest obligations.

### b. 7.00% Senior Notes Due March 10, 2014

On March 10, 2004, Visteon Corporation issued \$450.0 million of the 7.00% Senior Notes under a supplemental indenture, dated as of March 10, 2004, among itself, as issuer, and J.P. Morgan Trust Company, N.A., as trustee. On June 4, 2009, the Law Debenture Trust Company of New York was appointed as the successor trustee. Visteon Corporation agreed to pay interest semi-annually on March 10th and September 10th of each year, commencing on September 10, 2004, at a rate of 7.00% per year. The 7.00% Senior Notes are general unsecured obligations of Visteon Corporation that mature on March 10, 2014. As of the Petition Date, approximately \$450.0 million in principal amount remained outstanding under the 7.00% Senior Notes, excluding interest obligations.

### c. 12.25% Senior Notes Due December 31, 2016

On June 18, 2008, Visteon Corporation issued approximately \$206.4 million of 12.25% Senior Notes under a second supplemental indenture, dated June 18, 2008, among itself, as issuer, the guarantors party thereto, and The Bank of New York Trust Company, N.A., as trustee. On June 4, 2009, the Law Debenture Trust Company of New York was appointed as the successor trustee. The 12.25% Senior Notes provide for interest payments by Visteon Corporation semi-annually on June 30th and December 31st of each year, commencing on December 31, 2008, at a rate of 12.25% per year. The 12.25% Senior Notes mature on December 31, 2016. The 12.25% Senior Notes are general unsecured obligations of Visteon Corporation that are guaranteed by certain wholly-owned domestic subsidiaries that guarantee debt under the ABL Facility.<sup>25</sup> As of the Petition Date, approximately \$206.4 million in principal amount remained outstanding under the 12.25% Senior Notes, excluding interest obligations. The holders of the 12.25% Senior Notes Claims are entitled to a greater distribution

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<sup>25</sup> The guarantors of the 12.25% Senior Notes are the following wholly-owned domestic subsidiaries of Visteon Corporation: Tyler Road Investments, LLC, Infinitive Speech Systems Corp., MIG-Visteon Automotive Systems, LLC, GCM/Visteon Automotive Systems, LLC, GCM/Visteon Automotive Leasing Systems, LLC, Fairlane Holdings, Inc., Visteon International Business Development, Inc., Visteon Domestic Holdings, LLC, Visteon Global Technologies, Inc., Visteon Technologies, LLC, ARS, Inc., VC Aviation Services, LLC, SunGlas, LLC, VC Regional Assembly & Manufacturing, LLC, Visteon Financial Corporation, Visteon Remanufacturing Incorporated, Visteon LA Holdings Corp., Oasis Holdings Statutory Trust, and Visteon Systems, LLC.

under the Plan than General Unsecured Creditors, given that the 12.25% Senior Notes Claims may be asserted against each guarantor party to the 12.25% Senior Notes Indenture. Other unsecured Creditors, including holders of the General Unsecured Claims, do not hold Claims against several of these guarantor Entities.

### 3. Visteon Corporation Common Stock

Visteon Corporation's common stock was publicly-traded on the New York Stock Exchange ("NYSE") under the symbol VC. On March 4, 2009, the NYSE notified Visteon Corporation that its common stock would be delisted from the NYSE and that trading in Visteon Corporation's common stock would be suspended effective March 6, 2009. Since March 6, 2009, Visteon Corporation's common stock has traded on the over-the-counter market, also known as the "Pink Sheets," under the symbol VSTNQ. As of May 24, 2010, Visteon Corporation's common stock traded at a price of \$1.33 per share.

## **ARTICLE V. THE CHAPTER 11 CASES**

The following is a general summary of the Chapter 11 Cases, including certain events preceding the Chapter 11 Cases, the stabilization of the Debtors' operations, and the Debtors' restructuring initiatives implemented since the Petition Date.

### **A. Events Leading to the Commencement of the Chapter 11 Cases**

During 2008 and 2009, the global automotive industry suffered an unprecedented downturn that has significantly strained and materially and adversely affected the operations of OEMs, Tier I automotive suppliers (such as Visteon), and all lower tiered automotive suppliers across the supply chain. The seasonally adjusted annual rate of automotive sales declined rapidly, dropping over 35.0% from its January 2008 level to 9.5 million in January 2009. Lower sales volumes continued through 2008, resulting in a 24.0% decrease in U.S. industry-wide automobile sales through November 2009 compared to the same time frame in 2008. This amount represents the lowest sales levels in nearly three decades. The severe decline in global automobile sales resulted in numerous automotive suppliers and OEMs receiving going concern opinions and filing for bankruptcy.<sup>26</sup>

However, despite the poor economic conditions, in 2008, the Debtors successfully completed a comprehensive multi-year improvement plan that was designed to sell, fix, or close

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<sup>26</sup> On April 30, 2009, Chrysler filed for chapter 11 protection in the United States Bankruptcy Court for the Southern District of New York. On May 11, 2009, Hayes Lemmerz International, Inc. filed for chapter 11 protection in the United States Bankruptcy Court for the District of Delaware. On May 27, 2009, Metaldyne Corporation filed for chapter 11 protection in the United States Bankruptcy Court for the Southern District of New York. On June 1, 2009, General Motors Corporation filed for chapter 11 protection in the United States Bankruptcy Court for the Southern District of New York. On July 7, 2009, Lear Corporation filed for chapter 11 protection in the United States Bankruptcy Court for the Southern District of New York. On February 20, 2009, the independent auditors of TRW Automotive Holdings Corp. expressed substantial doubt about the company's ability to continue as a going concern. On March 4, 2009, General Motors Corporation received a qualified going concern opinion from its auditors. Likewise, on March 12, 2009, American Axle & Manufacturing Holdings Inc. received a going concern opinion from its auditors and on March 17, 2009, Lear Corporation received a qualified going concern opinion.

30 unprofitable or non-core facilities. The Debtors successfully restructured, sold, or exited 38 facilities—exceeding targeted goals and resulting in cumulative gross savings of approximately \$500.0 million.

Unfortunately, these actions were simply not enough to off-set the substantial decreases in vehicle sales and production. Indeed, as a result of plummeting sales volumes, in the fourth quarter of 2008, Visteon reported a net loss of \$346.0 million on net sales from continuing operations of \$1.7 billion.<sup>27</sup> The confluence of the industry downturn and other factors also led Visteon’s public accounting firm to include a statement in Visteon Corporation’s 2008 annual report on Form 10-K that it had substantial doubt about Visteon’s ability to continue as a going concern. This qualified going concern opinion, which numerous suppliers also received from their public accountants upon issuance of their annual reports, would have violated the terms of the ABL Facility and the Term Loan Facility. As noted above, Visteon Corporation was able to negotiate limited waivers under the ABL Facility and the Term Loan Facility. The impending expiration of these waivers on May 30, 2009, along with the Debtors’ need to restructure their capital structure and legacy costs, led the Debtors to ultimately file for chapter 11 protection on May 28, 2009.

## **B. Stabilization of Operations**

Upon commencing the Chapter 11 Cases, the Debtors sought and obtained a number of orders from the Bankruptcy Court to ensure a smooth transition of their operations into chapter 11 and facilitate the administration of the Chapter 11 Cases. Several of these orders are briefly summarized below.

### **1. Administrative Motions**

To facilitate a smooth and efficient administration of these Chapter 11 Cases and to reduce the administrative burden associated therewith, the Bankruptcy Court entered the following procedural orders: (a) authorizing the joint administration of the Debtors’ Chapter 11 Cases [Docket No. 78] and (b) granting the Debtors an extension of time to file their Schedules [Docket No. 362]. On August 26, 2009, the Debtors filed their Schedules with the Bankruptcy Court.

### **2. Motion for Authority to Use Cash Collateral [Docket No. 18]**

On May 28, 2009, the Debtors filed a motion with the Bankruptcy Court seeking an order authorizing them to provide Ford, the sole ABL Lender under the ABL Facility, certain forms of adequate protection in exchange for the consensual use of Ford’s cash collateral. On May 29, 2009, the Bankruptcy Court entered an interim order [Docket No. 93] (the first in a series of such orders) authorizing the Debtors’ use of Ford’s cash collateral and certain other prepetition collateral. The cash collateral order also granted adequate protection to Ford for any diminution in the value of its interests in its collateral, whether from the use of the cash collateral or the use, sale, lease, depreciation, or other diminution in value of its collateral, or as a result of

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<sup>27</sup> Although Visteon reported a 2009 first quarter net income of \$2.0 million, such amount included a one-time, non-cash gain of \$95.0 million related to the deconsolidation of the net assets associated with Visteon UK Ltd., an entity that filed for administration with the English High Court of Justice under the Insolvency Act of 1986.

the imposition of the automatic stay under section 362(a) of the Bankruptcy Code. Specifically, subject to certain conditions, adequate protection provided to Ford includes, among other things, a first priority, senior, and perfected Lien on certain post-petition collateral of the same nature as Ford's prepetition collateral, a second priority, junior perfected Lien on Term Loan Priority Collateral, and payment of accrued and unpaid interest and fees owing Ford on prepetition ABL obligations.

On June 19, 2009, the Bankruptcy Court entered a first supplemental interim order authorizing the use of Ford's cash collateral and granting adequate protection on substantially the same terms as those set forth in the interim cash collateral order previously entered [Docket No. 380]. Thereafter, the Debtors sought, and the Bankruptcy Court approved, eleven supplemental interim orders extending the consensual use of ABL cash collateral, generally on a monthly basis and materially consistent with the terms of preceding interim cash collateral orders.<sup>28</sup>

3. Motion to Continue Using Existing Cash Management System [Docket No. 15]

The Bankruptcy Court authorized the Debtors to continue using their cash management systems and their respective bank accounts, business forms, and investment practices by a Final Order dated July 17, 2009 [Docket No. 605]. The cash management order also approved the Debtors' investment and deposit guidelines and permitted the Debtors to set off both prepetition and postpetition intercompany obligations between Debtors, or between Debtors and non-Debtor Affiliates.

4. Motion to Pay Shippers and Lienholder Prepetition Claims [Docket No. 5]

The Bankruptcy Court authorized the Debtors to pay the prepetition Secured Claims of, among other parties, shippers, warehousemen, and lienholders up to \$21.3 million. As of March 9, 2010, the Debtors had paid approximately \$10.4 million under this order.

5. Motion to Continue Funding Foreign Affiliates [Docket No. 10]

As a result of the global practice of the Debtors' business, the Debtors heavily rely on the relationship with their foreign Affiliates. The Debtors have interests in each of the foreign Affiliates, and such interests are valuable assets of the Debtors' Estates. Three programs central to the foreign Affiliates' business operations are as follows: (a) the cash pooling system in Europe (the "European Cash Pool"); (b) the Legal Entity Restructuring Activity program (the "LERA Program"); and (c) the Maquiladora program (the "Maquiladora Program"). The European Cash Pool involves Visteon Corporation and various foreign Affiliates making

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<sup>28</sup> The Bankruptcy Court entered the: (a) second supplemental interim cash collateral order on July 1, 2009 [Docket No. 481]; (b) third supplemental interim cash collateral order on July 16, 2009 [Docket No. 599]; (c) fourth supplemental interim cash collateral order on July 28, 2009 [Docket No. 689]; (d) fifth supplemental interim cash collateral order on August 13, 2009 [Docket No. 792]; (e) sixth supplemental interim cash collateral order on September 9, 2009 [Docket No. 952]; (f) seventh supplemental interim cash collateral order on October 7, 2009, October 21, 2009, and November 12, 2009 [Docket Nos. 1110, 1161, 1242]; (g) eighth supplemental interim cash collateral order on November 12, 2009 [Docket No. 1303]; (h) ninth supplemental interim cash collateral order on December 10, 2009 [Docket No. 1445]; (i) tenth supplemental interim cash collateral order on January 21, 2010 [Docket No. 1710]; and (j) eleventh supplemental interim cash collateral order on February 23, 2010 [Docket No. 2368].



revolving loans to and, in the case of the foreign Affiliates, borrowing from Visteon Netherlands Holdings B.V., which acts as an internal banker for such transactions among the foreign Affiliates.<sup>29</sup> Under the LERA Program, VEC, a Debtor, contracts with European customers for the delivery of finished goods while a foreign Affiliate actually delivers the finished goods to such customer. VEC collects payment directly from the customer, pays the foreign Affiliate its costs plus 5%, and retains the excess as profit.<sup>30</sup> Visteon also participates in a program similar to LERA with its foreign Affiliates in Mexico, which is called the Maquiladora Program.<sup>31</sup>

On July 28, 2009, the Bankruptcy Court entered a Final Order authorizing the Debtors to continue, in the ordinary course of business, the European Cash Pool, LERA Program, and Maquiladora Program and to honor prepetition obligations under the LERA and Maquiladora Programs up to \$92.0 million. On July 28, 2009, the Bankruptcy Court authorized the Debtors to pay an additional \$46.0 million in prepetition Claims of certain foreign Affiliates, for an aggregate amount of \$138.0 million [Docket No. 690]. As of March 9, 2010, the Debtors had paid approximately \$125.0 million under this Final Order.

Additionally, on October 7, 2009, the Bankruptcy Court approved a motion to provide approximately \$38.0 million in capital to foreign Affiliates in Argentina and Poland [Docket No. 1098]. The Debtors have an interest in these foreign Affiliates and without access to additional capital, the Affiliates could have been subject to mandatory insolvency proceedings under Argentine and Polish law.

6. Motion to Pay Employee Wages and Benefits [Docket No. 7]

The Debtors obtained authorization from the Bankruptcy Court to pay all prepetition compensation (including all wages, salaries, overtime pay, and vacation pay) to, all prepetition business expenses of, and all prepetition payroll deductions and prepetition withholdings, all prepetition contributions to, and benefits under medical and insurance benefit plans, and postpetition severance benefits for salaried employees leased to ACH. As of March 9, 2010, the Debtors had paid approximately \$15.5 million in prepetition Claims under this order.

7. Motion to Pay Critical Trade Vendors [Docket No. 13]

By interim order granted on May 29, 2009 [Docket No. 102], and Final Order granted on June 19, 2009 [Docket No. 374], the Bankruptcy Court authorized the Debtors to pay prepetition Claims of certain suppliers. Specifically, the Debtors were authorized to pay certain prepetition nonpriority Claims of: (a) certain suppliers of the Debtors that are not party to Executory Contracts; (b) certain financially distressed suppliers; and (c) on a provisional basis, certain

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- 29 The following foreign Affiliates participate in the European Cash Pool: Visteon Netherlands, Cadiz Electronica S.A.U., Visteon Sistemas Interiores Espana S.L.U., Visteon Autopal S.R.O., Visteon Hungary KFT, Visteon Ardennes Industries S.A.S., Visteon Systemes Interieurs S.A.S., Visteon Interior Systems Holding France S.A.S., Visteon Holdings France S.A.S., Visteon Portuguesa Ltd., Visteon Slovakia s.r.o., Visteon Philippines Inc., and Visteon Deutschland GmbH.
- 30 The following foreign Affiliates participate in LERA Program: Visteon Portuguesa Ltd., Cadiz Electronica S.A.U., Visteon Sistemas Interiores Espana S.L.U., Visteon Hungary KFT, and Visteon Autopal S.R.O.
- 31 The following foreign Affiliates participate in the Maquiladora Program: Coclisla S.A. de C.V., Carplastic S.A. de C.V., Altec Electronica Chihuahua, S.A. de C.V., Aeropuerto Sistemas Automotrices S. de R.L. de C.V., Climate Systems Mexicana, S.A. de C.V., Visteon de Mexico S. de R.L., and Grupo Visteon S. de R.L. de C.V.

suppliers that may seek to discontinue supplying products or providing services in breach of their agreements with the Debtors, and approving procedures related thereto. The Debtors are authorized to pay prepetition Claims of those suppliers that are not party to Executory Contracts and those financially distressed suppliers up to \$33.9 million. With respect to suppliers that refuse to perform postpetition obligations pursuant to an Executory Contract unless their prepetition Claims are satisfied, the Debtors are authorized to pay such suppliers' Claims on a provisional basis up to \$15.0 million. As of March 9, 2010, the Debtors had paid approximately \$28.8 million under this order.

8. Motion to Pay Foreign Trade Vendors [Docket No. 11]

By interim order granted on May 29, 2009 [Docket No. 82], and Final Order granted on June 19, 2009 [Docket No. 367], the Bankruptcy Court authorized the Debtors to pay prepetition Claims of certain vendors, service providers, regulatory agencies, and governments located in foreign jurisdictions up to \$5.1 million. As of March 9, 2010, the Debtors had paid approximately \$3.9 million under this order.

9. Motion to Authorize Maintenance of Customer Programs [Docket No. 8]

By interim order granted on June 3, 2009 [Docket No. 145], and Final Order granted on July 17, 2009 [Docket No. 600], the Bankruptcy Court authorized the Debtors to continue their customer programs, including all obligations to ACH pursuant to a master services agreement, the OEM warranty program, and the aftermarket warranty program up to \$92.1 million. As of March 9, 2010, the Debtors had paid approximately \$8.6 million under this order.

10. Motion to Establish Notification and Hearing Procedures for Trading in Equity Securities [Docket No. 12]

As of the Petition Date, the Debtors' NOLs and certain other tax attributes were estimated to be approximately \$1.95 billion. Under the Internal Revenue Code, NOLs that accumulate prior to emergence from bankruptcy may be used to offset post-emergence taxable income. Under the applicable federal tax laws, however, the Debtors would lose the ability to utilize a significant portion of their NOLs if an "ownership change" were to occur prior to completion of the Chapter 11 Cases. Consequently, trading in the equity securities of the Debtors could have jeopardized the Debtors' ability to use those NOLs. To protect these valuable NOL carryforwards for future use to offset taxable income, the Debtors sought and obtained an interim order from the Bankruptcy Court on May 29, 2009 [Docket No. 89], and a Final Order on June 19, 2009 [Docket No. 361] restricting trading of their equity securities. In particular, the Debtors sought to institute restrictions on trading by shareholders who own, or would own, at least 6.4 million shares, including options to acquire shares of Visteon Corporation stock during the pendency of the Chapter 11 Cases, so that the Debtors would be able to monitor trading and prevent the loss of their NOLs and other tax attributes.

11. Motion Determining Adequate Assurance of Payment for Future Utility Services [Docket No. 6]

By interim order granted on May 29, 2009 [Docket No. 87], and Final Order granted on June 19, 2009 [Docket No. 376], the Bankruptcy Court established procedures for determining

adequate assurance of payment for future utility service in recognition of the severe impact even a brief disruption of utility services would have on the Debtors.

12. Motion to Pay Prepetition Sales, Use, and Franchise Taxes [Docket No. 4]

On May 29, 2009 [Docket No. 88], the Bankruptcy Court authorized the Debtors to pay up to \$6.0 million for prepetition sales, use, franchise, income, property, and other taxes and any tax-related fees charges, and assessments accrued prepetition. As of March 9, 2010, the Debtors had paid approximately \$4.4 million under this order.

13. Applications for Retention of Debtors' Professionals

Throughout the Chapter 11 Cases, the Bankruptcy Court has approved the Debtors' retention of certain Professionals to represent and assist the Debtors in connection with the Chapter 11 Cases. These Professionals include, among others: (a) Kirkland & Ellis LLP as counsel for the Debtors (order granted June 19, 2009) [Docket No. 366]; (b) Pachulski, Stang, Ziehl & Jones LLP as co-counsel for the Debtors (order granted June 19, 2009) [Docket No. 363]; (c) Rothschild, Inc. ("Rothschild"), as financial advisors and investment bankers for the Debtors (order granted July 1, 2009) [Docket No. 474]; (d) Alvarez & Marsal North America, LLC as restructuring advisor to the Debtors (order granted June 19, 2009) [Docket No. 365]; (e) KCC as Claims and Solicitation Agent for the Debtors (order granted May 29, 2009) [Docket No. 79]; (f) Dickinson Wright PLLC as special counsel to the Debtors (order granted July 14, 2009) [Docket No. 546]; (g) Crowell & Moring LLP as special antitrust counsel to the Debtors (order granted July 14, 2009) [Docket No. 545]; (h) Alston & Bird LLP as special litigation counsel to the Debtors (order granted September 9, 2009) [Docket No. 942]; (i) Ernst & Young LLP as risk management service providers to the Debtors (order granted September 2, 2009) [Docket No. 921]; (j) Hammonds LLP as UK counsel (order granted March 16, 2010) [Docket No. 2556]; and (k) Plews Shadley Racher & Bruan LLP as special environmental counsel to the Debtors (order granted April 12, 2010) [Docket No. 2774].

**C. Appointment of Committees**

1. The Creditors' Committee

On June 8, 2009, the United States Trustee appointed the Creditors' Committee pursuant to section 1102 of the Bankruptcy Code [Docket No. 178]. On January 8, 2010, the Bankruptcy Court, on its own initiative, entered an order scheduling a status conference for January 21, 2010 regarding whether an official committee of participants in the Debtors' Pension Plans should be appointed [Docket No. 1566]. The Debtors filed a statement in advance of the status conference, which stated the Debtors' opposition to an official committee of pensioners [Docket No. 1649]. The United States Trustee, the ad hoc committee of pensioners, and the IUE-CWA filed statements in support of the appointment of an official committee of pensioners [Docket Nos. 1696, 1699, 1702]. After hearing arguments at the January 21, 2010 status conference, the Bankruptcy Court ordered the United States Trustee to either: (a) appoint one or more participants of the Pension Plans to the Creditors' Committee or (b) pursuant to section 1102 of the Bankruptcy Code, appoint a separate official committee comprised of participants of the Pension Plans [Docket No. 1730] (the "Pension Committee Order"). Pursuant to the Pension

Committee Order, on February 1, 2010, the United States Trustee appointed three individuals to the Creditors' Committee to represent participants in the Pension Plans [Docket No. 1779].

On February 3, 2010, the Debtors filed the *Motion of the Debtors for Reconsideration of the Court's Order Appointing Pension Plan Participants to an Official Committee* [Docket No. 1831]. The crux of the Debtors' argument to reconsider the Pension Committee Order is that there is no scenario under which the pensioners would have "a right to payment" from the Debtors and thus the pensioners cannot be considered Creditors of the Estates—a requirement for the appointment of an official committee under section 1102 of the Bankruptcy Code. On May 10, 2010, the Bankruptcy Court entered an order granting the Debtors' motion to reconsider the Pension Committee Order and vacating the Pension Committee Order. See Order Granting Debtors' Motion for Reconsideration of the Court's Order Appointing Pension Plan Participants to an Official Committee [Docket No. 3035] (the "Reconsideration Order"). The Debtors have accordingly requested that the United States Trustee reconstitute the Creditors' Committee to exclude the pension participants. In response, the United States Trustee has asked the Bankruptcy Court to schedule a status conference to clarify interpretation of the Reconsideration Order. See United States Trustee's Request for Status Conference to Clarify Order Granting Debtors' Motion for Reconsideration of the Court's Order Appointing Pension Plan Participants to an Official Committee [Docket No. 3167]. However, no date for the status conference has been set. Thus, the current members of the Creditors' Committee are: the PBGC; the Law Debenture Trust Company of New York; Freescale Semiconductor; Central States Southeast and Southwest Areas Pension Fund; Siemens Product Lifecycle Management Software, Inc.; Nissan Trading Corp., USA; CQS Directional Opportunities Master Fund, Ltd;<sup>32</sup> Chris A. Hensel, an active employee of Visteon Corporation; Robert Leiss, a former employee of the Debtors' North Penn plant and former president of Local UAW 1695; and Michael Lostutter, the director of the IUE-CWA pension and 401(k) fund.

The Creditors' Committee has retained the following Professionals: (i) KCC as website administration agent (order granted July 16, 2009) [Docket No. 585]; (ii) Ashby & Geddes, P.A. as Delaware counsel (order granted August 11, 2009) [Docket No. 766]; (iii) Brown Rudnick LLP as co-counsel (order granted August 13, 2009) [Docket No. 786]; (iv) FTI Consulting, Inc. as restructuring and financial advisors (order granted September 11, 2009) [Docket No. 967]; and (v) Chanin Capital Partners, LLC as restructuring and financial advisors (order granted September 11, 2009) [Docket No. 966].

## 2. Ad Hoc Equity Committee's Request for Appointment of an Examiner

On April 2, 2010, the ad hoc equity committee filed a motion for an order directing the appointment of an examiner in these cases [Docket No. 2720], and a motion to shorten the notice period for hearing the motion on the appointment [Docket No. 2721]. On May 19, 2010, the Bankruptcy Court denied the ad hoc equity committee's motion [Docket No. 3159].

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32 CQS Directional Opportunities Master Fund Ltd. was appointed to the Creditors' Committee on November 30, 2009 [Docket No. 1364] after K&S Wiring resigned from the Creditors' Committee on November 6, 2009 [Docket No. 1238].

### 3. Certain Equity Holders' Request for Appointment of an Official Committee of Equity Holders

On April 16, 2010, certain equity holders filed a motion for an order appointing an official committee of equity holders in these cases [Docket No. 2834], to which the Debtors, the Term Loan Lenders, United States Trustee, and Creditors' Committee filed objections on April 23, 2010 [Docket Nos. 2880, 2868, 2889, 2872]. On May 19, 2010, the Bankruptcy Court denied the equity holders' motion to appoint an official committee of equity holders [Docket No. 3158].

### **D. Operational Restructuring Activity, Liquidity Enhancements, and Business Plan Development and Implementation**

Prior to filing the Chapter 11 Cases, the Debtors were in the process of executing a comprehensive three year restructuring plan to ensure their competitiveness in a troubled automotive supplier sector. Under that restructuring plan, the Debtors sold, restructured, or closed approximately 38 unprofitable facilities, and also significantly reduced overhead and operating costs. Upon filing for chapter 11, the Debtors continued to execute their restructuring plan by exiting non-core lines of business and preserving their customer relationships for the future. In particular, during the Chapter 11 Cases, the Debtors entered into a number of agreements designed to enhance their liquidity, right-size their operations, and support future sustainability. Negotiations over these initiatives originally took place in the context of a proposed debtor-in-possession ("DIP") financing arrangement to be provided by the Debtors' North American customers. However, given the complexity of negotiating a DIP credit agreement satisfactory to these natural competitors—and unnatural lenders—as well as the Debtors' improved cash flow performance during the Chapter 11 Cases, the Debtors ultimately determined that a customer "club" DIP facility was not a viable solution to supplement their liquidity. Instead, the Debtors used the momentum of the customer DIP discussions to negotiate and execute individualized asset sales and Accommodation Agreements with their customer base, which did not require the Debtors to take on any additional debt. The following is a description of the key restructuring initiatives undertaken by the Debtors during the Chapter 11 Cases to accomplish the above-mentioned goals.

#### 1. Halla Alabama Asset Sale

In July 2009, Visteon Domestic Holdings, LLC sold its 80% equity interest in Halla Climate Systems Alabama Corp. ("Halla Alabama") to Halla Korea, a publicly-traded Korean company in which VIHI holds a 70% equity stake.<sup>33</sup> Halla Korea paid a total of approximately \$63.0 million, including \$26.0 million in settlement of certain Intercompany Claims, which brought cash into Visteon's U.S. enterprise and enhanced the value of Halla Korea by preserving the key customer relationship with Hyundai/Kia Motors ("Hyundai"). The sale closed on July 31, 2009 [Docket No. 723]. Consummation of the sale to a non-Debtor Entity gave Hyundai the assurances it needed to continue to do business with Halla Alabama going forward. Without the support of Hyundai, which accounts for 100% of Halla Alabama's business, the enterprise value

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<sup>33</sup> Halla Alabama was a Debtor in the Chapter 11 Cases, but Halla Alabama's case was dismissed upon the closing of the sale to Halla Korea.

of Halla Alabama would have been lost, which would have diminished the value of VIHI's interest in Halla Korea. The sale also took advantage of synergies that would not have been available to a buyer outside of the Visteon corporate family, e.g., Halla Alabama had already licensed intellectual property from Halla Korea and had a well-established supply chain to meet Hyundai's needs. Moreover, the transaction furthered the consolidation of Visteon's global climate business with Halla Korea, which functions as the hub of Visteon's global climate division. Since executing this transaction, Hyundai has continued its commitment to Visteon.

## 2. Connersville Property Sale

On December 10, 2009, the Bankruptcy Court authorized the Debtors to sell their Connersville, Indiana property, free and clear of all liens, claims, encumbrances, and other interests to the City of Connersville, Indiana [Docket No. 1437]. The Connersville property is located on approximately 186 acres of real property and includes various buildings, facilities, and other improvements, including a manufacturing facility that was used for Visteon Systems' climate business. The Debtors had previously ceased all manufacturing activities at the Connersville facility in 2007 and listed the property for sale in 2008. Due to some potential outstanding environmental liability related to the Connersville property, the Debtors agreed to sell the property to the City of Connersville for the nominal consideration of \$500.00 and to pay up to \$500,000.00 towards the cost of any statutorily required remediation of the property. In exchange for this consideration the City of Connersville agreed to assume, pay for, and complete any remediation of the property and assume liability for the settlement and resolution of all potential claims against the Debtors on account of obligations imposed on the property. Additionally, the City of Connersville and the Indiana Department of Environmental Management executed releases and covenants not to sue the Debtors in connection with the Connersville property.

By entering into the purchase and sale agreement with the City of Connersville, the Debtors eliminated annual expenses attributed to property taxes, insurance, utilities, and general maintenance of the Connersville property and avoided significant future costs associated with remediation of the property.

## 3. General Motors Company Accommodation Agreement

On October 7, 2009, the Bankruptcy Court authorized the Debtors and their non-Debtor Affiliate Carplastic, S.A. de C.V. ("Carplastic") to enter into an Accommodation Agreement (the "GM Accommodation Agreement") with General Motors Company ("GM") [Docket No. 1102]. The GM Accommodation Agreement allowed the Debtors to address certain liquidity needs, exit lines of business that no longer fit into the Debtors' strategic business plan, and maintain a business relationship with GM with respect to other promising lines of business. The GM Accommodation Agreement provided for, among other things: (a) an \$8.0 million surcharge payment to Visteon Corporation; (b) payment to Visteon Corporation of up to \$10.0 million to fund the consolidation of Visteon's InterAmerican and Carplastic facilities in Mexico; (c) payment to Visteon Corporation of \$4.425 million to reimburse the Debtors for certain upfront engineering, design, and development support costs; (d) acceleration of payment terms on outstanding GM purchase orders; (e) GM's purchase from Visteon of certain inventory at original cost, and the option to purchase certain equipment and tooling relating to re-sourced

component parts at the greater of the net book value of such assets or the orderly liquidation value, for all assets purchased in the last three years; (f) reimbursement of certain costs associated with the wind-down of GM interior and fuel tank component part production; and (g) an \$8.2 million cure payment in connection with the assumption and assignment to GM by Motors Liquidation Company of certain purchase orders with the Debtors in GM's chapter 11 case.<sup>34</sup>

In exchange for these benefits, the Debtors agreed to continue to produce and deliver component parts to GM during the term of the Accommodation Agreement as well as provide considerable assistance to GM in resourcing certain unprofitable production to other suppliers. As is customary, the GM Accommodation Agreement also provided GM with an access right to certain Visteon facilities if the Debtors or Carplastic ceased production in violation of the GM Accommodation Agreement.

#### 4. Chrysler Accommodation Agreement

On November 12, 2009, the Bankruptcy Court authorized the Debtors and Carplastic to enter into an Accommodation Agreement (the "Chrysler Accommodation Agreement") with Chrysler Group LLC ("Chrysler") [Docket No. 1305], similar in its terms to the GM Accommodation Agreement. Specifically, the Chrysler Accommodation Agreement provided for: (a) a \$13.0 million surcharge payment to Visteon Corporation; (b) acceleration of payment terms on outstanding Chrysler purchase orders; (c) a cure payment to Visteon Corporation of approximately \$13.0 million in connection with the assumption and assignment to Chrysler by Old Carco LLC (f/k/a Chrysler LLC) of certain purchase orders with Debtors in the Old Carco LLC chapter 11 case; and (d) reimbursement of certain Visteon costs associated with Visteon's wind-down of production for certain lines of Chrysler component parts.<sup>35</sup> The Chrysler Accommodation Agreement also contemplated a number of asset sales, including a mandatory purchase by Chrysler (or an acceptable third party) of certain equipment and tooling used at Visteon's Highland Park, Michigan and Saltillo, Mexico facilities at the greater of the net book value of such assets or the orderly liquidation value, for all such assets acquired by Visteon during the previous three years. Chrysler also purchased Visteon's excess inventory relating to re-sourced Chrysler business at 100% of Visteon's actual and documented costs for raw materials and 100% of the purchase order price for finished goods.

In exchange, the Debtors and Carplastic provided Chrysler with commitments for continuity of supply, a customary access and security agreement, and agreements for Visteon's cooperation and assistance in the resourcing of Chrysler component parts to other suppliers.

#### 5. Nissan North America Asset Sale and Accommodation Agreement

On November 12, 2009, the Bankruptcy Court approved the sale of certain manufacturing facilities and other assets primarily related to the Debtors' module and interior business to Haru Holdings, LLC ("Haru"), an acquisition subsidiary of Nissan North America ("Nissan"), free and

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<sup>34</sup> While GM assumed and assigned its purchase orders with Visteon in its own chapter 11 case, the Debtors did not assume any purchase orders with GM in the Chapter 11 Cases under the GM Accommodation Agreement.

<sup>35</sup> While Chrysler assumed and assigned its purchase orders with Visteon in its own chapter 11 case, the Debtors did not assume any purchase orders with Chrysler in the Chapter 11 Cases under the Chrysler Accommodation Agreement.

clear of all Liens and other interests pursuant to section 363 of the Bankruptcy Code [Docket No. 1298]. Haru paid, or will pay, the Debtors approximately \$31.0 million in cash plus the (a) value of certain off-site tooling and inventory dedicated to Nissan production, (b) approximately \$2.5 million in wind-down costs; and (c) the amount of certain receivables from Nissan being acquired under the purchase agreement, less the amount of certain payables to Nissan and Nissan Affiliates assumed by Nissan. The Bankruptcy Court also approved certain cure and notice procedures related to the assumption and assignment of Executory Contracts related to the module and interior business and an Accommodation Agreement that essentially served as a back-stop in the event that the Debtors violated the terms of the purchase agreement.

The assets sold to Haru were primarily used for the production and assembly of automobile cockpit module, front end module, and interior parts for Nissan. The majority of these assets were located at the Debtors' LaVergne, Tennessee, Smyrna, Tennessee, Tuscaloosa, Alabama, and Canton, Mississippi plants. The sale was a result of the Debtors' comprehensive strategic review of their operational restructuring strategy, including an evaluation of the profitability and performance of their operating subsidiaries and business divisions. After such review, the Debtors determined that the module and interior business was an unprofitable business segment that should be divested. The sale allowed the Debtors to maximize the module and interior business' contribution to the Debtors' Estates, enhance liquidity, and help ensure that Nissan—an important, long-term customer vital to the Debtors' post-emergence business plan—maintains its continuity of supply.

#### 6. Ford Motor Company Accommodation Agreement

On December 8, 2009, the Bankruptcy Court approved a motion authorizing the Debtors and Carplastic to enter into an Accommodation Agreement (the "Ford Accommodation Agreement") with Ford and ACH [Docket No. 1422]. Pursuant to the Ford Accommodation Agreement, Ford and ACH have agreed to pay Visteon an exit fee of \$8.0 million in two equal installments. Under the Ford Accommodation Agreement, the majority of Ford electronic component parts formerly manufactured at the Debtors' North Penn facility will be re-sourced to Cadiz Electronica S.A., the Carplastic facility will continue to produce the majority of component parts it currently manufactures for Ford, and the Debtors will discontinue Ford production at the Debtors' Springfield, Ohio facility. In connection with the resourcing or transitioning of these Ford and ACH product lines, Ford and ACH have agreed to purchase certain inventory at cost, and have the option to purchase certain equipment and tooling related to the manufacturing of their component parts at the greater of the net book value of such assets or the orderly liquidation value, for all assets purchased in the last three years, or for older tooling or equipment an amount equal to the orderly liquidation value of such assets. Additionally, Ford and ACH agreed to reimburse the costs that the Debtors have, or will, incur in connection with resourcing production lines at their North Penn and Springfield facilities.

#### 7. Honda Accommodation Agreement

On December 10, 2009, the Bankruptcy Court approved a motion authorizing the Debtors to enter into an Accommodation Agreement (the "Honda Accommodation Agreement") with Honda of America Mfg., Inc. ("Honda"), which provides the Debtors with certain strategic and financial benefits in connection with the resourcing of Honda component parts produced at the



Debtors' Highland Park, Michigan facility [Docket No. 1446] in accordance with the Debtors' strategic business plan. As consideration for the Debtors' assistance in the resourcing process and to provide incremental liquidity, Honda will provide the Debtors with a surcharge payment in the approximate amount of \$0.2 million, as well as an acceleration of payment terms. In addition, Honda has agreed to purchase equipment dedicated to the production of Honda component parts for approximately \$2.0 million, as well as to purchase certain inventory, and to cover the costs that the Debtors will incur in connection with resourcing Honda production lines to other suppliers, including wind-down costs in the approximate amount of \$0.8 million and any cure costs required to be paid in connection with the Debtors' assumption and assignment of supply contracts with raw materials or subcomponent suppliers at Honda's request.

#### 8. Atlantic Automotive Components, LLC Sale

On February 23, 2010, the Bankruptcy Court approved a sale of the Debtors' interest in Atlantic Automotive Components, LLC ("Atlantic") to the joint venture's majority owner [Docket No. 2366]. The component parts produced by Atlantic were resourced to other suppliers pursuant to the Accommodation Agreements entered into with the Debtors' key customers. In consideration for the Debtors' interest in the joint venture, the purchaser: (a) paid \$3.1 million in cash; (b) assumed substantially all of the liabilities of Atlantic; (c) released the Debtors from all obligations to Atlantic related to accounts payable for goods delivered or services provided prior to the Petition Date, which obligations are estimated to equal approximately \$3.9 million; and (d) agreed to the resourcing of certain Atlantic business to a Visteon facility in Mexico.

#### 9. North Penn Plant Closure

On February 28, 2010, the Debtors closed their North Penn plant located in Lansdale, Pennsylvania. Pursuant to this closure, the Debtors entered into a closure agreement with the UAW and its local union 1695 to provide for the early expiration of the CBA governing the North Penn employees on February 28, 2010, instead of the original expiration date of March 13, 2011. On February 23, 2010, the Bankruptcy Court authorized entry into the closure agreement [Docket No. 2365]. The early expiration of the North Penn CBA will generate substantial savings for the Debtors' estates as a result of the discontinuation of post-employment health care benefits provided to North Penn retirees and employees as early as May 31, 2010. The Debtors also rejected the lease of the North Penn property on March 14, 2010 [Docket No. 2455]. As noted above, in connection with the Ford Accommodation Agreement, Ford has or will cover the vast majority of the costs associated with the North Penn plant closure.

#### 10. Highland Park and Saltillo Plant Sales

On April 13, 2010, the Bankruptcy Court approved the sale of Debtors' Highland Park, Michigan and Saltillo, Mexico facilities to Johnson Controls Interiors LLC and Johnson Controls Automotriz Mexico, S.de R.L. de C.V. (collectively, "Johnson Controls") [Docket No. 2799]. Pursuant to the sale, Johnson Controls assumed a CBA with UAW Local 400 governing the hourly employees working at the Highland Park facility. Pursuant to the Chrysler Accommodation Agreement, Chrysler was given the ability to market and sell the Highland Park and Saltillo plants to a purchaser willing to pay at least a minimum threshold price for the assets and inventory of the plants. Under the purchase agreement governing the sale of the Highland

Park and Saltillo plants, Johnson Controls will pay the Debtors \$17,086,475.00 in Cash (plus an additional amount related to inventory as of the closing of the plants) and assume certain liabilities of the Debtors related to the plants. Additionally, Chrysler will pay any additional costs to wind down operations at the Highland Park and Saltillo plants to the extent that the proceeds from the sale to Johnson Controls do not cover such costs. Importantly, the sale of the Highland Park and Saltillo facilities permitted the Debtors to fulfill their obligations under the Chrysler Accommodation Agreement and exit the manufacturing of certain unprofitable component part production lines.

## **E. Postpetition Financing**

### **1. DIP Financing**

As noted above, at the outset of the Chapter 11 Cases, the Debtors focused on negotiating a “club” DIP financing facility with their largest North American OEM customers to ensure sufficient liquidity to supply their customers with parts and fund these cases. The multi-faceted customer DIP negotiations were complicated because the proposed lenders were all competitors with competing interests. Ultimately, in September 2009, the Debtors abandoned these customer DIP negotiations.

In early October 2009, the Debtors began negotiations with a subset of the Term Loan Lenders (the “DIP Facility Lenders”) over the terms of a DIP financing arrangement. On October 28, 2009, the Debtors filed a motion for approval of the \$150.0 million DIP Facility—with a \$75.0 million initial draw and option to draw an additional \$75.0 million—on a superpriority Administrative Claim and first priority priming Lien basis [Docket No. 1200]. Importantly, the Term Loan Lenders and ABL Lender consented to the priming of their prepetition Liens by the DIP Facility in exchange for the adequate protection described below. The Creditors’ Committee and the PBGC filed objections to the motion. The Debtors were able to resolve the majority of issues raised by the Creditors’ Committee and PBGC through modifications to the terms of the DIP Facility. The Bankruptcy Court approved the DIP Facility, as modified, on November 12, 2009 over ruling the remaining objections of the Creditors’ Committee and the PBGC [Docket No. 1297].

As approved, the DIP Facility provides the Debtors with up to \$150.0 million in financing on a superpriority Administrative Claim and first priority priming Lien basis. The initial draw of \$75.0 million occurred upon the closing of the DIP Facility. The Debtors have an option to draw an additional \$75.0 million, subject to the condition that they have not filed a plan of reorganization that does not provide for full payment of obligations under the DIP Facility. Obligations under the DIP Facility are entitled to superpriority Administrative Claim status pursuant to section 364(c)(1) of the Bankruptcy Code and secured by: (a) a first priority priming Lien on all Term Loan Priority Collateral; (b) a second priority Lien on all ABL Priority Collateral; and (c) a first priority lien on proceeds of Avoidance Actions under section 549 of the Bankruptcy Code and the Debtors’ rights under section 506(c) of the Bankruptcy Code. The Term Loan Lenders and ABL Lender consented to the granting of priming Liens under the DIP Facility in exchange for adequate protection to the extent of the diminution in value of their collateral—calculated from November 12, 2009, the date of entry of the order approving the DIP Facility—in the form of: (i) junior replacement Liens on Term Loan Priority Collateral; (ii) a

junior Lien on the proceeds of Avoidance Actions under section 549 of the Bankruptcy Code and the Debtors' rights under section 506(c) of the Bankruptcy Code; (iii) a first priority Lien on assets of VEC; and (iv) a superpriority Administrative Claim against all the Debtors. The DIP Facility's extended maturity date is August 18, 2010.

## **2. Other Postpetition Financing**

On November 12, 2009, the Bankruptcy Court also approved Visteon's entry the U.S. Bank L/C Facility Documents with U.S. Bank National Association ("U.S. Bank") for an amount of \$40.0 million, which replaced the letter of credit facility under the ABL Facility [Docket No. 1296]. Visteon makes reimbursement payments on any payments made by U.S. Bank under the U.S. Bank L/C Facility Documents, plus certain agreed fees, and any unpaid obligations bear interest at a rate per annum equal to the Prime Rate plus 5.00%. Visteon granted U.S. Bank a security interest in certain collateral held in a segregated account under the U.S. Bank L/C Facility Documents. On November 12, 2009, the Bankruptcy Court also approved the Debtors' entry into various Currency Contracts.

Notwithstanding any provision in the Plan to the contrary or section 1141(c) of the Bankruptcy Code, the U.S. Bank L/C Facility Documents and the Currency Contracts, and all rights and obligations of, and Liens held by, the parties thereunder in connection therewith, shall survive and remain in full force and effect on and after the Effective Date in accordance with the terms of the U.S. Bank L/C Facility Documents and the Currency Contracts, respectively, and the Final Orders entered on November 12, 2009 [Docket Nos. 1296 and 1297]. On the Effective Date, any and all rights and obligations of the Debtors under the U.S. Bank L/C Facility Documents and the Currency Contracts shall vest in, or become the obligations of, the applicable Reorganized Debtors.

## **F. Addressing Legacy Liabilities**

In addition to restructuring their capital structure and operational footprint, the Debtors have also analyzed opportunities to reduce their legacy cost structure. As of the Petition Date, the Debtors had substantial liabilities associated with certain post-employment health care and life insurance benefits ("OPEB") provided to their retirees.

### **1. OPEB**

As of June 2009, the Debtors determined that their OPEB liability would be \$310.0 million by the end of 2009, with projected cash outlays of \$31.0 million in 2009 alone. On June 26, 2009, the Debtors filed a motion for authorization to terminate OPEB for approximately 6,650 retirees or employees and their spouses and dependents [Docket No. 432]. In the motion, the Debtors asserted that they had the unilateral right to terminate the benefits pursuant to relevant plan documents and CBAs. The IUE-CWA, UAW, and certain individual retirees filed objections to the Debtors' motion arguing that active employees and retirees have vested OPEB rights under the terms of the applicable plan documents and CBAs, and thus, the Debtors are not entitled to terminate their obligations to provide OPEB unless and until authorized to do so under section 1114 of the Bankruptcy Code. The Bankruptcy Court granted the OPEB motion on December 22, 2009 in all respects, except as the motion applied to (a)

former hourly employees at the North Penn plant who retired during the term of the North Penn CBA, dated April 2, 2005 and (b) current active hourly employees who will retire at the North Penn plant during the term of the North Penn CBA [Docket No. 1491]. On February 23, 2010, the Bankruptcy Court authorized entry into the North Penn closure agreement, which allowed the Debtors to eliminate OPEB for North Penn employees and retirees as early as May 31, 2010[Docket No. 2365].

The IUE-CWA appealed the Bankruptcy Court's order [Docket No. 1512] and filed a motion on February 26, 2010 seeking stay of the order pending such appeal [Docket No. 2407]. On March 16, 2010, the Bankruptcy Court heard testimony on the motion for a stay, and entered an order denying the stay motion on March 29, 2010 [Docket No. 2691]. The IUE-CWA appealed this denial to the District Court on March 18, 2010. The District Court entered an order denying the appeal, denying the motion for a permanent stay pending appeal, and granting a limited stay until April 30, 2010, requiring the Debtors to reimburse or pay the cost of OPEB for the IUE-CWA retirees not eligible for Medicare during April 2010. On April 1, 2010, the IUE-CWA filed a notice of appeal to the Third Circuit Court of Appeals, a motion to continue the stay beyond April 30, 2010 pending the resolution of the appeal, and a motion to expedite the appeal. The Third Circuit Court of Appeals denied the IUE-CWA's motion to continue the stay beyond April 30, 2010 and granted the motion to expedite the appeal. Oral argument on the IUE-CWA's motion is scheduled during the week of May 24, 2010.

## 2. Other Legacy Liabilities Related to the Ford Transactions

As a result of the historical transactions with Ford described in Article IV, the Debtors also have certain legacy liabilities relating to, among other things, retiree benefits, warranties, and indemnity obligations. For example, as part of the 2000 spin-off transaction, Ford and Visteon Corporation entered into that certain Employee Transition Agreement (the "Transition Agreement"), dated April 1, 2000, amended and restated as of December 19, 2003, to govern the assumption or transfer of certain employee and retiree benefits.

Under the Transition Agreement, Visteon Corporation is responsible for reimbursing Ford for certain OPEB and pension costs that Ford provides directly to retirees. With respect to pension obligations, Ford agreed to provide pension benefits for certain employees for such employees' service with Ford through June 1, 2000. Visteon Corporation is required to reimburse Ford for pension related amounts as follows: (a) the costs of benefit increases that occur after June 1, 2000, including changes in the benefit accrual rate, but not changes in the benefit accrual rate resulting from promotions by Visteon after June 1, 2000; (b) the effect on projected benefit obligation for any Visteon average merit salary increase which exceeds the average Ford merit increase by one-half percent in a given year, provided that Visteon shall receive credit if the Visteon average merit salary increase is less than the average Ford merit increase by one-half percent in any given year; and (c) for the effect on projected benefit obligation related to the employees covered by Ford's pension plans as a result of Visteon's implementation of any early separation incentive programs or reductions in force, provided that Visteon shall receive a credit if such programs reduce the projected benefit obligation. Pursuant to the Transition Agreement, Visteon Corporation also provides and funds pension benefits for another group of employees, including those whom Visteon Corporation leases to ACH under the Salaried Employee Lease Agreement and Hourly Employee Lease Agreement. Although

ACH pays Visteon Corporation for a portion of these benefits, as mentioned above, ACH's payment obligation is tied to Visteon Corporation's reported accounting expense and not the actual amount of cash funding contribution attributable to the employees assigned to ACH.

With respect to OPEB obligations, the Transition Agreement provides that Visteon Corporation shall pay the costs of OPEB provided to certain employees under Ford's OPEB plans. Quarterly OPEB reimbursements are determined based upon Ford's average per contract claims cost multiplied by the number of retirees that Visteon is required to reimburse Ford for each month. Visteon Corporation is also required to pre-fund a VEBA or other tax-advantaged funding vehicle beginning in 2011.

These reimbursement obligations result in a balance sheet liability of approximately \$116.0 million and annual cash payments to Ford of approximately \$10.0 million. The Debtors are currently negotiating for a termination of the Transition Agreement with Ford as part of their overall efforts to reduce legacy liabilities and restructure their relationship with Ford. The Debtors believe that any Claims asserted under the Transition Agreement will be significantly reduced or eliminated through the negotiated termination of the agreement.

#### **G. Analyzing Executory Contracts and Unexpired Leases**

The Bankruptcy Code authorizes a debtor, subject to the approval of the Bankruptcy Court, to assume and assign, or reject Executory Contracts and Unexpired Leases. In conjunction with their overall asset rationalization efforts, the Debtors have engaged in a comprehensive evaluation of their Executory Contracts and Unexpired Leases.

On July 16, 2009, the Debtors sought and received approval of streamlined procedures to reject Executory Contracts and Unexpired Leases that were unnecessary or burdensome to their Estates [Docket No. 596]. During the course of the Chapter 11 Cases, the Debtors and their Professionals have evaluated Executory Contracts and Unexpired Leases in the context of the Debtors' business plan. For each of these Executory Contracts and Unexpired Leases, the Debtors determined, based on the economics of the specific contract, whether the contract was a candidate for assumption, rejection, or amendment and assumption.

As of the Petition Date, the Debtors were party to 13 Unexpired Leases of non-residential real property. By order dated September 9, 2009 [Docket No. 944], the Bankruptcy Court extended the time within which the Debtors have to assume or reject Unexpired Leases of non-residential real property pursuant to section 365(d)(4) of the Bankruptcy Code through and including December 24, 2009.

#### **H. Employee Incentive, Severance, and Retention Programs**

##### **1. Visteon Incentive Program**

Prior to the Petition Date, the Debtors maintained, in the ordinary course of their business the Incentive Program, which is comprised of an annual incentive program and a long term incentive plan, under which the Debtors make awards based on annual performance metrics achieved over a three year performance period (the "Long Term Incentive Plan"). On June 30, 2009, the Debtors filed a motion requesting authority to honor certain components of the

Incentive Program and also implement an incentive plan designed to motivate certain key employees to achieve superlative results during the Chapter 11 Cases [Docket No. 451]. Certain parties filed written objections to the motion. In response, the Debtors adjourned the hearing on the motion and after significant negotiations with the various constituencies in the Chapter 11 Cases, the Debtors proposed an amended incentive program.

Under the amended incentive program, the Debtors sought to implement a key employee incentive plan (the “Key Employee Incentive Plan”) for the Debtors’ board-elected officers, and honor the Long Term Incentive Plan with respect to non-Insider employees. On October 7, 2009, the Bankruptcy Court approved the Long Term Incentive Plan, as proposed in the motion, but denied the Key Employee Incentive Plan. The Bankruptcy Court authorized the Debtors to pay approximately \$1.8 million for the achievement of the 2007 and 2008 metrics under the Long Term Incentive Plan and up to approximately \$1.5 million if the Debtors achieved a 21.9% reduction in administrative and engineering costs and obtain \$1.0 billion in new business wins and gross re-wins in 2009.<sup>36</sup> Achievement of these performance metrics has resulted in significant operational cost savings and increased earnings—both of which are key to the Debtors’ long-term vitality and ability to successfully emerge from chapter 11.

On February 2, 2010, the Debtors filed a motion to implement their ordinary course annual incentive plan (the “Annual Incentive Plan”) [Docket No. 1805]. The Annual Incentive Plan will provide incentive awards to over 1,300 employees, including the Debtors’ Insiders, in March of 2011 if a challenging adjusted EBITDA target of \$450.0 million is achieved in 2010. The United States Trustee, IUE-CWA, and UAW filed objections to the motion. On February 18, 2010, the Bankruptcy Court approved the motion over the objections of those parties and held that the Debtors’ Annual Incentive Plan is both ordinary course and primarily incentivizing [Docket No. 2349].

Pursuant to the Plan, the Reorganized Debtors intend to honor obligations under the Incentive Program, as amended, which includes the Long Term Incentive Plan and Annual Incentive Plan, as it applies to all participants, including Insiders, and the Key Employee Incentive Plan. The Incentive Program and Key Employee Incentive Plan shall be deemed approved and authorized without further action of the New Board. Also, on the Effective Date, Reorganized Visteon shall adopt, approve, and authorize change in control agreements with respect to certain of Reorganized Visteon’s officers, in the form contained in the Plan Supplement, without further action, order, or approval of the New Board.

## 2. Management Equity Incentive Program

Certain of the Debtors’ management employees will be entitled to participate in the Management Equity Incentive Program, designed to keep the Reorganized Debtors competitive in attracting and retaining talented and motivated employees upon their emergence from bankruptcy. The Management Equity Incentive Program shall have an aggregate share reserve of up to 10.0% of New Visteon Common Stock issued in accordance with the Plan, on a fully

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<sup>36</sup> The \$1.8 million payment relates to the achievement of: (a) six targeted restructuring goals in 2007 and seven targeted restructuring goals in 2008; (b) incremental consolidated new business wins totaling \$750.0 million in 2007; and (c) improvement in total administrative staff and engineering staff cost by 10.6% in 2008.

diluted basis. The Management Equity Incentive Program, as set forth in the Plan Supplement, shall be deemed approved and authorized without further action by the New Board.

Under the Rights Offering Sub Plan, restricted stock grants equal to 3.0% of the New Visteon Common Stock, on a fully-diluted basis, shall be granted to the Management Equity Incentive Program participants on the Effective Date. Future awards of the New Visteon Common Stock will be granted at such time(s) as the New Board shall determine. The initial grants under the Rights Offering Sub Plan shall vest as follows: (a) one-sixth on the Effective Date; (b) one-sixth upon the first anniversary of the Effective Date; (c) one-third upon the second anniversary of the Effective Date; and (d) one-third upon the third anniversary of the Effective Date.

Under the Claims Conversion Sub Plan, restricted stock grants equal to 2.5% of the New Visteon Common Stock, on a fully-diluted basis, shall be granted to the Management Equity Incentive Program participants on the Effective Date. Future awards of the New Visteon Common Stock will be granted at such time(s) as the New Board shall determine. The initial grants under the Claims Conversion Sub Plan shall vest as follows: (i) one-third upon the first anniversary of the Effective Date; (ii) one-third upon the second anniversary of the Effective Date; and (iii) one-third upon the third anniversary of the Effective Date.

Based on the Valuation Analysis, the initial restricted stock grants equal to 3.0% and 2.5% of New Visteon Common Stock under the Rights Offering Sub Plan and Claims Conversion Sub Plan, respectively, would be worth between \$42.15 million and \$48.00 million after the three-year vesting period. Under both the Rights Offering Sub Plan and Claims Conversion Sub Plan, approximately 22.0% of the initial restricted stock grant will be distributed to the Debtors' Chief Executive Officer, which would equate to an approximate value of \$9.273 million to \$10.560 million after the three year vesting period. The remaining New Visteon Common Stock that the New Board may allocate to the Management Equity Incentive Program in its discretion would be worth between \$98.35 million and \$144.00 million after the three-year vesting period. Aurelius Capital Master, Ltd., ACP Master, Ltd., and Aurelius Convergence Master, Ltd. (together, "Aurelius"), each of which are holders of Visteon Corporation's common stock, believe that the Distributable Equity Value of Reorganized Visteon is substantially higher than the Debtors' estimate of \$1.405 billion to \$1.920 billion and accordingly believe that the 10.0% of New Visteon Common Stock that could be issued under the Management Equity Incentive Program is worth substantially more than \$140.5 million to \$192.0 million, the value based on the Debtors' Valuation Analysis. The Debtors believe their Valuation Analysis is accurate, and reflects the value of the Management Equity Incentive Program, and dispute Aurelius' valuation conclusions.

### 3. Non-Insider Severance and Retention Programs

Prior to the Petition Date, the Debtors provided certain of their employees severance benefits under the Visteon Corporation Transition Program and the Visteon Executive Severance Plan. On July 28, 2009, the Bankruptcy Court authorized the Debtors (a) to provide severance benefits to full-time, salaried, non-Insider employees severed postpetition and (b) implement a non-Insider retention program ("Non-Insider Retention Program") [Docket No. 691]. The Non-Insider Retention Program, as approved, permits the Debtors to pay up to \$3.0 million to

certain critical employees identified by the Debtors' departmental managers for the significance of their contribution to the Debtors' ongoing operations and reorganization and/or the potential risk of such employees seeking alternative employment.

## **I. Analysis and Resolution of Claims**

The Debtors' Schedules provide information pertaining to the Claims against the Estates. On August 26, 2009, the Debtors filed their Schedules with the Bankruptcy Court. Interested parties may review the Schedules at the office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801 or online at <http://www.kccllc.net/visteon>.

### **1. Claims Bar Date**

On September 11, 2009, the Bankruptcy Court entered an order (the "Bar Date Order") [Docket No. 970] requiring all Entities holding or wishing to assert a Claim that arose or is deemed to have arisen prior to the Petition Date against any of the Debtors to submit a Proof of Claim so as to be actually received by KCC, the Debtors' Claims and Solicitation agent, before the applicable Bar Date, and approving the form and manner of the Bar Date notice for all Debtors. The Bar Date Order established: (a) October 15, 2009 at 5:00 p.m. prevailing Pacific Time as the deadline for submitting Proofs of Claims for non-governmental Entities and requests for payment under section 503(b)(9) of the Bankruptcy Code; (b) November 24, 2009 at 5:00 p.m. prevailing Pacific Time as the deadline for submitting Proofs of Claim for governmental Entities, (c) deadlines for filing Claims based on amendments or supplements to the Debtors' Schedules, and (d) deadlines for rejection damages Claims.

KCC had received approximately 3,900 Proofs of Claim in the approximate aggregate amount of \$7.9 billion (excluding Intercompany Claims). Based upon a general reconciliation of the Debtors' books and records, the Debtors believe that many of the filed Proofs of Claim are invalid, untimely, duplicative, or overstated, and, have therefore calculated the recoveries under the Plan with the assumption that such Claims will be expunged from the Claims Register.

### **2. Omnibus Claim Objections**

On February 18, 2010, the Bankruptcy Court approved the first and second omnibus claim objections filed by the Debtors [Docket Nos. 2266, 2367]. Through the first omnibus objection, the Debtors expunged duplicate Proofs of Claim totaling approximately \$12.7 million. Through the second omnibus objection, the Debtors expunged amended Proofs of Claim totaling approximately \$14.0 million.

On March 16, 2010, the Bankruptcy Court approved the Debtors' third and fourth omnibus claim objections [Docket Nos. 2558, 2576]. Through the third omnibus objection, the Debtors expunged duplicate, amended, and no documentation Proofs of Claim, and Proofs of Claim filed on account of equity interests totaling approximately \$31.5 million. Through the fourth omnibus objection the Debtors expunged duplicate Proofs of Claim totaling approximately \$50.0 million.



On April 13, 2010, the Court approved the Debtors' fifth and sixth omnibus Claim objections [Docket Nos. 2795, 2796]. Through the fifth omnibus objection, the Debtors expunged duplicate, amended, and no documentation Proofs of Claim, Proofs of Claim filed on account of equity interests, and Proofs of Claims filed against a non-Debtor entity totaling approximately \$3.8 million. Through the sixth omnibus Claim objection, the Debtors expunged duplicate Proofs of Claim and Proofs of Claims not based on any liability owed by the Debtors totaling approximately \$130.8 million.

On May 12, 2010, the Court approved the Debtors' seventh, eighth, ninth, and tenth omnibus Claim objections [Docket Nos. 3125, 3124, 3093, 3091]. Through the seventh omnibus objection, the Debtors seek to expunge duplicate Proofs of Claim totaling approximately \$7.2 million. Through the eighth omnibus Claim objection, the Debtors seek to reclassify Proofs of Claim to be asserted against the proper Debtor Entity. Through the ninth omnibus Claim objection, the Debtors seek to expunge amended Proofs of Claim and Proofs of Claim filed on account of equity interests totaling approximately \$7.0 million. Through the tenth omnibus Claim objection, the Debtors seek to reclassify the priority of Proofs of Claim improperly asserted as administrative, secured, or priority status to General Unsecured Claims.

### 3. De Minimis Settlement Procedures

On July 17, 2009, the Bankruptcy Court approved the Debtors' motion seeking approval of certain procedures for settling de minimis Claims [Docket No. 601]. Under the de minimis settlement procedures, the Debtors may settle Claims for \$0.5 million or less without further notice or order of the Bankruptcy Court, provided that the Debtors give the Creditors' Committee, and agent to the Term Loan Facility notice within seven Business Days of any Claim settled by one or more of the Debtors. For Claims settled for \$0.5 million to \$1.5 million the Debtors may settle the Claim only if ten days notice is given to the United States Trustee, Creditors' Committee, and agent to the Term Loan Facility and no objection is received from such parties within those ten days. If no objection is received, the Bankruptcy Court must approve the proposed settlement.

### 4. Settlements

During the pendency of the Chapter 11 Cases, the Debtors have resolved numerous disputes with Creditors through settlements. For instance, the Debtors have resolved each of the adversary complaints filed by or against them through a settlement agreement and have also obtained Bankruptcy Court approval to enter into various other settlements with Creditors during the Chapter 11 Cases. To date, three adversary complaints have been filed in the Chapter 11 Cases. The Debtors have resolved each of these adversary complaints through a consensual settlement agreement. First, on June, 29, 2009, Summit Polymers, Inc. filed an adversary proceeding against Visteon Corporation seeking a declaratory judgment that it was entitled to cash-in-advance payment terms as adequate assurance of the Debtors' future performance.<sup>37</sup> On September 2, 2009, Summit Polymers, Inc. withdrew its adversary proceeding. Second, on June, 29, 2009, Visteon Corporation filed an adversary case against Jabil Circuit, Inc. ("Jabil") seeking the turnover of certain specialized equipment and an injunction to compel Jabil to comply with

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<sup>37</sup> Summit Polymers, Inc. v. Visteon Corp., No. 09-51131 (Bankr. D. Del. June 29, 2009).

the automatic stay.<sup>38</sup> On October 13, 2009, the Debtors' adversary proceeding against Jabil was dismissed without prejudice following the Bankruptcy Court's approval of a modified supply agreement between the Debtors and Jabil. Lastly, on June 19, 2009, Calsonic Kansei North America ("Calsonic") filed an adversary case against Visteon Corporation, VC Regional Assembly & Manufacturing LLC, and GCM Visteon Automotive Systems seeking a declaratory judgment that it had a right to setoff certain amounts owed to Visteon Corporation against amounts that VC Regional Assembly & Manufacturing LLC and GCM Visteon Automotive Systems, LLC owed Calsonic.<sup>39</sup> On February 18, 2010, the Bankruptcy Court signed an order authorizing the Debtors to enter into a settlement agreement with Calsonic and dismissing the adversary proceeding [Docket No. 2361]. The settlement allowed Calsonic to execute certain setoffs and obligated the Debtors to pay Calsonic's 503(b)(9) Claim in exchange for Calsonic's agreement to assist the Debtors with the removal of certain tooling equipment.

The Debtors have also sought and received Bankruptcy Court approval for entry into numerous settlements pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure. For example, on February 18, 2010, the Bankruptcy Court approved a settlement between the Debtors and the Charter Township of Van Buren [Docket No. 2244]. Pursuant to this settlement, the Debtors will pay the township \$2.2 million in Cash and allow the township a General Unsecured Claim for approximately \$9.8 million. This settlement resolved a tax dispute based on the value of the Debtors' headquarters located in the township and prevented potentially protracted and costly litigation with an uncertain outcome. The Debtors expect significant tax benefits going-forward as a result of the settlement.

Also, on February 18, 2010, the Bankruptcy Court approved a settlement agreement between the Debtors and International Business Machines Corporation ("IBM") which provided for beneficial amendments to a ten year outsourcing agreement with IBM under which Visteon outsources most of its information technology needs 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 ("IBM Outsourcing Agreement") [Docket No. 2241]. Under the settlement agreement, the Debtors assumed the IBM Outsourcing Agreement and agreed to the payment of cure amounts totaling approximately \$11.0 million in connection therewith. The costs under the amended and assumed IBM Outsourcing Agreement are expected to aggregate approximately \$37.0 million during the remaining term of the agreement. Expenses incurred under the IBM Outsourcing Agreement were approximately \$80.0 million in 2009, \$100.0 million in 2008, and \$200.0 million in 2007. Thus, the settlement agreement significantly reduced the costs of the agreement going-forward and enhanced the value of the Debtors' Estates.

#### 5. UK Pension Claims

On March 31, 2009, Visteon UK Limited ("VUK"), a company organized under the laws of England and Wales and an indirect, wholly-owned non-Debtor subsidiary of Visteon Corporation, filed for administration under the United Kingdom Insolvency Act of 1986 with the High Court of Justice, Chancery division in London, England. The United Kingdom ("UK")

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38 Visteon Corp. v. Jabil Circuit, Inc., No. 09-51139 (Bankr. D. Del. June 29, 2009).

39 Calsonic Kansei North America v. Visteon Corp., No. 09-51069 (Bankr. D. Del. June 19, 2009).

administration was initiated in response to continuing operating losses of VUK, mounting labor costs, and the related demand on Visteon's cash flows. The effect of VUK's entry into administration was to place the management, affairs, business and property of VUK under the direct control of the certain individuals from KPMG LLP ("KPMG") as joint administrators of VUK.

VUK is the employer in respect of the VUK Pension Plan. As a result of VUK's administration and the VUK Pension Plan's funding liabilities, it is likely that the VUK Pension Plan will enter the Pension Protection Fund (a fund established pursuant to the UK Pensions Act 2004 to pay pension benefits to members of defined benefit pension plans, or "schemes," of employers in respect of which a "qualifying insolvency event" has occurred, as such term is defined in the UK Pensions Act 2004 (the "PPF"). The VUK Pension Plan is currently in a PPF assessment period to determine whether it is eligible to enter the PPF.

On October 15, 2009, the Visteon UK Pension Trustees Limited, in its capacity as trustee of the VUK Pension Plan and on behalf of the beneficiaries of the VUK Pension Plan, and the Board of the PPF, filed Proofs of Claim against each of the Debtors asserting contingent and unliquidated Claims pursuant to the UK Pensions Act 2004 and the UK Pensions Act 1995 for liabilities related to a funding deficiency of the VUK Pension Plan. The Proofs of Claim allege that the VUK Pension Plan had a funding deficiency of approximately \$555.0 million as of March 31, 2009.

On June 26, 2009, the UK Pensions Regulator advised KPMG, as administrators of VUK, that it was investigating whether there were grounds for regulatory intervention under section 38 (with respect to contribution notices)<sup>40</sup> and/or section 43 (with respect to financial support directions) of the UK Pensions Act 2004 in relation to the VUK Pension Plan. That investigation is ongoing.<sup>41</sup> The UK Pensions Regulator has also requested certain information from several Visteon entities, including certain Debtors, as part of this investigation. The Debtors have been cooperating with the UK Pensions Regulator and have provided the UK Pensions Regulator with responsive information. The Debtors do not believe that there are grounds which would justify the exercise of the UK Pensions Regulator's "moral hazard" powers with respect to the VUK Pension Plan. The Debtors therefore dispute that any basis exists for the UK Pensions Regulator to seek contribution or financial support from any of the affiliated Visteon Entities outside the UK with respect to these Claims.

Another non-Debtor wholly-owned subsidiary of VIHI located in the UK, Visteon Engineering Services Limited ("VES") sponsors the VES Pension Plan, a defined benefit plan, on account of which the plan's trustee—Visteon Engineering Services Pension Trustees Limited—submitted Proofs of Claim against each of the Debtors asserting contingent and unliquidated claims pursuant to the UK Pensions Act 2004 and the UK Pensions Act 1995 for

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40 A contribution notice is a notice requiring a person to pay into a pension plan an amount of up to the Section 75 Debt (defined below) due. The UK Pensions Regulator has the power to issue such a notice, under section 38 and 38A of the UK Pensions Act 2004, in certain defined situations, although in each case it is subject to a reasonableness test taking into account the factors set out in the statute.

41 As described below, the UK Pensions Regulator has certain statutory "moral hazard" powers to protect the benefits of members of work based pension plans, including by requiring a company to make payments to, or otherwise financially support, such plans.

liabilities related to an alleged funding deficiency of the VES Pension Plan.<sup>42</sup> As the plan sponsor of the VES Pension Plan, VES is obligated to provide pension benefits that had previously accrued to certain of its employees under the VUK Pension Plan. According to the Proofs of Claim filed on account of the VES Pension Plan, the UK Pensions Regulator has advised the trustee for the VES Pension Plan that it has begun investigating funding issues related to the VES Pension Plan. The Proofs of Claim allege that the VES Pension Plan had a funding deficiency of approximately \$118.1 million as of March 31, 2009. The Debtors do not believe that there are grounds which would justify the exercise of the UK Pensions Regulator's "moral hazard" powers with respect to the VES Pension Plan and the Debtors dispute that any basis exists for the UK Pensions Regulator to seek a contribution or financial support from any of the affiliated Visteon Entities outside the UK with respect to these Claims.

The financial support direction provisions of the UK Pensions Act 2004 may require a target company (for example, one of the Debtors) to arrange financial support for an underfunded UK defined benefit pension plan. The UK Pensions Regulator may issue a financial support direction to a target company if the following factors are met: (a) the target company is associated or connected with the employer; (b) the employer is insufficiently resourced or a service company; and (c) it is reasonable under the circumstances to issue a financial support direction. First, a target company may be associated or connected with the employer. In sum, under UK law a company is associated with another company if the same person has control of it, meaning: (i) that the company's directors follow his directions or instructions; or (ii) he can exercise or control one-third or more of the votes in any general meeting of that company or a controlling company. Because VUK and VES are wholly owned companies of VIHI, they likely would be deemed to be controlled by VIHI and Visteon Corporation. Second, an employer is considered to be insufficiently resourced if the value of the employer's resources is less than 50.0% of the amount due from an employer to the pension plans under Section 75 of the U.K. Pensions Act 1995 (the "Section 75 Debt") and an associated company (or more than one company) has resources that are greater than the difference between the employer company's resources and 50.0% of the Section 75 Debt. The Debtors continue to analyze whether VUK and VES were insufficiently resourced and reserve their rights on this issue. An employer is considered to be a "service company" if it is a company within the meaning of section 735(1) of the Companies Act 1985, it is a member of a group of companies, and its turnover is solely or principally derived from amounts charged for the provision of the services of its employees to other members of the group.<sup>43</sup>

With respect to the final prong, the Debtors do not believe the UK Pensions Regulator can satisfy the reasonableness test for issuing a financial support direction. Factors that the UK Pensions Regulator must consider in determining whether issuance of a financial support direction is reasonable include: (a) the relationship between the target company and the

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42 It should be noted that VES also maintains a defined contribution plan to provide benefits to employees for future services. Visteon Engineering Services Pension Trustees Limited has not made a Claim under the defined contribution plan.

43 If the UK Pensions Regulator thinks it appropriate to issue a financial support direction, it will issue a warning notice to all those parties it feels may be directly affected by it. The warning notice will subsequently be considered by the Determinations Panel, an independent panel of the UK Pensions Regulator, that will determine whether a financial support direction may be issued. If the Determinations Panel determines a financial support direction may be issued, the target has a 28 day period to appeal to the Pension Regulator Tribunal.

employer; (b) the value of any benefits received by the target company from the employer; (c) the target company's connection or involvement with the relevant pension plan, if any; and (d) the financial circumstances of the target company. The Debtors believe that each of these factors weigh against the issuance of a financial support direction and thus, the UK Pensions Regulator does not have legitimate grounds which would justify issuing a financial support direction.<sup>44</sup>

On April 9, 2010, the Debtors filed an objection to the Visteon UK Pension Trustees Limited's Proofs of Claim filed against the Debtors [Docket 2772]. The Creditors' Committee also filed an objection to the VUK pension Claims on May 5, 2010 [Docket No. 2997]. On May 11, 2010, the Visteon UK Pension Trustees Limited, the Creditors' Committee, and the Debtors entered in a stipulation whereby the Visteon UK Pension Trustees Limited agreed to withdraw all Claims asserted against the Debtors with prejudice [Docket No. 3078], which the Bankruptcy Court approved on May 12, 2010 [Docket No. 3089].

#### 6. Ford Investigation and the Creditors' Committee's 2004 Discovery Motions

The Debtors are in the process of analyzing the potential avoidance of prepetition transfers under sections 362, 510, 542, 543, 547, and 548 of the Bankruptcy Code. During the Chapter 11 Cases, the Creditors' Committee sought to prosecute certain Causes of Action against Ford as the ABL Lender on behalf of the Debtors' Estates, including seeking to avoid Ford's Liens and security interests in certain Estate property. See Motion of the Official Committee of Unsecured Creditors Requesting Authorization to Prosecute Certain Claims on Behalf of the Debtors' Estates [Docket No. 988]. Thereafter, the Creditors' Committee and Ford engaged in negotiations and the parties agreed that all Liens and security interests of Ford in certain property, including certain deposit accounts, motor vehicles, commercial tort claims and federally registered copyrights, were avoided under section 544 of the Bankruptcy Code. See Stipulation on Motion of the Official Committee of Unsecured Creditors Requesting Authorization to Prosecute Certain Claims on Behalf of the Debtors' Estates [Docket No. 1304].<sup>45</sup> Pursuant to section 551 of the Bankruptcy Code, this property is thus preserved for the benefit of the Debtors' Estates. Both parties reserved their rights with respect to Ford's security interests in certain tax refunds received by the Debtors.

In December, the Creditors' Committee filed several motions for leave to seek discovery pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure. In addition to seeking leave to take discovery from the Debtors, the Creditors' Committee also sought to take discovery from: (a) Ford, the Debtors' largest customer; (b) PricewaterhouseCoopers LLP, the Debtors' auditor; (c) Halla Korea, one of the Debtors' key Affiliates; and (d) Hyundai, another of the Debtors' largest customers [Docket Nos. 1459, 1465, 1503, 1517, 1522]. The Debtors worked cooperatively with the Creditors' Committee to satisfy the document production requests without need for Bankruptcy Court intervention.

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44 If the UK Pensions Regulator issues a financial support direction against one or more of the Visteon Entities and such financial support direction is not complied with, pursuant to section 47 of the UK Pensions Act 2004, the UK Pensions Regulator has the power, subject to a test of reasonableness, to issue a contribution notice for the target entity's failure to comply therewith.

45 Avoidance of the ABL Lenders' Liens and security interests in the deposit accounts are subject to the ABL Lender's right to prove that it had a perfected security interests in such accounts as of the Petition Date.

Ultimately, in connection with alternative plan structure negotiations with the Creditors' Committee that began in December, the Debtors were able to reach an agreement with the Creditors' Committee to twice continue the hearing on the Creditors' Committee's 2004 motions to conduct discovery of the Debtors and PricewaterhouseCoopers LLP to the omnibus hearing scheduled for February 18, 2010 and March 16, 2010, respectively [Docket Nos. 1635, 1915]. The Creditors' Committee also agreed to withdraw its 2004 motions to conduct discovery of Hyundai and Halla Korea without prejudice [Docket No. 1635].

In the Debtors' judgment, protracted litigation against Ford, PricewaterhouseCoopers LLP, Halla Korea, or Hyundai could delay or prevent the Debtors' emergence from bankruptcy and could put the Debtors' business plan at risk. The Plan includes a condition precedent for a resolution of matters relating to Ford. In the event of such resolution, the Debtors would anticipate providing Ford a release of liability pursuant to the Plan consistent with Federal Rule of Bankruptcy Procedure 9019.

#### 7. Maintaining Exclusive Right to File a Plan of Reorganization

Section 1121(b) of the Bankruptcy Code establishes an initial period of 120 days after the Bankruptcy Court enters an order for relief under chapter 11 of the Bankruptcy Code during which only the debtor may file a plan. Without further order of the Bankruptcy Court, the Debtors' initial exclusivity period to file a plan would have expired on September 25, 2009. By order dated October 8, 2009, the Bankruptcy Court extended the Debtors' exclusivity periods through and including December 10, 2009 (to file a plan) and through and including February 10, 2010 (to solicit acceptances) [Docket No. 1109]. The order authorizing these extensions reserved the Debtors' right to seek additional extensions of these exclusivity periods.

The Debtors filed a motion on December 9, 2009 requesting an additional extension of their exclusive right to file a plan of reorganization through and including February 18, 2010 [Docket No. 1431]. The scheduled hearing on this motion was set for January 21, 2010. On January 15, 2010, the Bankruptcy Court approved the *Stipulation Resolving the Debtors' Motion to Extend the Debtors' Exclusive Periods to File a Chapter 11 Plan and to Solicit Votes Thereon* [Docket No. 1634]. The stipulation between the Debtors and the Creditors' Committee extended the Debtors' exclusive periods to file a plan of reorganization through and including February 18, 2010, and correspondingly, to solicit votes for the plan through and including April 22, 2010, and required the Debtors to file a motion seeking a further extension of exclusivity by February 4, 2010. On February 8, 2010, the Bankruptcy Court approved another stipulation between the Debtors and Creditors' Committee extending the exclusive period for the Debtors to file a plan of reorganization to March 16, 2010 [Docket No. 1915].

On February 17, 2010, the Debtors filed their second motion to extend their exclusive periods [Docket No. 2133]. On March 16, 2010, the Bankruptcy Court approved the motion and extended the Debtors exclusive periods to file and solicit votes for their plan of reorganization to April 30, 2010 and July 30, 2010, respectively [Docket No. 2550].

On March 31, 2010, the Creditors' Committee filed a motion to prematurely terminate the Debtors' exclusive periods [Docket No. 2704], which was subsequently joined by three informal equity holder groups—the ad hoc equity committee, Aurelius, and an equity group led

by Cypress Management Master, L.P. [Docket Nos. 2846, 2870, and 2877]. The Creditors' Committee's motion asserted that terminating the Debtors' exclusivity would move the Chapter 11 Cases forward and allow the Creditors' Committee and/or the Note Holders to file an alternative plan of reorganization, which the Creditors' Committee believes is superior to the plan of reorganization filed by the Debtors on March 15, 2010. On April 7, 2010, the parties agreed to adjourn the Creditors' Committee motion to terminate exclusivity, along with the hearing on the first amended disclosure statement, in an effort to reach consensus on the terms of the current Plan. However, the Debtors agreed to treat the informal equity holder groups' joinders as separate motions to be heard at the May 12, 2010 omnibus hearing. On April 28, 2010, the Debtors filed a motion to extend their exclusive periods to file a plan of reorganization and solicit votes thereon to June 29, 2010 and August 28, 2010, respectively. The three informal equity groups filed objections to the motion [Docket Nos. 2993, 3000, and 3001]. On May 12, 2010, the Bankruptcy Court denied the informal equity groups' motions to terminate the Debtors' exclusive periods and granted the Debtors' motion to extend their exclusive periods [Docket No. 3088].

## **J. Negotiations Relating to the Development of the Plan**

### **1. The December 17, 2009 Plan of Reorganization**

On December 17, 2009, the Debtors filed the *Joint Plan of Reorganization of Visteon Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy Code* [Docket No. 1475]. Based on the valuation of the Debtors' Estates as of December 17, 2009 and the Term Loan Lenders' secured position in the Debtors' capital and corporate structure, the plan contemplated that the Term Loan Lenders would receive a 100% recovery on their Claims (approximately 96.2% of the equity in Reorganized Visteon) and that the PBGC would receive a 12.0% recovery on its Claims (approximately 3.8% of the equity in Reorganized Visteon). The plan was predicated on the termination of certain of the Debtors' Pension Plans in order to ensure the Term Loan Lenders would consent to equitization of their Secured Claims. As explained above, a substantial portion of the Debtors' enterprise value is attributable to their interests in certain non-Debtor foreign Affiliates, which flows upstream through the Foreign Stock Holding Companies, against which the Term Loan Lenders hold the only Secured Claims. The only other potential Claims against the Foreign Stock Holding Companies would have been the unsecured Claims the PBGC would hold upon termination of the Pension Plans as a result of section 4062(a) of ERISA. Thus, after satisfaction of the Term Loan Facility Claims from the assets of the Foreign Stock Holding Companies, the PBGC would have been entitled to receive any further distributions from the Foreign Stock Holding Companies' assets, including from the Foreign Stock Holding Companies' unencumbered equity interests in their foreign subsidiaries. The remaining assets of the Foreign Stock Holding Companies would not have fully satisfied the PBGC's Claims upon termination of the Pension Plans. Accordingly, the December 17, 2009 plan of reorganization provided for no recovery for holders of general unsecured Claims, including the Note Holders.

At the time of the December plan filing, the Debtors noted that they would be receptive to alternatives that would not result in Pension Plan termination to the extent those alternatives would not render the plan unconfirmable due to feasibility issues, lack of necessary creditor consent, or other factors. Given their debt capacity limitations, the Debtors made clear that

absent a substantial junior capital infusion, a plan could not be confirmed without the consent of the Term Loan Lenders, whose Claims would need to be equitized under the circumstances present at that time. As of December 17, 2009, no party had presented the Debtors with any letters of intent, commitment letters, term sheets, or illustrative proposals for a potential new junior capital infusion. And no junior Creditor constituent had agreed to become restricted by signing a non-disclosure agreement or conducted any due diligence other than through the advisors to the Creditors' Committee and the advisors to an ad hoc group of the Note Holders that formed in the autumn of 2009.

## 2. Post-December 17 Plan Proposals

After the filing of the December 17, 2009 plan, certain Note Holders and their advisors approached the Debtors regarding potential alternative plan proposals that would be more inclusive of unsecured Creditors. In particular, the prospect of no recovery for Note Holders, the freshening of the capital markets, the Debtors' operational success (notwithstanding the pendency of these chapter 11 cases), and signs of a potential rebound in the automotive sector precipitated major institutions, who hold substantial amounts of the Debtors' 7.00% Senior Notes, 8.25% Senior Notes, and 12.25% Senior Notes to reach out to the Debtors and the Creditors' Committee regarding the possibility of entering into a backstopped rights offering to raise junior capital. On January 15, 2010, the Debtors, Ford, as ABL Lender, the Term Loan Lenders, and the Creditors' Committee reached a "stand still" agreement to allow each of the parties the opportunity to explore whether alternative plan structures may be viable. On January 19, 2010, one of the Note Holders sent the Debtors a proposed plan and rights offering term sheet contemplating a fully backstopped \$900.0 million equity commitment. On January 26, 2010, the Debtors and that Note Holder executed a confidentiality agreement to allow the Note Holder to begin to conduct diligence in connection with its proposal.

On February 1, 2010, 30 of the Debtors' Note Holder (including the Note Holder that submitted the term sheets on January 19, 2010) putatively representing a majority in amount of the 7.00% Senior Notes Claims, 8.25% Senior Notes Claims, and 12.25% Senior Notes Claims submitted a plan term sheet premised on a backstopped \$950.0 million rights offering along with a signed, but highly conditional, equity commitment letter. On or around February 8, 2010, the Debtors and certain of the Note Holders that had expressed a willingness to backstop a right offering (the "Restricted Backstop Parties") completed several weeks of negotiations and executed confidentiality agreements to enable access to the comprehensive data room maintained by the Debtors. The Debtors' senior management team and their financial advisors have met with the Restricted Backstop Parties and their advisors on several occasions to, among other things, provide them with a comprehensive overview of the Debtors' business plan and facilitate their diligence efforts. While the Debtors fully engaged the Restricted Backstop Parties' diligence efforts for months, the Debtors questioned several potential shortcomings of the alternative plan proposal, including whether the funding would actually materialize, whether the alternative plan would over-leverage the Debtors and result in loss of customer business, whether reinstatement of any unpaid Term Loan Facility debt is legally feasible, and the desirability of the proposed transaction in light of the related costs, fees, and execution risks. Throughout discussions with the Restricted Backstop Parties, the Debtors continued to negotiate with the Term Loan Lenders over amendments to the December 17 plan that would, among other things,



provide for maintenance of the Debtors' Pension Plans and a significant recovery for unsecured Creditors.

### 3. March 15, 2010 Plan of Reorganization

Due to the conditionality of the Note Holder proposal and the Debtors' long stated intention to move these cases forward with a confirmable plan, on the March 15, 2010, the Debtors filed an amended plan supported by the Term Loan Lenders that would preserve the Debtors' Pension Plans and split the equity of Reorganized Visteon among the Term Loan Lenders, holders of the 7.00% Senior Notes, 8.25% Senior Notes, and 12.25% Senior Notes Claims, and other general unsecured creditors.<sup>46</sup> As explained in greater detail in Article VIII.D hereof, Rothschild, the Debtors' investment banker, updated the Valuation Analysis put forth in the December 17, 2009 plan to take into account, among other things, adjustment of the Debtors' business plan based on 2009 results, projected sales volumes and industry conditions going-forward, maintenance of the Debtors' Pension Plans, and stabilization of the credit markets. Taken together, these factors led to an increase in the distributable equity value of Reorganized Visteon and allowed for improved recoveries for all constituencies under the March 15 plan compared to those recoveries proposed in the Debtors' December 17 plan. Specifically, the Term Loan Lenders would have received their Pro Rata share of 85% of New Visteon Common Stock (a 100% recovery on their Claims); holders of the 12.25% Senior Notes, which are guaranteed by the Domestic Subsidiary Guarantees, would have received their Pro Rata share of approximately 6% of New Visteon Common Stock (a 50.0% recovery on their Claims). General unsecured trade creditors would have received Cash in an amount equal to their Pro Rata share of \$23.9 million (a 50.0% recovery on their Claims). All other unsecured Creditors would have received their Pro Rata share of approximately 9% of New Visteon Common Stock (a 20% recovery on their Claims).

### 4. Development and Negotiation of the Plan

The Debtors' negotiations with the Note Holders and the Creditors' Committee over alternative plan proposals continued after the filing of the March 15 plan. In mid-March the Debtors began to formulate the terms of the current Plan. The Debtors believe that the Plan's "toggle" feature will sufficiently insulate their Estates from certain risks that were associated with both the March 15 plan of reorganization and the rights offering plan structure presented by the Note Holders. The Debtors presented a term sheet of the Plan to counsel for: (a) the Creditors' Committee, (b) Term Loan Lenders, and (c) the Note Holders on March 31, 2010 and convened an in-person meeting with such parties on April 7, 2010 to discuss the terms of the Plan. Through ongoing negotiations since that date, the Debtors were able to finalize terms of the Plan that the Consenting Note Holders and the Creditors' Committee fully support. These parties have entered into the Plan Support Agreement (which shall become effective only upon the Bankruptcy Court's approval), pursuant to which the parties shall support the Plan in all aspects.

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<sup>46</sup> *First Amended Joint Plan of Visteon Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy Code* [Docket No. 2544].

## **K. Alternative Plan Proposals**

### **1. Proposals from the Term Loan Lenders**

The Debtors have received two proposals from the steering committee of the Term Loan Lenders. The first proposal, made by letter dated April 16, 2010, proposes that the Debtors confirm the Claims Conversion Sub Plan, modified to offer Eligible Holders of Allowed Senior Notes Claims the option to purchase their respective pro rata shares of the equity that would otherwise be distributed to the Term Loan Lenders. The fees payable to the Investors and certain financial advisors under the Equity Commitment Agreement would not be payable under this proposal and the Term Loan Lenders thus believe the proposal would result in significant fee reductions payable by the Debtors' Estates. A copy of the April 16, 2010 letter is attached to this Disclosure Statement as **Exhibit E**. The Debtors have rejected this proposal and believe the fees associated with the Rights Offering Sub Plan are appropriate given, among other things, the infusion of \$1.250 billion in new capital from the Rights Offering, whereas the Claims Conversion Sub Plan would not generate such capital.

The second proposal, made by letter dated May 7, 2010, proposed an alternative plan based on the Rights Offering Sub Plan, whereby the Term Loan Lenders would serve as direct investors and backstop parties for the Rights Offering, without the requirement of any fees, Debtor covenants, conditions for financing or credit approvals. Under this proposal, Allowed Senior Notes Claims would receive 15% of the Distributable Equity (subject to dilution as provided in the Plan), with the Rights Offering otherwise fully available to Eligible Holders of Allowed Senior Notes Claims as provided in the Rights Offering Sub Plan. A copy of the May 7, 2010 letter is attached to this Disclosure Statement as **Exhibit F**.

### **2. Proposal from Johnson Controls**

On May 7, 2010, the Debtors received an unsolicited preliminary proposal from Johnson Controls, Inc. ("**JCI**") to purchase certain assets associated with the Debtors' interiors and electronics business. On May 17, 2010, the Debtors sent a letter to JCI seeking additional information regarding the proposal. On May 20, 2010, JCI sent the Debtors a response that answered some of the Debtors' questions but still lacked certain essential information. The response did, however, make clear that JCI would not assume liabilities for employee pension benefits, OPEB, any long-term debt, or any liabilities or Claims that related to conduct or products of the business prior to the closing date of the sale. It is unclear at this point whether this proposal holds out any real prospect of enhancing the value of the Debtors' Estates. JCI is a direct competitor that stands to benefit by introducing delay and complexity at a critical point in the Debtors' reorganization process. The Debtors have had extensive and difficult experiences with JCI in prior transactions and accordingly are mindful that exploring a transaction of this size and scope late in these Chapter 11 Cases and at a critical juncture could distract the company from its primary objective of completing the ongoing reorganization process in a manner that enhances value for all of the Debtors' stakeholders. The Debtors anticipate continued discussions with JCI and to the extent the Debtors deem the proposal superior to the Plan, the Debtors may choose to pursue the proposal instead of moving toward Confirmation of the Plan pursuant to the fiduciary-out provisions of both the Plan Support Agreement and the Committee

Plan Support Agreement. Nevertheless, the Debtors will move toward Confirmation of the Plan during the course of further discussions with JCI and are confident that their customers and global joint venture partners will continue to support their reorganization process and goal of a near-term emergence through the Plan.

## **ARTICLE VI. PLAN SUMMARY**

### **A. Overview of Chapter 11**

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor can reorganize its business for the benefit of itself, its creditors, and interest holders. Chapter 11 also strives to promote equality of treatment for similarly situated creditors and similarly situated interest holders with respect to the distribution of a debtor's assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of a debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor-in-possession."

The consummation of a plan of reorganization is the principal objective of a chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against, and interests in, a debtor. Confirmation of a plan of reorganization makes the plan binding upon the debtor, any issuer of securities under the plan, any person or entity acquiring property under the plan, and any creditor of or equity holder in the debtor, whether or not such creditor or equity holder is impaired under or has accepted the plan, or receives or retains any property under the plan. Subject to certain limited exceptions, and except as otherwise provided in the plan or the confirmation order itself, a confirmation order discharges the debtor from any debt that arose prior to the date of confirmation of the Plan and substitutes for those debts the obligations specified under the confirmed plan.

A chapter 11 plan may specify that the legal, contractual, and equitable rights of the holders of claims or interests in certain classes are to remain unaltered by the reorganization effectuated by the plan. Such classes are referred to as "unimpaired" and, because of such favorable treatment, are presumed to accept the plan. Accordingly, a debtor need not solicit votes from the holders of claims or equity interests in such unimpaired classes. A chapter 11 plan also may specify that certain classes will not receive any distribution of property or retain any claim against a debtor. Such classes are deemed to reject the plan and, therefore, need not be solicited to vote to accept or reject the plan. Any classes that are receiving a distribution of property under the plan but are not "unimpaired" will be solicited to vote to accept or reject the plan.

Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall classify the claims of a debtor's creditors and equity interest holders. In compliance therewith, the Plan divides Claims and Interests into various Classes and sets forth the treatment for each Class. The Debtors believe that the Plan has classified all Claims and Interests in compliance with section

1122 of the Bankruptcy Code, but it is possible that a holder of a Claim or Interest may challenge the classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, the Debtors intend, to the extent permitted by the Bankruptcy Court and the Plan, to make such modifications of the classifications under the Plan to permit Confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the reconstituted Class or Classes of which the accepting holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

THE REMAINDER OF THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, THE PLAN SUPPLEMENT, AND THE EXHIBITS AND DEFINITIONS CONTAINED IN EACH DOCUMENT.

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN THE DOCUMENTS REFERRED TO IN THE PLAN. THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO IN THE PLAN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO IN THE PLAN.

THE PLAN ITSELF AND THE DOCUMENTS IN THE PLAN CONTROL THE ACTUAL TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN AND WILL, UPON THE OCCURRENCE OF THE EFFECTIVE DATE, BE BINDING UPON, AMONG OTHER ENTITIES, ALL HOLDERS OF CLAIMS AND INTERESTS, THE REORGANIZED DEBTORS, ALL ENTITIES RECEIVING PROPERTY UNDER THE PLAN, AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THE DISCLOSURE STATEMENT AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, THE TERMS OF THE PLAN AND SUCH OTHER OPERATIVE DOCUMENT SHALL CONTROL.

#### **B. Overall Structure of the Plan**

The Plan is comprised of two mutually exclusive sub plans—the Rights Offering Sub Plan and the Claims Conversion Sub Plan. Pursuant to the Plan Support Agreement, the Plan has the support of more than two-thirds in amount of the 12.25% Senior Note Claims and two-thirds in aggregate amount of the 7.00% Senior Notes Claims and 8.25% Senior Notes Claims. The Debtors have also executed the Committee Plan Support Agreement, pursuant to which the Creditors' Committee will support the Plan, except in certain limited circumstances. Following is a general description of each Sub Plan.

## 1. The Rights Offering Sub Plan

The Debtors will seek to consummate the Rights Offering Sub Plan in the event sufficient new capital is raised to satisfy the Term Loan Facility Claims in Cash in full, thus leaving the Term Loan Facility Claims Unimpaired. The Rights Offering Sub Plan contemplates the following sources of new capital to satisfy the Term Loan Facility Claims: (a) \$950.0 million through a Rights Offering of New Visteon Common Stock to the Eligible Holders through a private placement under section 4(2) of the Securities Act; (b) a \$300.0 million direct purchase commitment from the Investors; and (c) the Exit Financing Facility. The Equity Commitment Agreement entered into by the Debtors and Investors in connection with the Rights Offering Sub Plan provides that any shares of New Visteon Common Stock that are not purchased through the Rights Offering, or distributed to holders of the 12.25% Senior Notes Claims, as described below, shall be purchased by those Investors that are party to the Equity Commitment Agreement, subject to the conditions therein.

Under the Rights Offering Sub Plan, all Note Holders shall be entitled to receive a Pro Rata distribution of 5.0% of New Visteon Common Stock and all Eligible Holders shall be entitled to participate in a Rights Offering for the remaining 95.0% of New Visteon Common Stock.<sup>47</sup> Each Non-Eligible Holder, (i.e., a Note Holder not permitted to participate in a rights offering under section 4(2) of the Securities Act,) shall also receive the lesser of (i) its Pro Rata share of \$50.0 million in Cash or (ii) 40.0% of the amount of such holder's Allowed Claim in Cash, on account of the value of the Subscription Rights which such Non-Eligible Holder would have been entitled to had such Non-Eligible Holder been an Eligible Holder. Holders of the 12.25% Senior Notes Claims will receive additional consideration on account of the Domestic Subsidiary Guarantees in the form of their Pro Rata share of warrants to purchase New Visteon Common Stock on terms described in the Warrant Agreement attached as Exhibit B to the Plan. The Cash Recovery Backstop Investors shall fund the aggregate Cash Amount provided to Non-Eligible Holders and, therefore, such Cash distribution will have no impact on the Debtors' Cash availability.

Holders of General Unsecured Claims against VIHI will be paid in full in Cash, subject to a \$20.0 million cap, given VIHI's interest in valuable foreign stock holding companies and position in the Debtors' corporate structure, which makes direct Claims against VIHI structurally superior to other General Unsecured Claims.<sup>48</sup> Each remaining holder of a General Unsecured Claim will receive a Cash recovery equal to the lesser of (x) such holder's Pro Rata portion of \$141.0 million in Cash or (y) 50.0% recovery of the amount of such holder's Allowed Class H Claim. The Rights Offering Sub Plan also contemplates Reorganized Visteon's entry into a new \$300.0 million working capital facility, which is projected to be undrawn upon emergence from chapter 11.

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47 The 5.0% of New Visteon Common Stock distributed to the Note Holders shall be subject to dilution from the Management Equity Incentive Program and the 95.0% of New Visteon Common Stock offered through the Rights Offering shall be subject to dilution from the Guaranty Equity Amount and the Management Equity Incentive Program.

48 The Debtors estimate that there will be a total of \$3.4 million in Allowed General Unsecured Claims against VIHI. If however, Allowed General Unsecured Claims against VIHI exceed \$20.0 million, then holders of such Claims shall receive their Pro Rata share of \$20.0 million in Cash.

## 2. The Claims Conversion Sub Plan

The Plan shall “toggle” from the Rights Offering Sub Plan to the Claims Conversion Sub Plan in the event sufficient capital is not raised under the Rights Offering Sub Plan to satisfy the Term Loan Facility Claims in full in Cash. Under the Claims Conversion Sub Plan, Reorganized Visteon shall issue New Visteon Common Stock to the Term Loan Lenders and the Note Holders in the following percentages based on their relative priorities and positions in the Debtors’ capital structure: 84.9% to 86.2% to the holders of the Term Loan Facility Claims; 6.3% to 6.5% to the holders of the 12.25% Senior Notes Claims; and 7.5% to 8.6% to the holders of the 7.00% Senior Notes Claims and 8.25% Senior Notes Claims. Under the Claims Conversion Sub Plan, holders of General Unsecured Claims will receive the same recovery provided under the Rights Offering Sub Plan—i.e., the lesser of (a) such holder’s Pro Rata portion of \$141.0 million in Cash or (b) 50.0% recovery of the amount of such holder’s Allowed Class H Claim. General Unsecured Claims against VIHI also will be paid in Cash in full, subject to a \$20.0 million cap.

Under the Claims Conversion Sub Plan, holders of the Term Loan Facility Claims would receive the highest percentage of New Visteon Common Stock based on the first Lien they hold against the Debtors’ most valuable assets, including certain Debtor Foreign Stock Holding Companies and at least 65% of the Foreign Stock Holding Companies’ equity interests in their foreign subsidiaries. After the Term Loan Facility Claims are satisfied in full (including postpetition default interest and fees),<sup>49</sup> the Note Holders shall receive the remaining shares of New Visteon Common Stock. Holders of 12.25% Senior Notes Claims will receive a higher percentage of New Visteon Common Stock than holders of 7.00% Senior Notes Claims and 8.25% Senior Notes Claims on account of the Domestic Subsidiary Guarantees. The Claims Conversion Sub Plan contemplates Reorganized Visteon’s entry into a new \$150.0 million working capital facility, which is projected to be undrawn upon emergence from chapter 11.

The Term Loan Lenders believe the proposed agreements (i) contain no definitive date by which the new capital must be delivered, (ii) excuse the Investors from any liability for breach of their commitments, and (iii) would likely suspend confirmation in the event the Investors or Note Holders litigate regarding the toggle. The Debtors believe the Term Loan Lenders completely misinterpret the Equity Commitment Agreement and Plan Support Agreement and disagree with the Term Loan Lenders’ assertions.

## **C. Administrative and Priority Claims**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Claims, DIP Facility Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in Article VI.

### 1. Administrative Claims

Unless otherwise agreed to by the holder of an Allowed Administrative Claim and the Debtors or Reorganized Debtors, as applicable, each holder of an Allowed Administrative Claim (other than of a Professional Claim), including any Allowed Administrative Claim of the Notes

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<sup>49</sup> The estimated Allowed amount of the Term Loan Facility Claims is \$1.629 billion.

Trustee, will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim either: (1) on the Effective Date, as soon as practicable thereafter (2) if the Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter, or (3) if the Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date (including any reasonable fees and expenses as provided for in the Equity Commitment Agreement), pursuant to the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the holders of such Allowed Administrative Claims. For the avoidance of doubt, all reasonable fees and expenses of the Notes Trustee (and its counsel, agents, and advisors) that are provided for under the Notes Indentures shall be paid in full in Cash on the Effective Date, or as soon as practicable thereafter, without a reduction to the recoveries of applicable holders of Allowed Claims.

a. Final Fee Applications

All final requests for payment of Claims of a Professional shall be filed no later than 60 days after the Confirmation Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

b. Professional Fee Escrow Account

In accordance with Article VI.C.1.c hereof, on the Confirmation Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the aggregate Professional Fee Reserve Amount for all Professionals. The Professional Fee Escrow Account shall be maintained in trust for the Professionals. Such funds shall not be considered property of the estates of the Debtors or Reorganized Debtors, as applicable. The amount of Professional Claims owing to the Professionals shall be paid in Cash to such Professionals by the Reorganized Debtors from the Professional Fee Escrow Account when such Claims are Allowed by a Final Order. When all Professional Claims have been paid in full, amounts remaining in the Professional Fee Escrow Account, if any, shall revert to the Reorganized Debtors.

c. Professional Fee Reserve Amount

To receive payment for unbilled fees and expenses incurred through the Confirmation Date, the Professionals shall estimate their Professional Compensation prior to and as of the Confirmation Date and shall deliver such estimate to the Debtors no later than 10 days prior to the Confirmation Date, provided, however, that such estimate shall not be considered an admission with respect to the fees and expenses of such Professional. If a Professional does not provide an estimate, the Reorganized Debtors may estimate the unbilled fees and expenses of such Professional. The total amount so estimated as of the Confirmation Date shall comprise the Professional Fee Reserve Amount.

d. Post-Confirmation Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation and Consummation incurred by the Debtors or Reorganized Debtors, as applicable. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

2. DIP Facility Claims

Except to the extent that a holder of an Allowed DIP Facility Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed DIP Facility Claim, each such Allowed Claim shall be paid in full in Cash on the Effective Date, or as soon as practicable thereafter, provided such payments shall be distributed to the DIP Facility Administrative Agent on behalf of holders of such Allowed Claims.

3. Priority Tax Claims

Each holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive one of the following treatments on account of such Claim (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, (b) Cash in an amount agreed to by the Debtor or Reorganized Debtor, as applicable, and such holder, provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim to occur at a later date, or (c) at the option of the Debtors, Cash in the aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period not more than five years after the Petition Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

**D. Sub Plans**

The Plan contemplates Confirmation and Consummation through either of two mutually exclusive sub plans—the Rights Offering Sub Plan and Claims Conversion Sub Plan. Except as otherwise provided in Article VI.Q, to the extent that both the Rights Offering and the Exit Financing are consummated, the Debtors will proceed with Consummation of the Rights Offering Sub Plan. To the extent that either of the Rights Offering or the Exit Financing is not consummated, the Debtors will proceed with Confirmation and/or Consummation, as applicable, of the Claims Conversion Sub Plan, subject to the terms of the Plan Support Agreement.



## **E. Classification of Claims and Interests**

The Plan constitutes a separate plan of reorganization for each Debtor. Except for the Claims addressed in Article II, all Claims and Interests are classified in the Classes set forth below pursuant to section 1122 of the Bankruptcy Code. Classes of Claims and Interests shall be the same under each of the Rights Offering Sub Plan and the Claims Conversion Sub Plan, provided, certain Classes of Claims shall receive different treatment under the Rights Offering Sub Plan than under the Claims Conversion Sub Plan, as specified below. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, Professional Claims, DIP Facility Claims, and Priority Tax Claims. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

Below is a chart assigning each Class a letter for purposes of identifying each separate Class.

<b>Class</b>	<b>Claim or Interest</b>	<b>Status Under Rights Offering Sub Plan</b>	<b>Status Under Claims Conversion Sub Plan</b>	<b>Voting Rights</b>
A	ABL Claims	Unimpaired	Unimpaired	Conclusively Presumed to Accept
B	Secured Tax Claims	Unimpaired	Unimpaired	Conclusively Presumed to Accept
C	Other Secured Claims	Unimpaired	Unimpaired	Conclusively Presumed to Accept
D	Other Priority Claims	Unimpaired	Unimpaired	Conclusively Presumed to Accept
E	Term Loan Facility Claims	Unimpaired	Impaired	Entitled to Vote, but Conclusively Presumed to Accept Under the Rights Offering Sub Plan
F	7.00% Senior Notes Claims and 8.25% Senior Notes Claims	Impaired	Impaired	Entitled to Vote
G	12.25% Senior Notes Claims	Impaired	Impaired	Entitled to Vote
H	General Unsecured Claims	Impaired	Impaired	Entitled to Vote
I	Intercompany Claims	Unimpaired	Unimpaired	Conclusively Presumed to Accept
J	Interests in Visteon Corporation	Impaired	Impaired	Deemed to Reject
K	Intercompany Interests	Unimpaired	Unimpaired	Conclusively Presumed to Accept
L	Section 510(b) Claims	Impaired	Impaired	Deemed to Reject

**F. Treatment of Classes of Claims and Interests**

**1. Class A — ABL Claims**

- a. *Classification:* Class A consists of all ABL Claims.
- b. *Treatment:* Except to the extent that a holder of an Allowed Class A Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class A Claim, each such holder of an Allowed Class A Claim shall be paid in full in Cash on the Effective Date, or as soon as practicable thereafter.
- c. *Voting:* Class A is Unimpaired, and holders of Allowed Class A Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class A Claims are not entitled to vote to accept or reject the Plan.

**2. Class B — Secured Tax Claims**

- a. *Classification:* Class B consists of all Secured Tax Claims.
- b. *Treatment:* Except to the extent that a holder of an Allowed Class B Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class B Claim, each such holder of an Allowed Class B Claim shall receive, at the sole option of the Debtors or the Reorganized Debtors, as applicable:
  - (i) Cash on the Effective Date, or as soon as practicable thereafter, in an amount equal to such Allowed Class B Claim; or
  - (ii) commencing on the Effective Date and continuing over a period not exceeding five years from the Petition Date, equal semi-annual Cash payments in an aggregate amount equal to such Allowed Class B Claim, together with interest at the applicable non-default contract rate under non-bankruptcy law, subject to the sole option of the Debtors or the Reorganized Debtors to prepay the entire amount of such Allowed Claim; or
  - (iii) regular Cash payments in a manner not less favorable than the most favored non-priority unsecured Claim provided for by the Plan.
- c. *Voting:* Class B is Unimpaired, and holders of Allowed Class B Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class B Claims are not entitled to vote to accept or reject the Plan.

3. Class C — Other Secured Claims

- a. Class C consists of all Other Secured Claims.
- b. *Treatment:* Except to the extent that a holder of an Allowed Class C Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class C Claim, each such holder of an Allowed Class C Claim shall, at the sole option of the Debtors or the Reorganized Debtors, as applicable:
  - (i) have its Allowed Class C Claim reinstated and rendered Unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an Allowed Class C Claim to demand or receive payment of such Allowed Class C Claim prior to the stated maturity of such Allowed Class C Claim from and after the occurrence of a default; or
  - (ii) receive Cash in an amount equal to such Allowed Class C Claim, including any interest on such Allowed Class C Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, on the later of the Effective Date and the date such Allowed Class C Claim becomes an Allowed Class C Claim, or as soon as practicable thereafter; or
  - (iii) receive the collateral securing its Allowed Class C Claim and any interest on such Allowed Class C Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code.
- c. *Voting:* Class C is Unimpaired, and holders of Allowed Class C Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class C Claims are not entitled to vote to accept or reject the Plan.

4. Class D — Other Priority Claims

- a. *Classification:* Class D consists of all Other Priority Claims.
- b. *Treatment:* Except to the extent that a holder of an Allowed Class D Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class D Claim, each such holder of an Allowed Class D Claim shall be paid in full in Cash on the later of (i) the Effective Date, or as soon as practicable thereafter and (ii) the date such Class D Claim becomes Allowed, or as soon as practicable thereafter.

- c. *Voting*: Class D is Unimpaired, and holders of Allowed Class D Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class D Claims are not entitled to vote to accept or reject the Plan.
5. Class E — Term Loan Facility Claims
- a. *Classification*: Class E consists of the Term Loan Facility Claims.
- b. *Allowance*: On the Effective Date, the Term Loan Facility Claims shall be Allowed in the aggregate amount of \$1,629.34 million, measured as of June 29, 2010, plus, if applicable, any interest accrued on such Allowed Claims between June 30, 2010 and the Effective Date.
- c. *Treatment*: Holders of Allowed Class E Claim will receive the following treatment under the Rights Offering Sub Plan and the Claims Conversion Sub Plan, respectively:
- (i) *Rights Offering Sub Plan*: Except to the extent that a holder of an Allowed Class E Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class E Claim, each such holder of an Allowed Class E Claim shall be paid in full in Cash on the Effective Date, or as soon as practicable thereafter; or
- (ii) *Claims Conversion Sub Plan*: Except to the extent that a holder of Allowed Class E Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and Allowed Class E Claim, each such holder of an Allowed Class E Claim shall receive on the Effective Date, or as soon as practicable thereafter, its Pro Rata portion of [85.0]% of the Distributable Equity.
- Under either of the Rights Offering Sub Plan or the Claims Conversion Sub Plan, the consideration provided under this Article VI.F.2.b shall be the sole source of recovery for an Allowed Class E Claims, and holders of Class E Claims shall have no recourse against any non-Debtor Affiliates and shall have been deemed to waive any and all claims against any non-Debtor Affiliates.
- d. *Voting*: Holders of Allowed Class E Claims are entitled to vote to accept or reject the Plan, provided, however, that if the Debtors proceed to Confirmation with the Rights Offering Sub Plan such holders would be Unimpaired (and conclusively presumed to accept the Plan) in accordance with section 1124 of the Bankruptcy Code.

6. Class F — 7.00% Senior Notes Claims and 8.25% Senior Notes Claims

- a. *Classification*: Class F consists of the 7.00% Senior Notes Claims and the 8.25% Senior Notes Claims.
- b. *Allowance*: On the Effective Date, the 7.00% Senior Notes Claims shall be Allowed in the aggregate amount of \$456.82 million, and the 8.25% Senior Notes Claims shall be Allowed in the aggregate amount of \$211.41 million.
- c. *Treatment*: Holders of Allowed Class F Claims will receive the following treatment under the Rights Offering Sub Plan and the Claims Conversion Sub Plan, respectively:
  - (i) *Rights Offering Sub Plan—Non-Eligible Holders*: Except to the extent that a Non-Eligible Holder of an Allowed Class F Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every applicable Allowed Class F Claim, each such Non-Eligible Holder of an Allowed Class F Claim shall receive on the Effective Date, or as soon as practicable thereafter, (i) the Cash Amount and (ii) its Pro Rata Allocation of 5.0% of the Distributable Equity.
  - (ii) *Rights Offering Sub Plan—Eligible Holders*: Except to the extent that an Eligible Holder of an Allowed Class F Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every applicable Allowed Class F Claim, each such Eligible Holder of an Allowed Class F Claim shall receive its Pro Rata Allocation of: (A) the Subscription Rights and (B) on the Effective Date, or as soon as practicable thereafter, 5.0% of the Distributable Equity.
  - (iii) *Claims Conversion Sub Plan*: Except to the extent that a holder of an Allowed Class F Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class F Claim, each such holder of an Allowed Class F Claim shall receive on the Effective Date, or as soon as practicable thereafter, its Pro Rata portion of approximately 9.0% of the Distributable Equity.
- d. *Voting*: Class F is Impaired and holders of Allowed Class F Claims are entitled to vote to accept or reject the Plan.

7. Class G — 12.25% Senior Notes Claims

- a. *Classification*: Class G consists of the 12.25% Senior Notes Claims.

- b. *Allowance*: On the Effective Date, the 12.25% Senior Notes Claims shall be Allowed in the aggregate amount of \$202.36 million.
- c. *Treatment*: Holders of Allowed Class G Claims will receive the following treatment under the Rights Offering Sub Plan and the Claims Conversion Sub Plan, respectively:
- (i) *Rights Offering Sub Plan—Non-Eligible Holders*: Except to the extent that a Non-Eligible Holder of an Allowed Class G Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every applicable Allowed Class G Claim, each such Non-Eligible Holder of an Allowed Class G Claim shall receive on the Effective Date, or as soon as practicable thereafter:
    - (a) the Cash Amount;
    - (b) its Pro Rata Allocation of 5.0% of the Distributable Equity; and
    - (c) its Pro Rata portion of the Guaranty Equity Amount.
  - (ii) *Rights Offering Sub Plan—Eligible Holders*: Except to the extent that an Eligible Holder of an Allowed Class G Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every applicable Allowed Class G Claim, each such Eligible Holder of an Allowed Class G Claim shall receive:
    - (a) its Pro Rata Allocation of the Subscription Rights;
    - (b) on the Effective Date, or as soon as practicable thereafter, its Pro Rata Allocation of 5.0% of the Distributable Equity; and
    - (c) on the Effective Date, or as soon as practicable thereafter, its Pro Rata portion of the Guaranty Equity Amount, or, if such holder exercises its Guaranty Cash Recovery Option, the Guaranty Cash Amount.
  - (iii) *Claims Conversion Sub Plan*: Except to the extent that a holder of an Allowed Class G Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class G Claim, each such holder of an Allowed Class G Claim shall receive on the Effective Date, or as soon as practicable thereafter, its Pro Rata portion of 6.0% of the Distributable Equity.
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Under either of the Rights Offering Sub Plan or the Claims Conversion Sub Plan, the consideration provided under this Article VI.F.7.c shall be the sole source of recovery for the Allowed Class G Claims, and holders of Class G Claims shall have no recourse against any non-Debtor Affiliates and shall have been deemed to waive any and all claims against any non-Debtor Affiliates.

d. *Voting:* Class G is Impaired and holders of Allowed Class G Claim are entitled to vote to accept or reject the Plan.

8. Class H — General Unsecured Claims

a. *Classification:* Class H consists of all General Unsecured Claims.

b. *Treatment:* Except to the extent that a holder of an Allowed Class H Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class H Claim, each holder of an Allowed Class H Claim shall receive on the Effective Date, or as soon as practicable thereafter, Cash equal to (i) the lesser of (A) its Pro Rata portion of \$20.0 million or (B) 100% of the amount of such holder's Allowed Class H Claim, if such holder's Allowed Class H Claim is held against Visteon International Holdings, Inc. or (ii) if such holder's Allowed Class H Claim is held against any other Debtor, the lesser of (A) its Pro Rata portion of \$141.0 million or (B) 50% of the amount of such holder's Allowed Class H Claim.

c. *Voting:* Class H is Impaired and holders of Allowed Class H Claims are entitled to vote to accept or reject the Plan.

9. Class I — Intercompany Claims

a. *Classification:* Class I consists of all Intercompany Claims.

b. *Treatment:* Holders of Allowed Class I Claims shall not receive any distributions on account of such Allowed Class I Claims; provided, however, the Debtors reserve the right to reinstate any or all Allowed Class I Claims on or after the Effective Date (upon consultation with the Requisite Investors).<sup>50</sup>

c. *Voting:* Class I is Unimpaired, and holders of Allowed Class I Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class I Claims are not entitled to vote to accept or reject the Plan.

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50 Visteon to confirm.

10. Class J — Interests in Visteon Corporation

- a. *Classification:* Class J consists of all Interests in Visteon Corporation.
- b. *Treatment:* On the Effective Date, Allowed Class J Interests shall be deemed automatically cancelled without further action by the Debtors or Reorganized Debtors and the obligations of the Debtors and Reorganized Debtors thereunder shall be discharged.
- c. *Voting:* Class J is Impaired and holders of Allowed Class J Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Allowed Class J Interests are not entitled to vote to accept or reject the Plan.

11. Class K — Intercompany Interests

- a. *Classification:* Class K consists of all Intercompany Interests.
- b. *Treatment:* Holders of Allowed Class K Interests shall not receive any distributions on account of such Allowed Class K Interests; provided, however, the Debtors reserve the right to reinstate any or all Allowed Class K Interests on or after the Effective Date.
- c. *Voting:* Class K is Unimpaired, and holders of Allowed Class K Interests are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Class K Interests are not entitled to vote to accept or reject the Plan.

12. Class L — Section 510(b) Claims

- a. *Classification:* Class L consists of all Section 510(b) Claims.
- b. *Treatment:* Holders of Allowed Class L Claims shall not receive any distributions on account of such Allowed Class L Claims. On the Effective Date, all Class L Claims shall be discharged.
- c. *Voting:* Class L is Impaired and holders of Allowed Class L Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Allowed Class L Claims are not entitled to vote to accept or reject the Plan.

**G. Special Provision Governing Unimpaired Claims**

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.



## **H. Provisions for Implementation of the Plan**

### **1. General Settlement of Claims**

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan.

### **2. New Visteon Common Stock**

The issuance of the New Visteon Common Stock by Reorganized Visteon, including options for the purchase thereof or other equity awards, if any, providing for the issuance of New Visteon Common Stock, is authorized without the need for any further corporate action or without any further action by the Debtors or Reorganized Visteon, as applicable. Pursuant to the Plan, the Reorganized Visteon Charter shall authorize the issuance and distribution on or after the Effective Date of shares of New Visteon Common Stock to the Distribution Agent for the benefit of holders of Allowed Claims in each of Classes E, F, and G under the Claims Conversion Sub Plan, and Classes F and G under the Rights Offering Sub Plan (and as required to satisfy the Debtors' obligations under the Equity Commitment Agreement), subject, in either case, to dilution by the Management Equity Incentive Program and, if applicable, the Guaranty Equity Amount. All of the shares of New Visteon Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable.

### **3. Registration Exemptions**

The offering, issuance, and distribution of any Securities pursuant to the Plan and any and all settlement agreements incorporated therein will be exempt from the registration requirements of section 5 of the Securities Act pursuant to section 1145 of the Bankruptcy Code, section 4(2) of the Securities Act, or any other available exemption from registration under the Securities Act, as applicable. In addition, under section 1145 of the Bankruptcy Code, if applicable, any Securities issued pursuant to the Plan and any and all settlement agreements incorporated therein will be freely transferable under the Securities Act by the recipients thereof, subject to (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments, including restrictions contained in the Equity Commitment Agreement, and (b) the restrictions, if any, on the transferability of such Securities and instruments, including restrictions contained in the Equity Commitment Agreement, and (c) any other applicable regulatory approval.

Certain holders of New Visteon Common Stock pursuant to Article VI.F will be entitled to customary registration rights and shall be subject to customary transfer restrictions following a public offering of the New Visteon Common Stock, in accordance with the terms and conditions of a registration rights agreement by and among Reorganized Visteon and such holders. Under the Claims Conversion Sub Plan, Reorganized Visteon shall use its commercially reasonable

efforts to obtain approval of the New Visteon Common Stock for listing on the New York Stock Exchange as soon as reasonably practicable. Under the Rights Offering Sub Plan, Reorganized Visteon shall not, until the earlier of the date that (a) is the three month anniversary of the Effective Date and (b) the Securities and Exchange Commission declares effective a shelf registration statement in connection with the resale of New Visteon Common Stock, list such stock on the New York Stock Exchange, the Nasdaq Stock Market, or any other national securities exchange unless pursuant to a written request of the Requisite Investors, in which case Reorganized Visteon shall use commercially reasonable efforts to list and maintain the listing of the New Visteon Common Stock on the New York Stock Exchange, the Nasdaq Stock Market, or any other national stock exchange as requested by the Requisite Investors.

4. Subordination

The classification and treatment of all Claims and Interests under the Plan shall conform to and with the respective contractual, legal, and equitable subordination rights of such Claims and Interests, and any such rights shall be settled, compromised, and released pursuant to the Plan.

5. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

6. Cancellation of Notes, Instruments, Certificates and Other Documents

On the Effective Date, except to the extent otherwise provided, all notes, instruments, Certificates, and other documents evidencing Claims or Interests shall be cancelled and the obligations of the Debtors or Reorganized Debtors and the non-Debtor Affiliates thereunder or in any way related thereto shall be discharged; provided, however, that notwithstanding Confirmation or the occurrence of the Effective Date, any indenture or agreement that governs the rights of the holder of a Claim shall continue in effect solely for purposes of (a) allowing holders to receive distributions under the Plan, and (b) allowing and preserving the rights of the ABL Facility Administrative Agent, the DIP Facility Administrative Agent, the Term Loan Facility Administrative Agent, and the Notes Trustee, as applicable, to make distributions on account of Claims as provided in Article VI.M.

7. Issuance of New Securities; Execution of Plan Documents

Except as otherwise provided in the Plan or the Equity Commitment Agreement, the Reorganized Debtors shall issue on the Effective Date all Securities, notes, instruments, Certificates, and other documents required to be issued pursuant to the Plan.

8. Acquisition of Assets Held by Oasis Trust

On the Confirmation Date, Visteon Corporation shall exercise its option under that certain Master Lease, dated October 31, 2002, as amended, to acquire from Oasis Trust all of its rights, title, and interests in and to that property located at One Village Center Drive, Van Buren Township, Wayne County, Michigan 48111, in accordance with the terms of such agreement and the Plan, and free and clear of all Liens, Claims, charges, or other encumbrances and stamp tax, transfer tax, and similar taxes pursuant to sections 1123(a)(5)(D), 1141(c), and 1146(a) of the Bankruptcy Code.

9. Post-Confirmation Property Sales

To the extent the Debtors or Reorganized Debtors, as applicable, purchase or sell any property prior to or including the date that is one year after the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, may elect to purchase or sell such property pursuant to sections 363, 1123(a)(5)(D), 1141(c), and 1146(a) of the Bankruptcy Code.

10. Corporate Action

Each of the matters provided for by the Plan involving the corporate structure of the Debtors or corporate or related actions to be taken by or required of the Reorganized Debtors, whether taken prior to or as of the Effective Date, shall be authorized without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable. Such actions may include, (a) the adoption and filing of the Reorganized Visteon Charter and Reorganized Visteon Bylaws, (b) the appointment of the New Board, (c) the adoption and implementation of the Management Equity Incentive Program, (d) the authorization, issuance and distribution of the New Visteon Common Stock, including, if applicable, pursuant to the Rights Offering, and other Securities to be authorized, issued and distributed pursuant to the Plan, and (e) and consummation and implementation of the Exit Financing.

11. Certificate of Incorporation and Bylaws

The certificates of incorporation and bylaws (or other formation documents relating to limited liability companies, limited partnerships, or other forms of Entity) of the Debtors (other than Visteon Corporation) shall be amended in a form as may be required to be consistent with the provisions of the Plan, and the Bankruptcy Code. Under the Claims Conversion Sub Plan, the certificate of incorporation and bylaws of Visteon Corporation shall be amended as may be required to be consistent with the provisions of the Plan, and the Bankruptcy Code, and the form and substance of the Reorganized Visteon Charter and Reorganized Visteon Bylaws shall be included in the Plan Supplement. Under the Rights Offering Sub Plan, the certificate of incorporation and bylaws of Visteon Corporation shall be as set forth in the Reorganized Visteon Charter and Reorganized Visteon Bylaws. Under either the Claims Conversion Sub Plan or Rights Offering Sub Plan, the Reorganized Visteon Charter will among other things, (a) authorize the issuance of the shares of New Visteon Common Stock; and (b) pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting Equity Securities.

12. Effectuating Documents, Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan.

13. Section 1146(a) Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

14. Directors and Officers of Reorganized Visteon

On the Effective Date, the term of the current members of the board of directors of Visteon Corporation shall expire, and the New Board shall be appointed. The existing officers of Visteon Corporation shall serve in their current capacities in Reorganized Visteon. On and after the Effective Date, each director or officer of Reorganized Visteon shall serve pursuant to the terms of the Reorganized Visteon Charter, the Reorganized Visteon Bylaws, or other constituent documents, and applicable state corporation law; provided, under the Claims Conversion Sub Plan, subject to the Reorganized Visteon Bylaws relating to the filling of vacancies on the New Board, the members of the New Board as constituted on the Effective Date will continue to serve at least until the first annual meeting of stockholders after the Effective Date, which meeting shall not take place until at least 12 months after the Effective Date; provided further, under the Rights Offering Sub Plan, the members of the New Board as constituted on the Effective Date will continue to serve for a period after the Effective Date as set forth in the Board Selection Term Sheet.

15. Directors and Officers of Reorganized Debtors Other Than Visteon Corporation

Unless otherwise provided in the Debtors' disclosure pursuant to section 1129(a)(5) of the Bankruptcy Code, the officers and directors of each of the Debtors other than Visteon Corporation shall continue to serve in their current capacities after the Effective Date. The classification and composition of the boards of directors of the Reorganized Debtors other than Reorganized Visteon shall be consistent with their respective new certificates of incorporation and bylaws. Each such director or officer shall serve from and after the Effective Date pursuant to the terms of such new certificate of incorporation, bylaws, other constituent documents, and applicable state corporation law. In accordance with section 1129(a)(5) of the Bankruptcy Code,

the identities and affiliations of any Person proposed to serve as an officer or director of the Reorganized Debtors other than Reorganized Visteon shall have been disclosed at or before the Confirmation Hearing.

#### 16. Employee Benefits and Incentive Plans

Unless otherwise specified in this Article VI.H.16 and except in connection and not inconsistent with those employee benefit and incentive programs that shall be treated, without further action of the Reorganized Debtors or the New Board, as set forth in the “Management Equity Incentive Program Term Sheet” and the “Employee Benefit and Incentive Programs Term Sheet” attached to the Equity Commitment Agreement, on and after the Effective Date, subject to any Final Order, the Reorganized Debtors shall have the sole discretion to (a) amend, adopt, assume, and/or honor, in the ordinary course of business or as otherwise provided for herein, any contracts, agreements, policies, programs, including the Incentive Program, and plans for, among other things, compensation, pursuant to the terms thereof or hereof, including any incentive plan, as applicable, including health care benefits, disability benefits, deferred compensation benefits, savings, severance benefits, retirement benefits, welfare benefits, workers’ compensation benefits, life insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of any of the Debtors who served in such capacity from and after the Petition Date, and (b) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date.

As of the Effective Date, the Reorganized Debtors shall continue the Pension Plans in accordance with, and subject to, their terms, ERISA, and the Internal Revenue Code, and shall preserve all of their rights thereunder. All Proofs of Claim filed on account of Claims in connection with the termination of the Pension Plans shall be deemed disallowed and expunged as of the Effective Date without any further action of the Debtors or Reorganized Debtors and without any further action, order, or approval of the Bankruptcy Court. Notwithstanding anything to the contrary in Article VI.H.16, no provision in the Plan or the Confirmation Order, or proceeding within the Chapter 11 Cases, shall in any way be construed as discharging, releasing, or relieving the Debtors, the Reorganized Debtors, or any other party in any capacity, from any liability with respect to the Pension Plans under any law, governmental policy, or regulatory provision, including for breach of fiduciary duty.

On and after the Effective Date, and in accordance with applicable law and administrative requirements, the Reorganized Debtors shall have no liability for OPEB and shall have no obligation to provide or offer OPEB to their employees and retirees and their spouses, surviving spouses, dependents or other beneficiaries. The cessation shall be administered on a “claims incurred” basis, and the Reorganized Debtors shall retain responsibility for all claims incurred but either unfiled or unpaid as of the date of cessation of the OPEB.

#### 17. Employment Agreement & Change in Control Agreements

Reorganized Visteon shall be authorized to enter into that certain employment agreement with Donald J. Stebbins delivered by the Debtors to the Requisite Parties on the date of the filing of the Plan with the Bankruptcy Court, effective as of the Effective Date, without any further action, order, or approval of the New Board or the Bankruptcy Court, as applicable. Also, on the

Effective Date, Reorganized Visteon shall adopt, approve, and authorize change in control agreements with respect to certain of Reorganized Visteon's officers, in the form delivered by the Debtors to the Requisite Parties on the date of the filing of the Plan with the Bankruptcy Court, without further action, order, or approval of the New Board.

18. Intercompany Account Settlement

The Debtors and the Reorganized Debtors, and their respective Affiliates, will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and will not violate the terms of the Plan.

19. Preservation of Rights of Action

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain the foregoing Causes of Action notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

## 20. Restructuring Transactions

On or prior to the Effective Date, the Debtors or the Reorganized Debtors may enter into the following transactions and take any actions as may be necessary or appropriate to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Reorganized Debtors, as and to the extent provided therein, with the consent of the Requisite Parties. The Restructuring Transactions may include the VIHI Restructuring (to which the Requisite Investors shall be deemed to have consented by virtue of their execution of the Equity Commitment Agreement, but subject to the terms and conditions thereof), one or more inter-company mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, liquidations, or other corporate transactions as may be determined by the Debtors or the Reorganized Debtors, as applicable, to be necessary or appropriate. The actions to effect the Restructuring Transactions may include: (a) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and the Equity Commitment Agreement and that satisfy the requirements of applicable law and any other terms to which the relevant entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and the Equity Commitment Agreement and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; (d) pledging, granting of liens or security interests over, assuming or guarantying obligations or taking such similar actions as may be necessary to preserve the rights and collateral interests of the secured creditors of the Debtors and their subsidiaries at all times prior to the effectiveness and consummation of the Plan; and (e) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Restructuring Transactions.

## 21. Post-Effective Date Financing

Unless otherwise refinanced in connection with the Exit Financing, notwithstanding any provision in the Plan to the contrary or section 1141(c) of the Bankruptcy Code, the U.S. Bank L/C Facility Documents and the Currency Contracts, and all rights and obligations of, and Liens held by, the parties thereunder in connection therewith, shall survive and remain in full force and effect on and after the Effective Date in accordance with the terms of the U.S. Bank L/C Facility Documents and Currency Contracts, respectively, and the Final Orders entered on November 12, 2009 in connection therewith [Docket Nos. 1296 and 1297]. On the Effective Date, any and all rights and obligations of the Debtors under the U.S. Bank L/C Facility Documents and the Currency Contracts shall vest in, or become the obligations of, the applicable Reorganized Debtors.

## 22. Corporate Existence

Except as otherwise provided in the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and without any further notice to or action, order, or approval of the Bankruptcy Court or any other court of competent jurisdiction (other than any requisite filings required under applicable state, provincial, or federal law).

## 23. Tax Reporting Matters

All parties (including the Reorganized Debtors and holders of Claims and Interests) shall report for all federal income tax purposes in a manner consistent with the Plan.

## **I. Rights Offering**

### 1. Election Form

In accordance with the terms of the Rights Offering Procedures, the Debtors will deliver an Election Form to each holder of an Allowed Senior Notes Claim to determine which holders will be considered Eligible Holders and which holders will be considered Non-Eligible Holders. To determine that a holder is an Eligible Holder, such holder must, in accordance with the terms set forth in the Election Form, validly complete and return an Election Form by the Election Form Deadline certifying that such holder is an Accredited Investor. To determine that a holder is a Non-Eligible Holder, such holder must, in accordance with the terms set forth in the Election Form, validly complete and return an Election Form by the Election Form Deadline certifying that such holder is not an Accredited Investor. Only Eligible Holders shall be permitted to participate in the Rights Offering. Only Non-Eligible Holders shall be permitted to receive the Cash Amount.

### 2. Issuance of Subscription Rights

Each Eligible Holder shall receive Subscription Rights entitling such holder to purchase up to its Pro Rata Allocation of the Rights Offering Shares. Each Eligible Holder shall have the right, but not the obligation, to participate in the Rights Offering as set forth in the Plan and in the Rights Offering Procedures.

### 3. Oversubscription Rights

Each Eligible Holder that validly exercises in full its Subscription Rights shall be entitled to elect on the Subscription Form to purchase Rights Offering Shares not otherwise subscribed for pursuant to validly exercised Subscription Rights by indicating the number of such



unsubscribed shares such Eligible Holder desires to purchase, as set forth herein and in the Rights Offering Procedures, and subject to the terms of the Equity Commitment Agreement.

#### 4. Transfer Restriction

The Subscription Rights and the Oversubscription Rights are not transferable. Any attempted transfer is null and void and the Debtors will not treat any purported transferee as the holder of any Subscription Right or, if applicable, Oversubscription Right. The Subscription Rights and the Oversubscription Rights shall not be listed or quoted on any public or over-the-counter securities exchange or quotation system.

#### 5. Subscription Period and Mailing

The Rights Offering shall commence for each Eligible Holder upon its receipt of the Subscription Form and shall end on the Subscription Expiration Date, unless extended by Visteon Corporation with the reasonable consent of the Requisite Investors. As soon as practicable after the Election Form Deadline, Eligible Holders will be mailed Subscription Forms together with instructions for the proper completion, due execution, and timely delivery of such Subscription Forms, as well as instructions for payment.

#### 6. Exercise of Subscription Rights

Except as provided for in the Equity Commitment Agreement, each Eligible Holder may exercise all or any portion of such holder's Subscription Rights and, if applicable, Oversubscription Rights, pursuant to the Subscription Form. To exercise its Subscription Rights and, if applicable, Oversubscription Rights, an Eligible Holder must: (1) return a validly completed Subscription Form to the Rights Offering Agent so that such Subscription Form is actually received by the Rights Offering Agent on or before the Subscription Expiration Date and (2) pay to the Rights Offering Agent on or before the Subscription Expiration Date the Purchase Price multiplied by the number of shares of New Visteon Common Stock such Eligible Holder has elected to purchase pursuant to its Subscription Rights and its Oversubscription Rights, in accordance with the wire instructions set forth on the Subscription Form.

If the Rights Offering Agent for any reason does not receive on or prior to the Subscription Expiration Date both a validly completed Subscription Form and immediately available funds as set forth Article VI.I.6 from an Eligible Holder, such Eligible Holder shall be deemed to have relinquished and waived its right to participate in the Rights Offering. The Debtors shall not be obligated to honor any purported exercise of Subscription Rights or Oversubscription Rights received by the Rights Offering Agent after the Subscription Expiration Date regardless of when the documents relating to such exercise were sent. Once the Eligible Holder has validly exercised its Subscription Rights and, if applicable, Oversubscription Rights, such exercise will not be permitted to be revoked, rescinded, or modified.

The payments made in accordance with the Rights Offering shall be deposited and held by the Rights Offering Agent in an escrow account. The Rights Offering Agent will maintain such account for the purpose of holding the money for administration of the Rights Offering until the Effective Date or such other later date at the option of the Reorganized Debtors. The Rights Offering Agent shall not use such funds for any other purpose and shall not encumber or permit

such funds to be encumbered with any Lien or similar encumbrance. Such funds shall be held in such escrow account and disbursed only in accordance with the procedures described in this Article VI.I, the Rights Offering Procedures, and the Equity Commitment Agreement.

The Debtors may adopt such additional detailed procedures consistent with the provisions of this Article VI.I.6, the Rights Offering Procedures, and the Equity Commitment Agreement to more efficiently administer the exercise of the Subscription Rights, and, if applicable, Oversubscription Rights.

7. Direct Commitment

The Investors shall be obligated to consummate the Direct Commitment on the terms and subject to the conditions of the Equity Commitment Agreement.

8. Backstop Commitment

The Investors shall be obligated to consummate their Backstop Commitment with respect to unsubscribed Rights Offering Shares on the terms and subject to the conditions set forth in the Equity Commitment Agreement. The Investors shall for the benefit of Reorganized Visteon deliver to Visteon Corporation, in accordance with section 7.7 of the Equity Commitment Agreement, ten Business Days prior to the date scheduled for the Confirmation Hearing funding approval certificates.

9. Debtors' Obligations under the Claims Conversion Sub Plan

Notwithstanding any provision in the Plan, the Plan Support Agreement, the Equity Commitment Agreement, or the Rights Offering Procedures to the contrary, the Debtors shall not be obligated under the Claims Conversion Sub Plan to, and shall not, honor any purported exercise of Subscription Rights or Oversubscription Rights or the satisfaction of the Direct Commitment or Backstop Commitment.

10. Issuance of Rights Offering Shares

Under the Rights Offering Sub Plan, Rights Offering Shares purchased by Eligible Holders shall be issued on the Effective Date and distributed on the Effective Date or as soon as practicable thereafter.

If the number of Rights Offering Shares elected for purchase pursuant to Oversubscription Rights exceeds the number of unsubscribed Rights Offering Shares, then such unsubscribed Rights Offering Shares shall be apportioned to Eligible Holders that exercised such Oversubscription Rights (a) first, to the Lead Investors and their Related Purchasers and their respective affiliates, (b) second, to the Co-Investors and their Related Purchasers and their respective affiliates, and (c) last, if any unsubscribed Rights Offering Shares remain unallocated, to the other Eligible Holders exercising their Oversubscription Rights, in each case pro rata relative to the number of such shares each such Eligible Holder elected to purchase pursuant to its Oversubscription Rights and in accordance with section 2.2(e) of the Equity Commitment Agreement.

Any payment made by an Eligible Holder shall be refunded as soon as practicable (i) upon termination of the Equity Commitment Agreement, (ii) if such Eligible Holder has made an overpayment, in an amount equal to such overpayment, or (iii) under the Claims Conversion Sub Plan. Fractional shares of New Visteon Common Stock shall not be issued upon exercise of the Subscription Rights or Oversubscription Rights and no compensation shall be paid in respect of such fractional shares.

## **J. Entitlement to Funding of Cash Amount Recoveries**

### **1. Entitlement to Cash Amount Recoveries**

Under the Rights Offering Sub Plan, a Non-Eligible Holder shall be entitled to receive the Cash Amount only if such Non-Eligible Holder validly completes and returns an Election Form certifying that it is a Non-Eligible Holder in accordance with the terms set forth in the Election Form. If a Non-Eligible Holder does not duly satisfy such requirements, such holder shall be deemed to have relinquished and waived its right to receive the Cash Amount.

### **2. Source of Cash for Payment of the Cash Amount**

Each Cash Recovery Backstop Investor shall deliver to Visteon Corporation on the later of the date that is (a) ten Business Days prior to the date scheduled for the Confirmation Hearing and (b) five Business Days after delivery of the Purchase Notice a funding approval certificate from an officer or a duly authorized agent of such Cash Recovery Backstop Investor certifying that such Cash Recovery Backstop Investor's credit committee (or such similar governing entity that is responsible for approving such matters in accordance with such Cash Recovery Backstop Investor's normal operations) has approved, subject only to the terms and conditions of the Rights Offering Sub Plan in accordance with the Plan, the funding by such Cash Recovery Backstop Investor of its Distributable Commitment Percentage of (i) the aggregate Cash Amount, and (ii) the Purchase Price multiplied by the number of shares of New Visteon Common Stock constituting the Cash Recovery Subscription Equity. On the Effective Date, each Cash Recovery Backstop Investor shall pay the applicable amounts set forth in the immediately preceding sentence to Visteon Corporation by wire transfer of immediately available funds to an account designated by Visteon Corporation in writing not less than three Business Days prior to the Effective Date.

Notwithstanding any provision in the Plan, the Plan Support Agreement, or the Equity Commitment Agreement to the contrary, neither the Debtors nor the Cash Recovery Backstop Investors shall be obligated under the Claims Conversion Sub Plan to, and shall not, honor any purported entitlement to the Cash Amount.

### **3. Transfer of New Visteon Common Stock as a Consequence of Cash Amount Distributions**

Under the Rights Offering Sub Plan, the Distribution Agent shall on the Effective Date issue, and shall deliver, on the Effective Date, or as soon as practicable thereafter, to the Cash Recovery Backstop Investors pro rata relative to their Allotted Portions the Cash Recovery Subscription Equity.

## **K. Treatment of Executory Contracts and Unexpired Leases**

### **1. Rejection of Executory Contracts and Unexpired Leases**

Except as otherwise provided herein, each Executory Contract and Unexpired Lease shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless any such Executory Contract or Unexpired Lease: (1) is listed on the schedule of “Assumed Executory Contracts and Unexpired Leases” in the Plan Supplement; (2) has been previously assumed by the Debtors by Final Order or has been assumed by the Debtors by order of the Bankruptcy Court as of the Effective Date, which order becomes a Final Order after the Effective Date; (3) is the subject of a motion to assume or reject pending as of the Effective Date; (4) is an Intercompany Contract, unless such Intercompany Contract previously was rejected by the Debtors pursuant to a Final Order, is the subject of a motion to reject pending on the Effective Date, or is listed on the schedule of “Rejected Executory Contracts and Unexpired Leases” in the Plan Supplement; or (5) is otherwise assumed pursuant to the terms herein.

The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Counterparties to Executory Contracts or Unexpired Leases that are deemed rejected as of the Effective Date shall have the right to assert any Claim on account of the rejection of such Executory Contracts or Unexpired Leases, including under section 502(g) of the Bankruptcy Code, subject to compliance with the requirements herein.

Further, the Plan Supplement will contain a schedule of “Rejected Executory Contracts and Unexpired Leases;” provided, however, that any Executory Contract and Unexpired Lease not previously assumed, assumed and assigned, or rejected by an order of the Bankruptcy Court, and not listed in the schedule of “Rejected Executory Contracts and Unexpired Leases” will be rejected on the Effective Date, notwithstanding its exclusion from such schedule.

### **2. Assumption of Executory Contracts and Unexpired Leases**

On the Effective Date, the Reorganized Debtors shall assume all of the Executory Contracts and Unexpired Leases listed on the schedule of “Assumed Executory Contracts and Unexpired leases” in the Plan Supplement and otherwise identified for assumption pursuant to Article VI.J.1. With respect to each such Executory Contract and Unexpired Lease listed on the schedule of “Assumed Executory Contracts and Unexpired Leases” in the Plan Supplement, the Debtors shall have designated a proposed Cure, and the assumption of such Executory Contracts and Unexpired Leases may be conditioned upon the disposition of all issues with respect to such Cure. The Confirmation Order shall constitute an order of the Bankruptcy Court approving any such assumptions pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

### **3. Modifications, Amendments, Supplements, Restatements, or Other Agreements**

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities,

options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated hereunder.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

#### 4. Proofs of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed

Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including hereunder, except Proofs of Claim asserting Cures, pursuant to the order approving such assumption, including the Confirmation Order, shall be deemed disallowed and expunged from the Claims Register as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court.

#### 5. Indemnification Obligations

Each Indemnification Obligation shall be assumed by the applicable Debtor effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code, to the extent such Indemnification Obligation is executory, unless such Indemnification Obligation previously was rejected by the Debtors pursuant to a Bankruptcy Court order or is the subject of a motion to reject pending on the Effective Date. The Reorganized Debtors reserve the right to honor or reaffirm Indemnification Obligations other than those terminated by a prior or subsequent order of the Bankruptcy Court, whether or not executory, in which case such honoring or reaffirmation shall be in complete satisfaction, discharge, and release of any Claim on account of such Indemnification Obligation. Each Indemnification Obligation that is assumed, deemed assumed, honored, or reaffirmed shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose.

#### 6. Insurance Policies

Each insurance policy shall be assumed by the applicable Debtor effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code, to the extent such insurance policy is executory, unless such insurance policy previously was rejected by the Debtors pursuant to a Bankruptcy Court order, is the subject of a motion to reject pending on the Effective Date, or is included in the schedule of “Rejected Executory Contracts and Unexpired Leases” contained in the Plan Supplement.

#### 7. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

With respect to each of the Executory Contracts or Unexpired Leases listed on the schedule of “Assumed Executory Contracts and Unexpired Leases,” the Debtors shall have designated a proposed Cure, and the assumption of such Executory Contract or Unexpired Lease shall be conditioned upon the disposition of all issues with respect to Cure. Such Cure shall be satisfied by the Debtors or their assignee, if any, by payment of the Cure in Cash on the Effective

Date or as soon as reasonably practicable thereafter, or on such other terms as may be ordered by the Bankruptcy Court or agreed upon by the parties to the applicable Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court. Any provisions or terms of the Executory Contracts or Unexpired Leases to be assumed pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by Cure, or by an agreed-upon waiver of Cure.

Prior to the Confirmation Hearing, the Debtors shall file with the Bankruptcy Court and serve upon counterparties to such Executory Contracts and Unexpired Leases a notice of the proposed assumption that will (a) list the applicable Cure, if any, (b) describe the procedures for filing objections to the proposed assumption or Cure, and (c) explain the process by which related disputes will be resolved by the Bankruptcy Court. Except with respect to Executory Contracts and Unexpired Leases in which the Debtors and the applicable counterparties have stipulated in writing to payment of Cure, all requests for payment of Cure that differ from the amounts proposed by the Debtors must be filed with the Claims and Solicitation Agent on or before the Cure Bar Date. Any request for payment of Cure that is not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, and any Cure shall be deemed fully satisfied, released, and discharged upon payment by the Debtors of the amounts listed on the Debtors' proposed Cure schedule, notwithstanding anything included in the Schedules or in any Proof of Claim to the contrary; provided, however, that nothing shall prevent the Reorganized Debtors from paying any Cure despite the failure of the relevant counterparty to file such request for payment of such Cure. The Reorganized Debtors also may settle any Cure without any further notice to or action, order, or approval of the Bankruptcy Court.

If the Debtors or Reorganized Debtors, as applicable, object to any Cure or any other matter related to assumption, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. If there is a dispute regarding such Cure, the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assumption of any Executory Contract or Unexpired Lease and associated Cure will be deemed to have consented to such assumption and Cure. The Debtors or Reorganized Debtors, as applicable, reserve the right either to reject or nullify the assumption of any Executory Contract or Unexpired Lease after a Final Order determining the Cure or any request for adequate assurance of future performance required to assume such Executory Contract or Unexpired Lease is made.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Cures, Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any

assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

**8. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases**

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtors under such contracts or leases. In particular, notwithstanding any nonbankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Debtors or Reorganized Debtors, as applicable, from counterparties to rejected or repudiated Executory Contracts.

**9. Claims Based on Rejection of Executory Contracts or Unexpired Leases**

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Executory Contracts and Unexpired Leases pursuant to the Plan or otherwise must be filed with the Claims and Solicitation Agent no later than 30 days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the Executory Contracts or Unexpired Leases that are not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall be classified as Other General Unsecured Claims against the applicable Debtor counterparty thereto.

**10. Contracts, Intercompany Contracts, and Leases Entered Into After the Petition Date**

Contracts, Intercompany Contracts, and leases entered into after the Petition Date by any Debtor, and any Executory Contracts and Unexpired Leases assumed by any Debtor, may be performed by the applicable Reorganized Debtor in the ordinary course of business.

**11. Reservation of Rights**

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or Reorganized Debtors, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

## **L. Procedures for Resolving Disputed Claims and Interests**

### **1. Allowance of Claims and Interests**

After the Effective Date, each Reorganized Debtor shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately prior to the Effective Date, including the Causes of Action retained pursuant to Article VI.H.19, except with respect to any Claim deemed Allowed under the Plan. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed or the Bankruptcy Court has entered a Final Order, including the Confirmation Order, in the Chapter 11 Cases allowing such Claim. All settled claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court, pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties.

### **2. Claims and Interests Administration Responsibilities**

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors shall have the sole authority (a) to file, withdraw, or litigate to judgment, objections to Claims or Interests, (b) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, and (c) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

### **3. Estimation of Claims and Interests**

Before or after the Effective Date, the Debtors or Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim or disputed Interest that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

### **4. Expungement or Adjustment to Paid, Satisfied, or Superseded Claims and Interests**

Any Claim or Interest that has been paid, satisfied, or superseded, or any Claim or Interest that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtors without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.



#### 5. No Interest

Unless otherwise specifically provided for in the Plan, required under applicable bankruptcy law, or agreed to by the Debtors, the Confirmation Order, or a postpetition agreement in writing between the Debtors and a holder of a Claim, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

#### 6. Disallowance of Claims or Interests

**EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT ON OR BEFORE THE LATER OF (1) THE CONFIRMATION HEARING AND (2) 45 DAYS AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM.**

All Claims of any Entity from which property is sought by the Debtors under section 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if (a) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

#### 7. Amendments to Claims

On or after the Effective Date, except as otherwise provided herein, a Claim may not be filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such prior authorization is not received, any such new or amended Claim filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court.

#### 8. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is filed prior to the Effective Date, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof, as applicable, unless and until such Disputed Claim becomes an Allowed Claim.

#### 9. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions, if any, shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Distribution Agent shall provide to the holder of such Claim the distribution, if any, to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

#### **M. Provisions Governing Distributions**

##### 1. Distributions on Account of Claims Allowed as of the Effective Date

###### a. Delivery of Distributions in General

Except as otherwise provided in the Plan, a Final Order, or as otherwise agreed to by the relevant parties on the Distribution Date, the Distribution Agent shall make initial distributions under the Plan on account of Claims Allowed on or before the Effective Date, subject to the Reorganized Debtors' right to object to Claims; provided, however, that (i) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (ii) Allowed Priority Tax Claims and Allowed Secured Tax Claims shall be paid in full in Cash on the Distribution Date or in installment payments over a period not more than five years after the Petition Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim or Allowed Secured Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

###### b. Delivery of Distributions on Account of DIP Facility Claims

The DIP Facility Administrative Agent shall be deemed to be the holder of all DIP Facility Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such DIP Facility Claims to or on behalf of the DIP Facility Administrative Agent. The DIP Facility Administrative Agent shall hold or direct such distributions for the benefit of the holders of Allowed DIP Facility Claims, as applicable. The DIP Facility Administrative Agent shall arrange to deliver such distributions to or on behalf of such holders of Allowed DIP Facility Claims; provided, however, the DIP Facility Administrative Agent shall retain all rights as administrative agent under the DIP Facility Credit Agreement in connection with delivery of distributions to DIP Facility Lenders; and provided further, however, that the Debtors' obligations to make distributions in accordance with Article VI.C.2 shall be deemed satisfied upon delivery of distributions to the DIP Facility Administrative Agent.

c. Delivery of Distributions on Account of ABL Claims

The ABL Facility Administrative Agent shall be deemed to be the holder of the ABL Claim, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such Allowed ABL Claim to or on behalf of the ABL Facility Administrative Agent. The ABL Facility Administrative Agent shall hold or direct such distributions for the benefit of the holder of the Allowed ABL Claim, as applicable. The ABL Facility Administrative Agent shall arrange to deliver such distributions to or on behalf of the holder of the Allowed ABL Claim; provided, however, the ABL Facility Administrative Agent shall retain all rights as administrative agent under the ABL Facility Credit Agreement in connection with delivery of distributions to the ABL Lender; and provided further, however, that the Debtors' obligations to make distributions in accordance with Article VI.E shall be deemed satisfied upon delivery of distributions to the ABL Facility Administrative Agent.

d. Delivery of Distributions on Account of the Term Loan Facility Claims

The Term Loan Facility Administrative Agent shall be deemed to be the holder of the Term Loan Facility Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such Allowed Term Loan Facility Claims to or on behalf of the Term Loan Facility Administrative Agent. The Term Loan Facility Administrative Agent shall hold or direct such distributions for the benefit of the holders of the Allowed Term Loan Facility Claims, as applicable. The Term Loan Facility Administrative Agent shall arrange to deliver such distributions to or on behalf of the holders of the Allowed Term Loan Facility Claims; provided, however, the Term Loan Facility Administrative Agent shall retain all rights as administrative agent under the Term Loan Agreement in connection with delivery of distributions to the Term Loan Lenders; and provided further, however, that the Debtors' obligations to make distributions in accordance with Article VI.F.6 shall be deemed satisfied upon delivery of distributions to the Term Loan Facility Administrative Agent.

e. Delivery of Distributions on Account of the 7.00% Senior Notes Claims

The Notes Trustee shall be deemed to be the holder of the 7.00% Senior Notes Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such 7.00% Senior Notes Claims to or on behalf of the Notes Trustee. The Notes Trustee shall hold or direct such distributions for the benefit of the holders of the 7.00% Senior Notes Claims, as applicable. The Notes Trustee shall arrange to deliver such distributions to or on behalf of the holders of the 7.00% Senior Notes Claims; provided, however, the Notes Trustee shall retain all rights as indenture trustee under the Notes Indentures in connection with delivery of distributions to the holders of the 7.00% Senior Notes; and provided further, however, that the Debtors' obligations to make distributions in accordance with Article VI.F.6 shall be deemed satisfied upon delivery of distributions to the Notes Trustee.

f. Delivery of Distributions on Account of the 8.25% Senior Notes Claims

The Notes Trustee shall be deemed to be the holder of the 8.25% Senior Notes Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall

make all distributions on account of such 8.25% Senior Notes Claims to or on behalf of the Notes Trustee. The Notes Trustee shall hold or direct such distributions for the benefit of the holders of the 8.25% Senior Notes Claims, as applicable. The Notes Trustee shall arrange to deliver such distributions to or on behalf of the holders of the 8.25% Senior Notes Claims; provided, however, the Notes Trustee shall retain all rights as indenture trustee under the Notes Indentures in connection with delivery of distributions to the holders of the 8.25% Senior Notes; and provided further, however, that the Debtors' obligations to make distributions in accordance with Article VI.F.6 shall be deemed satisfied upon delivery of distributions to the Notes Trustee.

g. Delivery of Distributions on Account of the 12.25% Senior Notes Claims

The Notes Trustee shall be deemed to be the holder of the 12.25% Senior Notes Claims, as applicable, for purposes of distributions to be made hereunder, and the Distribution Agent shall make all distributions on account of such 12.25% Senior Notes Claims to or on behalf of the Notes Trustee. The Notes Trustee shall hold or direct such distributions for the benefit of the holders of the 12.25% Senior Notes Claims, as applicable. The Notes Trustee shall arrange to deliver such distributions to or on behalf of the holders of the 12.25% Senior Notes Claims; provided, however, the Notes Trustee shall retain all rights as indenture trustee under the Notes Indentures in connection with delivery of distributions to the holders of the 12.25% Senior Notes; and provided further, however, that the Debtors' obligations to make distributions in accordance with Article VI.F.7 shall be deemed satisfied upon delivery of distributions to the Notes Trustee.

h. Notes Trustee as Claim Holder

Consistent with Bankruptcy Rule 3003(c), the Reorganized Debtors shall recognize a Proof of Claim filed by the Notes Trustee in respect of the 7.00% Senior Notes Claims, 8.25% Senior Notes Claims, and 12.25% Senior Notes Claims. Accordingly, any Claim, proof of which is by the registered or beneficial holder of a Claim, may be disallowed as duplicative of a Claim of the Notes Trustee, without need for any further action or Bankruptcy Court order.

i. Withholding of Shares of New Visteon Common Stock.

**Notwithstanding anything in the Plan to the contrary, Reorganized Visteon shall hold any shares of New Visteon Common Stock to which a Contingent Holder would otherwise be entitled if it were not a Contingent Holder until such time that such holder provides the Distribution Agent written certification that such holder is not in violation of any laws or regulations of any Governmental Unit. Such Contingent Holder shall not be a shareholder of Reorganized Visteon and shall have no voting rights or other rights of a shareholder of Reorganized Visteon with respect to such withheld shares. As soon as reasonably practicable upon receipt by the Distribution Agent of a Contingent Holder's written certification that such holder is in compliance with the laws and regulations of the applicable Governmental Units, but not earlier than the Effective Date, Reorganized Visteon shall release such withheld shares of New Visteon Common Stock for distribution to the Contingent Holder. To the extent that a Contingent Holder fails to provide the Distribution Agent with such certification within 180 days of the Effective Date, Reorganized Visteon shall be permitted as agent for the Contingent Holder to market for**

sale that portion of the Allowed Claim underlying such Contingent Holder's withheld shares of New Visteon Common Stock. The proceeds of any such sale (minus any fees or expenses incurred by Reorganized Visteon in connection with such sale) shall be distributed to such Contingent Holder as soon as such sale can be facilitated, subject to applicable regulatory approval, if any. Under the Rights Offering Sub Plan, under no circumstance shall a Contingent Holder have a claim for the return of any funds paid in connection with the purchase of Rights Offering Shares, or, if applicable, be released from its obligations under the Equity Commitment Agreement, unless otherwise provided for therein, solely on account of such holder being a Contingent Holder.

2. Distributions on Account of Claims Allowed After the Effective Date

a. Payments and Distributions on Disputed Claims

Except as otherwise provided in the Plan, a Final Order, or as agreed to by the relevant parties, distributions under the Plan on account of Disputed Claims that become Allowed after the Effective Date shall be made on the Periodic Distribution Date that is at least 30 days after the Disputed Claim becomes an Allowed Claim; provided, however, that (i) Disputed Claims that are Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors on or before the Effective Date that become Allowed after the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice and (ii) Disputed Claims that are Priority Tax Claims or Secured Tax Claims that become Allowed Priority Tax Claims or Allowed Secured Tax Claims after the Effective Date shall be paid in full in Cash on the Periodic Distribution Date that is at least 30 days after the Disputed Claim becomes an Allowed Claim or over a five-year period as provided in section 1129(a)(9)(C) of the Bankruptcy Code with annual interest provided by applicable non-bankruptcy law.

b. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the relevant parties (i) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order and (ii) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order or the Claims have been Allowed or expunged. All distributions made pursuant to the Plan on account of a Disputed Claim that is deemed an Allowed Claim by the Bankruptcy Court shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the dates distributions were previously made to holders of Allowed Claims included in the applicable Class; provided, however, that no interest shall be paid on account to such Allowed Claims unless required under applicable bankruptcy law.

### 3. Delivery of Distributions

#### a. Record Date for Distributions

On the Distribution Record Date, the Claims Register shall be closed and the Distribution Agent shall be authorized and entitled to recognize only those record holders listed on the Claims Register as of the close of business on the Distribution Record Date. Notwithstanding the foregoing, if a Claim or Interest, other than one based on a publicly traded Certificate is transferred less than 20 days before the Distribution Record Date, the Distribution Agent shall make distributions to the transferee only to the extent practical and in any event only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

#### b. Distribution Process

The Distribution Agent shall make all distributions required under the Plan, except that distributions to holders of Allowed Claims governed by a separate agreement and administered by a Servicer shall be deposited with the appropriate Servicer, at which time such distributions shall be deemed complete, and the Servicer shall deliver such distributions in accordance with the Plan and the terms of the governing agreement. Except as otherwise provided in the Plan, and notwithstanding any authority to the contrary, distributions to holders of Allowed Claims shall be made to holders of record as of the Distribution Record Date by the Distribution Agent or a Servicer, as appropriate: (i) to the signatory set forth on any of the Proofs of Claim filed by such holder or other representative identified therein (or at the last known addresses of such holder if no Proof of Claim is filed or if the Debtors have been notified in writing of a change of address); (ii) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim; (iii) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004 if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address; (iv) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address; or (v) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. The Debtors, the Reorganized Debtors, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan.

#### c. Accrual of Dividends and Other Rights

For purposes of determining the accrual of dividends or other rights after the Effective Date, New Visteon Common Stock shall be deemed distributed as of the Effective Date regardless of the date on which it is actually issued, dated, authenticated, or distributed; provided however, the Reorganized Debtors shall not pay any such dividends or distribute such other rights, if any, until after distributions of New Visteon Common Stock actually take place.

#### d. Compliance Matters

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to

such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

e. Foreign Currency Exchange Rate

Except as otherwise provided in the Plan or a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate as of Thursday, May 28, 2009 as quoted at 4:00 p.m. (EDT), mid-range spot rate of exchange for the applicable currency as published in *The Wall Street Journal, National Edition*, on Friday, May 29, 2009.

f. Fractional, De Minimis, Undeliverable, and Unclaimed Distributions

(i) Fractional Distributions

Notwithstanding any other provision of the Plan to the contrary, payments of fractions of shares of New Visteon Common Stock shall not be made and shall be deemed to be zero, and the Distribution Agent shall not be required to make distributions or payments of fractions of dollars. Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

(ii) De Minimis Distributions

Neither the Distribution Agent nor any Servicer shall have any obligation to make a distribution on account of an Allowed Claim if (i) the aggregate amount of all distributions authorized to be made on the Periodic Distribution Date in question is or has an economic value less than \$250,000.00, or (ii) the amount to be distributed to the specific holder of an Allowed Claim on the particular Periodic Distribution Date does not constitute a final distribution to such holder.

(iii) Undeliverable Distributions

If any distribution to a holder of an Allowed Claim or Interest is returned to a Distribution Agent as undeliverable, no further distributions shall be made to such holder unless and until such Distribution Agent is notified in writing of such holder's then-current address, at which time all currently due missed distributions shall be made to such holder on the next Periodic Distribution Date. Undeliverable distributions shall remain in the possession of the Reorganized Debtors until such time as a distribution becomes deliverable, or such distribution reverts to the Reorganized Debtors or is cancelled pursuant to Article VI.M.3.f(iv), and shall not be supplemented with any interest, dividends, or other accruals of any kind.

(iv) Reversion

Any distribution under the Plan that is an Unclaimed Distribution for a period of six months after distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and such Unclaimed Distribution shall revert in the Reorganized Debtors and, to the extent such Unclaimed Distribution is New Visteon Common Stock, shall be deemed cancelled. Upon such reversion, the Claim of any holder or its successors with respect to such property shall be cancelled, discharged, and forever barred notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary. The provisions of the Plan regarding undeliverable distributions and Unclaimed Distributions shall apply with equal force to distributions that are issued by the Debtors, the Reorganized Debtors, or the Distribution Agent made pursuant to any indenture or Certificate (but only with respect to the initial distribution by the Servicer to holders that are entitled to be recognized under the relevant indenture or Certificate and not with respect to Entities to whom those recognized holders distribute), notwithstanding any provision in such indenture or Certificate to the contrary and notwithstanding any otherwise applicable federal or state escheat, abandoned, or unclaimed property law.

g. Surrender of Cancelled Instruments or Securities

On the Effective Date or as soon as reasonably practicable thereafter, each holder of a Certificate, except holders of Class I Claims, shall surrender such Certificate to the Distribution Agent or a Servicer (to the extent the relevant Claim is governed by an agreement and administered by a Servicer). Such Certificate shall be cancelled solely with respect to the Debtors, and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Certificate. No distribution of property pursuant to the Plan shall be made to or on behalf of any such holder unless and until such Certificate is received by the Distribution Agent or the Servicer or the unavailability of such Certificate is reasonably established to the satisfaction of the Distribution Agent or the Servicer pursuant to the provisions of Article VI.M.3.h. Any holder who fails to surrender or cause to be surrendered such Certificate or fails to execute and deliver an affidavit of loss and indemnity acceptable to the Distribution Agent or the Servicer prior to the first anniversary of the Effective Date, shall have its Claim discharged with no further action, be forever barred from asserting any such Claim against the relevant Reorganized Debtor or its property, be deemed to have forfeited all rights, and Claims with respect to such Certificate, and not participate in any distribution under the Plan; furthermore, all property with respect to such forfeited distributions, including any dividends or interest attributable thereto, shall revert to the Reorganized Debtors, notwithstanding any federal or state escheat, abandoned, or unclaimed property law to the contrary. Notwithstanding the foregoing paragraph, this Article VI.M.3.g shall not apply to any Claims reinstated pursuant to the terms of the Plan.

h. Lost, Stolen, Mutilated, or Destroyed Debt Securities

Any holder of Allowed Claims evidenced by a Certificate that has been lost, stolen, mutilated, or destroyed shall, in lieu of surrendering such Certificate, deliver to the Distribution Agent or Servicer, if applicable, an affidavit of loss acceptable to the Distribution Agent or Servicer setting forth the unavailability of the Certificate, and such additional indemnity as may



be required reasonably by the Distribution Agent or Servicer to hold the Distribution Agent or Servicer harmless from any damages, liabilities, or costs incurred in treating such holder as a holder of an Allowed Claim or Interest. Upon compliance with this procedure by a holder of an Allowed Claim evidenced by such a lost, stolen, mutilated, or destroyed Certificate, such holder shall, for all purposes pursuant to the Plan, be deemed to have surrendered such Certificate.

#### 4. Claims Paid or Payable by Third Parties

##### a. Claims Paid by Third Parties

The Claims and Solicitation Agent shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor, to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

##### b. Claims Payable by Insurance Carriers

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Claims and Solicitation Agent without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

##### c. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

#### 5. Setoffs

Except as otherwise expressly provided for in the Plan or in an Accommodation Agreement, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such

Allowed Claim), any Claims, rights, and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action that such Reorganized Debtor may possess against such holder. In no event shall any holder of Claims be entitled to set off any Claim against any Claim, right, or Cause of Action of the Debtor or Reorganized Debtor, as applicable, unless such holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 or otherwise.

**6. Allocation Between Principal and Accrued Interest**

Except as otherwise provided in the Plan, the aggregate consideration paid to holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to the interest, if any, accrued through the Effective Date.

**N. Effect of Confirmation of the Plan**

**1. Discharge of Claims and Termination of Interests**

Except with respect to Claims, if any, held by Investors arising under the Equity Commitment Agreement or as otherwise provided in the Plan and effective as of the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property, or Estates; (b) the Plan shall bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all Entities shall be precluded from asserting against the Debtors, the Debtors' Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

**2. Subordinated Claims**

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any

contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

### 3. Compromise and Settlement of Claims and Controversies

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan or any distribution to be made on account of an Allowed Claim or Interest, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that any such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against them and Causes of Action against other Entities.

### 4. Releases by the Debtors

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, their Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence, or as otherwise provided in the Plan.

#### 5. Releases by Holders of Claims and Interests

As of the Effective Date, the Releasing Parties are deemed to have released and discharged the Debtors, the Reorganized Debtors, their Estates, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Disclosure Statement, the Plan Supplement or Equity Commitment Agreement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any (a) post-Effective Date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (b) Claims held by Investors arising under the Equity Commitment Agreement. For the avoidance of doubt, nothing in this paragraph shall in any way affect the operation of Article VI.N.1, pursuant to section 1141(d) of the Bankruptcy Code.

#### 6. Exculpation

The Exculpated Parties shall neither have, nor incur any liability to any Entity for any Exculpated Claim; provided, however, that the foregoing "exculpation" shall have no effect on the liability of (a) any Entity that results from any such act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct or (b) any Debtor or Reorganized Debtor not exculpated pursuant to the Equity Commitment Agreement in connection with Claims arising under the Equity Commitment Agreement.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions of the New Visteon Common Stock pursuant to the Plan and, therefore, are not and shall not be liable at any time for the violations of any applicable, law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

#### 7. Injunction

**From and after the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner, any suit, action, or other proceeding, on account of or respecting any Claim, demand, Lien, liability, obligation, debt, right, Cause of Action, Interest, or remedy released or to be released, exculpated, or to be exculpated pursuant to the Plan or the Confirmation Order.**

#### 8. Protection Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom such Reorganized Debtors have been associated, solely because one of the Debtors has been a debtor under chapter 11, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtor is granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

#### 9. Indemnification

Except as otherwise provided in the Plan, all indemnification provisions currently in place (whether in the by-laws, certificates of incorporation, articles of limited partnership, board resolutions, contracts, or otherwise) for the directors, officers, employees, attorneys, other professionals, and agents of the Debtors that served in such capacity from and after the Petition Date and such directors' and officers' respective affiliates, shall be reinstated (or assumed, as the case may be), and shall survive effectiveness of the Plan.

#### 10. Recoupment

In no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

#### 11. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

## 12. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever disallowed notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Effective Date (a) such Claim has been adjudicated as noncontingent or (b) the relevant holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent.

## **O. Conditions Precedent to Consummation of the Plan**

### 1. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article VI.O.2 hereof:

- a. the Confirmation Order shall have become a Final Order in form and substance reasonably acceptable to the Debtors and the Requisite Parties;
- b. all guaranties (including by non-Debtors) in connection with obligations under the Term Loan Facility, and all other obligations being discharged under the Plan, shall have been released or otherwise addressed in a manner reasonably acceptable to the Debtors and the Requisite Parties, and all Liens or pledges securing obligations under the Term Loan Facility (or any guarantee thereof) shall have been released or otherwise addressed in a manner reasonably acceptable to the Debtors and the Requisite Parties;
- c. all actions, documents, Certificates, and agreements necessary to implement the Plan, shall have (a) all conditions precedent to such documents and agreements satisfied or waived pursuant to the terms of such documents or agreements, (b) been tendered for delivery, (c) to the extent required, been filed with and approved by any applicable Governmental Units in accordance with applicable laws, and (d) been effected or executed;
- d. all matters relating to Ford Motor Company have been resolved to the reasonable satisfaction of the Requisite Parties, provided, upon resolution of such matters, Ford Motor Company shall be released from liability in connection therewith pursuant to Bankruptcy Rule 9019;
- e. under the Rights Offering Sub Plan, all conditions to the effectiveness of the Equity Commitment Agreement shall have been satisfied or waived in accordance with the terms thereof; and
- f. under the Rights Offering Sub Plan, the Debtors shall have entered into the Exit Financing and drawn an amount thereunder as of the Effective

Date that together with the proceeds of the Rights Offering is sufficient to fund payment in full to holders of Allowed Term Loan Facility Claims pursuant to Article VI.F.5.c.

**2. Waiver of Conditions Precedent**

Subject to the terms of the Equity Commitment Agreement, the Debtors and the Requisite Parties may jointly waive any of the conditions to the Effective Date set forth in Article VI.O.1 at any time without any notice to other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm or consummate the Plan.

**3. Effect of Non-Occurrence of Conditions to Consummation**

If prior to Consummation, the Confirmation Order is vacated pursuant to a Final Order, then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, the Plan will be null and void in all respects, and nothing contained in the Plan or Disclosure Statement shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of any Debtor or any other Entity, or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity.

**P. Retention of Jurisdiction**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

- o allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;
- o decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;
- o resolve any matters related to Executory Contracts or Unexpired Leases, including: (1) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (2) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (3) the Reorganized Debtors' amendment, modification, or supplement, after the Effective Date, pursuant to 0, of the list of Executory Contracts and Unexpired Leases to be

assumed or rejected or otherwise; and (4) any dispute regarding whether a contract or lease is or was executory or expired;

- o ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;
- o adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;
- o adjudicate, decide, or resolve any and all matters related to Causes of Action;
- o adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
- o enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;
- o enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
- o grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;
- o resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;
- o enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of all contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases;
- o issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;
- o resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VI.N and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;
- o resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts



owed by the holder of a Claim for amounts not timely repaid pursuant to Article VI.M.3.b;

- o enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
- o determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;
- o enter an order or Final Decree concluding or closing the Chapter 11 Cases;
- o consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
- o determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;
- o hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;
- o hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- o hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;
- o hear and determine matters related to the Accommodation Agreements and related agreements;
- o enforce all orders previously entered by the Bankruptcy Court; and
- o hear any other matter not inconsistent with the Bankruptcy Code.

#### **Q. Miscellaneous Provisions**

##### **1. No Stay of Confirmation Order**

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rules 3020(e) and 7062.

## 2. Modification of Plan

Effective as of the date hereof and subject to the limitations and rights contained in the Plan (a) the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan before the entry of the Confirmation Order, subject to, and in accordance with, the terms of the Plan Support Agreement, (b) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as applicable, may, upon order of the Bankruptcy Court, amend or modify the Plan with the consent of the Requisite Parties, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan, and (c) the Debtors reserve the right to modify the Plan, subject to, and in accordance with, the terms of the Plan Support Agreement, to implement the sale of all or substantially all of the assets of the Debtors pursuant to sections 363 and 1123(a)(5)(D) of the Bankruptcy Code.

## 3. Revocation or Withdrawal of Plan

The Debtors reserve the right, subject to, and in accordance with, the terms of the Plan Support Agreement, to revoke or withdraw the Plan before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then (a) the Plan will be null and void in all respects, (b) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects, and (b) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims, Interests, or Causes of Action, (ii) prejudice in any manner the rights of any Debtor or any other Entity, or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity.

## 4. Confirmation of the Plan

The Debtors request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtors reserve the right to amend the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

## 5. Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, subject to, and in accordance with, the terms of the Plan Support Agreement. The Debtors or the Reorganized Debtors, as applicable, and all holders of Claims receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

#### 6. Payment of Statutory Fees

All fees payable pursuant to 28 U.S.C. §1930(a), as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

#### 7. Dissolution of Creditors' Committee

On the Confirmation Date, the Creditors' Committee shall dissolve automatically, and its members shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases; provided, however, that the Creditors' Committee shall be deemed to remain in existence solely with respect to applications filed pursuant to sections 330 and 331 of the Bankruptcy Code.

#### 8. Role of the Oversight Committee

The Oversight Committee shall have the right to monitor the manner and timing of the processing of the allowance and disallowance of Class H Claims and the manner and timing of distributions under the Plan to holders of Allowed Class H Claims, and to receive from the Reorganized Debtors upon reasonable request information, and be heard by the Bankruptcy Court, in connection with the foregoing. In addition, the Oversight Committee shall have the right to object and be heard by the Bankruptcy Court with respect to any reconciliation or resolution of any Disputed Claim that is a Class H Claim that has a face amount as filed of greater than or equal to \$2.0 million, provided such Claim is not a Trade Claim, subject to the Reorganized Debtors' business judgment to reconcile or resolve any such Claim. The Oversight Committee shall automatically dissolve following the reconciliation or resolution and final distribution under the Plan on account of all Class H Claims.

The Oversight Committee may retain only those advisors that are retained on terms that are reasonably acceptable to the Reorganized Debtors or authorized to be retained by further order of the Bankruptcy Court and the Reorganized Debtors shall compensate such advisors in the ordinary course of business for reasonable fees and expenses incurred in rendering services to the Oversight Committee in connection with its exercise of the objection rights contemplated in this Article VI.Q.8.

#### 9. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests prior to the Effective Date.

10. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

11. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall be served on:

**Debtors**

Visteon Corporation  
One Village Center Drive  
Van Buren Township, MI 48111  
Attn.: Michael K. Sharnas, Esq.

**Counsel to the Debtors**

Pachulski Stang Ziehl & Jones LLP  
919 North Market Street, 17th Floor  
Wilmington, DE 19899-8705  
Attn.: Laura Davis Jones, Esq.  
James E. O'Neill, Esq.  
Mark M. Billion, Esq.

Kirkland & Ellis LLP  
300 North LaSalle  
Chicago, IL 60654  
Attn.: James H. M. Sprayregen, P.C.  
James J. Mazza, Jr., Esq.  
Sienna R. Singer, Esq.

601 Lexington Avenue  
New York, NY 10022-4611  
Attn.: Marc Kieselstein, P.C.  
Brian S. Lennon, Esq.

**Counsel to the Investors**

White & Case LLP  
1155 Avenue of the Americas  
New York, NY 10036  
Attn.: Thomas E Lauria, Esq.  
Gerard Uzzi, Esq.  
Andrew C. Ambruoso, Esq.

Akin Gump Strauss Hauer & Feld LLP  
One Bryant Park  
New York, NY 10036  
Attn.: Michael Stamer, Esq.  
Arik Preis, Esq.

**Counsel to the Creditors' Committee**

Brown Rudnick LLP  
Seven Times Square  
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Attn.: Robert J. Stark, Esq.

Brown Rudnick LLP  
One Financial Center  
Boston, MA 02111  
Attn.: Jeremy B. Coffey, Esq.

**Counsel to the Term Loan Lenders**

Bingham McCutchen LLP  
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Attn.: Michael Reilly  
Amy Kyle

One State Street  
Hartford, CT 06103-3178  
Attn.: Peter H. Bruhn

Fox Rothschild LLP  
919 North Market Street, Suite 1600  
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Eric M. Suttty, Esq.  
John H. Strock, Esq.

Blank Rome LLP  
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Wilmington, DE 19801  
Attn.: Stanley Tarr, Esq.

Brown Rudnick LLP  
City Place I  
Hartford, CT 06103  
Attn.: Howard L. Siegel, Esq.

Ashby & Geddes, P.A.  
500 Delaware Avenue, 8th Floor  
Wilmington, DE 19801  
Attn.: William P. Bowden, Esq.  
Gregory A. Taylor, Esq.

**Counsel to DIP Facility Lenders**

Bingham McCutchen LLP  
One Federal Street  
Boston, MA 02110-1726  
Attn.: Michael Reilly  
Amy Kyle

One State Street  
Hartford, CT 06103-3178  
Attn.: Peter H. Bruhn

**United States Trustee**

Office of the United States Trustee  
for the District of Delaware  
844 King Street, Suite 2207  
Wilmington, DE 19801  
Attn.: Jane M. Leamy, Esq.

**Counsel to ABL Lender**

McGuireWoods LLP  
EQT plaza  
625 Liberty Avenue, 23rd Floor Pittsburgh,  
PA 15222-3142  
Attn.: Mark E. Freedlander

**12. Term of Injunctions or Stays**

**Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.**

**13. Entire Agreement**

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

Notwithstanding anything to the contrary in the Plan (including any amendments, supplements, or modifications to the Plan) or the Confirmation Order (and any amendments, supplements, or modifications thereto) or an affirmative vote to accept the Plan submitted by any Investor, nothing contained in the Plan (including any amendments, supplements, or modifications thereto) shall alter, amend, or modify the rights of the Investors under the Equity Commitment Agreement.

**14. Plan Supplement Exhibits**

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from <http://www.kccllc.net/Visteon> or the Bankruptcy Court's website at [www.deb.uscourts.gov](http://www.deb.uscourts.gov). Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control.

15. Severability

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is (a) valid and enforceable pursuant to its terms, (b) integral to the Plan and may not be deleted or modified without the Debtors' consent, and (c) nonseverable and mutually dependent.

**ARTICLE VII.  
SECURITIES LAW MATTERS**

**A. Securities Law Matters Under the Rights Offering Sub Plan**

Under the Rights Offering Sub Plan, (1) shares of New Visteon Common Stock issued in connection with the Pro Rata distribution of 5.0% of New Visteon common stock to all Note Holders ("Pro Rata Common Stock") and (2) warrants to purchase shares of New Visteon Common Stock issued to 12.25% Senior Notes Claims as consideration on account of the Domestic Subsidiary Guarantees ("Senior Note Common Stock") will, in each case, be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon the exemption set forth in section 1145(a)(1) of the Bankruptcy Code and may be resold by holders thereof without registration, unless the holder is an "underwriter" (as defined in section 1145(b)(1) of the Bankruptcy Code) with respect to such securities, subject to the terms thereof and applicable securities laws. Other than Pro Rata Common Stock and Senior Notes Common Stock, all shares of New Visteon Common Stock issued under the Rights Offering Plan ("Rights Offering Stock") will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon section 4(2) of the Securities Act or Regulation D promulgated thereunder. All shares of Rights Offering Stock issued pursuant to the exemption from registration set forth in section 4(2) of the Securities Act or Regulation D promulgated thereunder will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom.

**B. Securities Law Matters Under the Claims Conversion Sub Plan**

Under the Claims Conversion Sub Plan, all shares of New Visteon Common Stock issued in connection with the Claims Conversion Sub Plan ("Claims Conversion Common Stock") will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon the exemption set forth in section 1145(a)(1) of the Bankruptcy Code and may be resold by holders thereof without registration, unless the holder is an "underwriter" (as defined in section 1145(b)(1) of the Bankruptcy Code) with respect to such securities, subject to

the terms thereof and applicable securities laws. Pro Rata Common Stock, Senior Notes Common Stock and Claims Conversion Common Stock, together, are referred to herein as “1145 Securities”.

### **C. Section 1145 of the Bankruptcy Code**

Section 1145(c) of the Bankruptcy Code provides that securities issued pursuant to a registration exemption under section 1145(a)(1) of the Bankruptcy Code are deemed to have been issued pursuant to a public offering. Therefore, the securities issued pursuant to the section 1145 exemption may generally be resold by any holder thereof without registration under the Securities Act pursuant to the exemption provided by section 4(1) thereof, unless the holder is an “underwriter” with respect to such securities, as such term is defined in section 1145(b)(1) of the Bankruptcy Code. In addition, such securities generally may be resold by the recipients thereof without registration under state securities or “blue sky” laws pursuant to various exemptions provided by the respective laws of the individual states. However, recipients of securities issued under the Plan are advised to consult with their own counsel as to the availability of any such exemption from registration under federal securities laws and any relevant state securities laws in any given instance and as to any applicable requirements or conditions to the availability thereof.

Section 1145(b)(1) of the Bankruptcy Code defines an “underwriter” for purposes of the Securities Act as one who, subject to certain exceptions, (1) purchases a claim with a view to distribution of any security to be received in exchange for such claim, or (2) offers to sell securities offered or sold under the plan for the holders of such securities, or (3) offers to buy securities issued under the plan from the holders of such securities, if the offer to buy is made with a view to distribution of such securities, and if such offer is under an agreement made in connection with the plan, with the consummation of the plan or with the offer or sale of securities under the plan, or (4) is an issuer, as used in section 2(a)(11) of the Securities Act, with respect to such securities.

The term “issuer,” as used in section 2(a)(11) of the Securities Act, includes any person directly or indirectly controlling or controlled by, an issuer of securities, or any person under direct or indirect common control with such issuer. “Control” (as defined in Rule 405 under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a debtor or its successor under a plan of reorganization may be deemed to be “in control” of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor’s or its successor’s voting securities. Moreover, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns at least ten percent (10%) of the voting securities of a reorganized debtor may be presumed to be a “control person.”

To the extent that persons deemed “underwriters” receive securities under the Plan pursuant to the exemption from registration set forth in section 1145 of the Bankruptcy Code, resales of such securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Holders of such securities may, however, be able, at a future time and under certain conditions described below, to sell such



securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act.

#### **D. Section 4(2) of the Securities Act/Regulation D**

Section 4(2) of the Securities Act provides that the issuance of securities by an issuer in transactions not involving any public offering will be exempt from registration under the Securities Act. Regulation D is a non-exclusive safe harbor promulgated by the United States Securities and Exchange Commission under the Securities Act.

The term “issuer,” as used in section 4(2) of the Securities Act, means, among other things, a person who issues or proposes to issue any security. Securities issued pursuant to the exemption provided by section 4(2) of the Securities Act or Regulation D promulgated thereunder are considered “restricted securities.” As a result, resales of such securities may not be exempt from the registration requirements of the Securities Act or other applicable law. Holders of such restricted securities may, however, be able, under certain conditions described below, to sell such restricted securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act.

#### **E. Resales of New Common Stock/Rule 144 and Rule 144A**

To the extent that persons who receive 1145 Securities are deemed to be “underwriters” (collectively, the “Restricted Holders”), resales of such securities by Restricted Holders would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Restricted Holders would, however, be permitted to sell New Common Stock without registration if they are able to comply with the applicable provisions of Rule 144 under the Securities Act, as described further below, or if such securities are registered with the Securities and Exchange Commission. Any person who is an “underwriter” but not an “issuer” with respect to an issue of securities (other than a holder of restricted securities) is, in addition, entitled to engage in exempt “ordinary trading transactions” within the meaning of section 1145(b)(1) of the Bankruptcy Code.

Persons who purchase Rights Offering Stock pursuant to the exemption from registration set forth in section 4(2) of the Securities Act or Regulation D promulgated thereunder will hold “restricted securities.” Resales of such restricted securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Holders of restricted securities would, however, be permitted to resell New Visteon Common Stock without registration if they are able to comply with the applicable provisions of Rule 144 or Rule 144A under the Securities Act, as described further below, or if such securities are registered with the Securities and Exchange Commission.

Under certain circumstances, Restricted Holders and holders of restricted securities may be entitled to resell their securities pursuant to the limited safe harbor resale provisions of Rule 144. Generally, Rule 144 provides that if certain conditions are met (e.g., that the availability of current public information with respect to the issuer, volume limitations, and notice and manner of sale requirements), specified persons who resell restricted securities or who resell securities which are not restricted but who are “affiliates” of the issuer of the securities sought to be resold,

will not be deemed to be “underwriters” as defined in section 2(a)(11) of the Securities Act. Rule 144 provides that: (1) a non-affiliate who has not been an affiliate during the preceding three months may resell restricted after a six-month holding period if at the time of the sale there is current public information regarding the issuer and after a one year holding period if there is not current public information regarding the issuer at the time of the sale; and (2) an affiliate may sell restricted or other securities after a six-month holding period if at the time of the sale there is current public information regarding the issuer, and also may sell restricted or other securities after a one-year holding period whether or not current public information regarding the issuer at the time of the sale, provided that in each case the affiliate otherwise complies with the volume, manner of sale and notice requirements of Rule 144.

Rule 144A provides a non-exclusive safe harbor exemption from the registration requirements of the Securities Act for resales to certain “qualified institutional buyers” of securities that are “restricted securities” within the meaning of the Securities Act, irrespective of whether the seller of such securities purchased its securities with a view towards reselling such securities, if certain other conditions are met (e.g., the availability of information required by paragraph (d)(4) of Rule 144A and certain notice provisions). Under Rule 144A, a “qualified institutional buyer” is defined to include, among other persons, “dealers” registered as such pursuant to section 15 of the Exchange Act, and entities that purchase securities for their own account or for the account of another qualified institutional buyer and that, in the aggregate, own and invest on a discretionary basis at least \$100 million in the securities of unaffiliated issuers. Subject to certain qualifications, Rule 144A does not exempt the offer or sale of securities that, at the time of their issuance, were securities of the same class of securities then listed on a national securities exchange (registered as such pursuant to section 6 of the Exchange Act) or quoted in a United States automated inter-dealer quotation system.

Certificates evidencing 1145 Securities received by Restricted Holders and certificates evidencing securities issued pursuant to the exemption from registration set forth in section 4(2) of the Securities Act or Regulation D promulgated thereunder, will bear a legend substantially in the form below:

“THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR APPLICABLE STATE SECURITIES LAWS (“STATE ACTS”) AND MAY NOT BE SOLD, ASSIGNED, PLEDGED OR TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR STATE ACTS COVERING SUCH SECURITIES OR THE SECURITIES ARE SOLD AND TRANSFERRED IN A TRANSACTION THAT IS EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT.”

Any holder of a certificate evidencing shares of New Visteon Common Stock bearing such legend may present such certificate to the transfer agent for the share of New Visteon Common Stock for exchange for one or more new certificates not bearing such legend or for transfer to a new holder without such legend at such times as (a) such shares are sold pursuant to an effective registration statement under the Securities Act or (b) in the case of shares issued

under the Plan pursuant to the exemption from registration set forth in section 1145 of the Bankruptcy Code, such holder delivers to Reorganized Visteon an opinion of counsel reasonably satisfactory to Reorganized Visteon to the effect that such shares are no longer subject to the restrictions applicable to “underwriters” under section 1145 of the Bankruptcy Code or (c) such holder delivers to Reorganized Visteon an opinion of counsel reasonably satisfactory to Reorganized Visteon to the effect that such shares are no longer subject to the restrictions pursuant to an exemption under the Securities Act and such shares may be sold without registration under the Securities Act, in which event the certificate issued to the transferee will not bear such legend.

WHETHER OR NOT ANY PARTICULAR PERSON WOULD BE DEEMED TO BE AN “UNDERWRITER” OF SECURITIES TO BE ISSUED PURSUANT TO THE PLAN OR AN “AFFILIATE” OF REORGANIZED VISTEON WOULD DEPEND UPON VARIOUS FACTS AND CIRCUMSTANCES APPLICABLE TO THAT PERSON. ACCORDINGLY, THE DEBTORS AND REORGANIZED VISTEON EXPRESS NO VIEW AS TO WHETHER ANY SUCH PERSON WOULD BE SUCH AN “UNDERWRITER” OR AN “AFFILIATE.” IN VIEW OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER OR AN AFFILIATE OF REORGANIZED VISTEON, THE DEBTORS AND REORGANIZED VISTEON MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE IN SECURITIES OF REORGANIZED VISTEON. ACCORDINGLY, IT IS RECOMMENDED THAT POTENTIAL RECIPIENTS OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

## **ARTICLE VIII.**

### **STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN**

The following is a brief summary of the Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult with their own advisors.

#### **A. The Confirmation Hearing**

Section 1128(a) of the Bankruptcy Code provides that the Bankruptcy Court, after notice, may conduct the Confirmation Hearing to consider Confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

#### **B. Confirmation Standards**

Among the requirements for the Confirmation of the Plan are that the Plan is accepted by all Impaired Classes of Claims and Interests, or if rejected by an Impaired Class, that the Plan “does not discriminate unfairly” and is “fair and equitable” as to such Class, is feasible, and is in the “best interests” of holders of Claims and Interests that are Impaired under the Plan. The following requirements must be satisfied pursuant to section 1129(a) of the Bankruptcy Code before the Bankruptcy Court may confirm a plan of reorganization. The Debtors believe that the Plan fully complies with the statutory requirements for Confirmation of the Plan listed below.

1. The proponents of the Plan have complied with the applicable provisions of the Bankruptcy Code.
2. The Plan has been proposed in good faith and not by any means forbidden by law.
3. Any payment made or to be made by the proponent, by the Debtor, or by a person issuing securities or acquiring property under a Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.
4. The proponent of the Plan has disclosed the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an Affiliate of the Debtor participating in a joint Plan with the Debtor or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of Creditors and holders of Interests and with public policies.
5. The proponent of the Plan has disclosed the identity of any Insider that will be employed or retained by the Reorganized Debtors and the nature of any compensation for such Insider.
6. With respect to each holder within an Impaired Class of Claims or Interests, each such holder (a) has accepted the Plan, or (b) will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.
7. With respect to each Class of Claims or Interests, such Class (a) has accepted the Plan, or (b) is Unimpaired under the Plan (subject to the “cram-down” provisions discussed below).
8. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that:
  - with respect to a Claim of a kind specified in sections 507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the Effective Date of the Plan, the holder of the Claim will receive on account of such Claim Cash equal to the Allowed amount of such Claim, unless otherwise agreed;
  - with respect to a Class of Claim of the kind specified in sections 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of a Claim of such Class will receive (a) if such Class has accepted the Plan, deferred Cash payments of a value, on the Effective Date of the Plan, equal to the Allowed amount of such Claim; or (b) if such Class has not accepted the Plan, Cash on the Effective Date of the Plan equal to the Allowed amount of such Claim; and

- with respect to a priority tax claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such Claim will receive on account of such Claim deferred Cash payments, over a period not exceeding six years after the date of assessment of such Claim, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim.
9. If a Class of Claims is Impaired under the Plan, at least one Class of Claims that is Impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any Insider.
  10. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.
  11. All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on Confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

### **C. Liquidation Analyses**

As described above, section 1129(a)(7) of the Bankruptcy Code requires that each holder of an Impaired Claim or Interest either (1) accept the Plan or (2) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

The Liquidation Analyses, attached hereto as **Exhibit D**, were prepared in connection with the March 15, 2010 plan of reorganization but have been updated to reflect a new Effective Date and other assumptions impacted by timing. Based on the Liquidation Analyses, the Debtors believe that the value of any distributions if the Debtors' Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would be no greater than the value of distributions under each Sub Plan. As a result, the Debtors believe holders of Claims and Interests in all Impaired Classes will recover at least as much as a result of Confirmation of the Plan as they would recover through a hypothetical chapter 7 liquidation.

### **D. Valuation Analysis**

Because certain distributions contemplated by each of the Sub Plans are composed of equity in the Reorganized Debtors, the Debtors determined it was necessary to estimate the reorganized value of their businesses. Accordingly, Rothschild has performed an analysis of the estimated value of the Reorganized Debtors on a going-concern basis. The Valuation Analysis should be considered in conjunction with the discussion of the risk factors contained in Article VIII. The Valuation Analysis is dated as of April 28, 2010 and is based on data and information as of that date. Rothschild makes no representations as to changes to such data and information that may have occurred since April 28, 2010.

In preparing the Valuation Analysis, Rothschild has, among other things: (1) reviewed certain recent available financial results of the Debtors; (2) reviewed certain internal financial

and operating data of the Debtors, including the business projections prepared and provided by the Debtors' management to Rothschild on April 9, 2010 relating to their businesses and their prospects; (3) discussed with certain senior executives the current operations and prospects of the Debtors; (4) reviewed certain operating and financial forecasts prepared by the Debtors, including the financial projections attached hereto as Exhibit C (the "Financial Projections"); (5) discussed with certain senior executives of the Debtors key assumptions related to the Financial Projections; (6) prepared discounted cash flow analyses based on the Financial Projections, utilizing various discount rates; (7) considered the market value of certain publicly-traded companies in businesses reasonably comparable to the operating business of the Debtors; (8) considered the value assigned to certain precedent change-in-control transactions for businesses similar to the Debtors; (9) conducted such other analyses as Rothschild deemed necessary and/or appropriate under the circumstances; and (10) considered a range of potential risk factors.

Rothschild assumed, without independent verification, the accuracy, completeness, and fairness of all of the financial and other information available to it from public sources or as provided to Rothschild by the Debtors or their representatives. Rothschild also assumed that the Financial Projections have been reasonably prepared on a basis reflecting the Debtors' best estimates and good faith judgment as to future operating and financial performance. To the extent the valuation is dependent upon the Reorganized Debtors' achievement of the Financial Projections, the Valuation Analysis must be considered speculative. Rothschild does not make any representation or warranty as to the fairness of the terms of the Plan. In addition to the foregoing, Rothschild relied upon the following assumptions in preparing the Valuation Analysis:

- the Reorganized Debtors are able to maintain adequate liquidity to operate in accordance with the Financial Projections;
- the Reorganized Debtors operate consistently with the levels specified in the Financial Projections;
- the Plan will become effective on June 30, 2010 (the "Assumed Effective Date");
- future values were discounted to June 30, 2010;
- the Debtors shall have availability of an undrawn revolving facility up to \$300.0 million as of the Effective Date;
- general financial and market conditions as of the Assumed Effective Date will not differ materially from those conditions prevailing as of the date of the Valuation Analysis of April 28, 2010 (the "Valuation Date");
- Rothschild has not considered the impact of a prolonged bankruptcy case and has assumed operations will continue in the ordinary course consistent with the Projections; and
- Rothschild did not provide a valuation or other potential outcomes under alternative scenarios such as a prolonged bankruptcy case or a partial or full break-up and sale of the various businesses of the Debtors.

## 1. Valuation Methodologies

The following is a summary of certain financial analyses performed by Rothschild to arrive at its range of estimated values. Rothschild's valuation analysis must be considered as a whole. Rothschild has assigned an equal weighting to each methodology to arrive at its value range.

### a. Discounted Cash Flow Analysis

The discounted cash flow analysis ("the DCF") estimates the value of an asset or business by calculating the present value of expected future cash flows to be generated by that asset or business. The DCF discounts the expected cash flows by a theoretical or observed discount rate. This approach has three components: (i) calculating the present value of the projected unlevered after-tax free cash flows for a determined period of time, (ii) adding the present value of the terminal value of the cash flows and (iii) subtracting present value of the forecasted pension expense through 2017 (at which time current actuarial forecast indicates no excess cash contribution required).

The DCF calculations were performed on unlevered after-tax free cash flows for the period beginning July 1, 2010 through December 31, 2013, discounted to the Assumed Effective Date (the "Projection Period"). Rothschild utilized the Financial Projections for performing these calculations.

In performing the DCF calculations, Rothschild made assumptions for (x) the weighted average cost of capital (the "Discount Rate"), which is used to calculate the present value of future cash flows and (y) a perpetuity growth rate for the future cash flows, which is used to determine the value of the Reorganized Debtors represented by the time period beyond the Projection Period. Rothschild calculated the Discount Rate with a traditional cost of equity capital calculation using the "capital asset pricing model." Based on this methodology, Rothschild used a Discount Rate range of 14.0% to 16.0% for the Reorganized Debtors, which reflects a number of Visteon and market-specific factors, and is calculated based on the cost of capital for companies that Rothschild deemed comparable. The DCF utilized the perpetuity growth method and thus terminal value is estimated using a long-run growth rate for the period beyond the Projection Period (beyond 2013). The Valuation Analysis uses a perpetuity growth rate for free cash flow of 0.0% — 2.0%. The discount rate range was calculated based on assumed cost of debt and the Capital Asset Pricing Model ("CAPM") using the companies identified for the Comparable Companies Analysis as benchmarks. Projected cash pension payments were discounted on a similar basis at the overall DCF discount rate range of 14.0% — 16.0%

### b. Comparable Companies Analysis

The comparable companies analysis (the "Comparable Companies Analysis") estimates the value of a company based on a comparison of such company's financial statistics with the financial statistics of publicly-traded companies with similar characteristics. Criteria for selecting comparable companies for this analysis include, among other relevant characteristics, similar lines of business, geographic presence, business risks, growth prospects, maturity of businesses, market presence, size and scale of operations. Companies used in the Comparable

Companies Analysis include: Calsonic Kansei Corporation, Clarion Co. Ltd., Continental AG, Denso Corporation, Faurecia S.A., Harman International Industries, Inc., Hyundai Mobis, JCI, Sanden Corporation, and Valeo S.A.. The Comparable Companies Analysis establishes benchmarks for valuation by deriving financial multiples and ratios for the comparable companies, standardized using common metrics such as (i) EBITDAP (Earnings Before Interest, Depreciation, Amortization and Pension Expense) and (ii) EBITDAP minus capital expenditures. Because the multiples derived exclude pension expense, Rothschild deducted the total underfunded status of the pension plans in order to calculate equity value.

c. Precedent Transactions Analysis

The precedent transactions analysis (the “Precedent Transactions Analysis”) is based on the enterprise values of companies involved in public or private merger and acquisition transactions that have operating and financial characteristics similar to the Debtors. Under this methodology, the enterprise value of such companies is determined by an analysis of the consideration paid and the debt assumed in the merger, acquisition or restructuring transaction. As in a comparable company valuation analysis, the analysis establishes benchmarks for valuation by deriving financial multiples and ratios, standardized using common variables such as revenue or EBITDA. Rothschild was unable to utilize an EBITDAP metric for the Precedent Transactions Analysis due to the unavailability of pension expense information for the merger transactions analyzed. Therefore Rothschild relied on the derived EBITDA multiples and then applied these to the Debtors’ operating statistics to determine enterprise value. Different than the Comparable Companies Analysis in that the EBITDA metric is already burdened by pension expense (as applicable), Rothschild did not need to separately deduct pension underfunding in order to calculate equity value. Transactions used in the Precedent Transactions Analysis include:

Target	Acquiror
Hyundai Autonet (from Continental)	Hyundai Mobis
Peguform GmbH	Polytec Holding
Acme Radiator & Air Conditioning	Mobile Climate Control Industries
Bosch Corp.	Robert Bosch GmbH
Concentric plc	Hallex AB
Fawer Automotive Parts Company	Ningbo Huaxing Electronic Co.
Valeo SA – Connective Systems Unit	Leoni AG
Trico Products	Kohlberg & Company
Dana (Fluid Products Hose & Tubing Business)	Orhan Holding
Spectra Premium Industries	Management
Maxima Technologies	Actuant Corp.
Metair Investments Ltd.	Coronation Capital
Lear Corp – Interiors Division	International Automotive Components
Motorola – Automotive Electronics Division	Continental AG
ITT Industries Inc. – Fluid Handling Systems	Cooper-Standard Automotive

Unlike the Comparable Company Analysis, the enterprise valuation derived using this methodology reflects a “control” premium, or a premium paid to purchase a majority or controlling position in the assets of a company, for merger and acquisition transactions. Thus, this methodology generally produces higher valuations than the comparable public company



analysis. In addition, other factors not directly related to a company's business operations can affect a valuation based on precedent transactions, including (i) circumstances surrounding a merger transaction may introduce other motivations for higher premiums (e.g., a buyer may pay an additional premium for reasons not solely related to competitive bidding), (ii) the market environment is not identical for transactions occurring at different periods of time; and (iii) circumstances pertaining to the financial position of the company may impact the resulting purchase price (e.g., a company is in financial distress and may receive a lower price due to weaker negotiating leverage).

The summary set forth above does not purport to be a complete description of the analyses performed by Rothschild. The preparation of an estimate involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods in the particular circumstances and, therefore, such an estimate is not readily susceptible to summary description. The value of an operating business is subject to uncertainties and contingencies that are difficult to predict and will fluctuate with changes in factors affecting the financial conditions and prospects of such a business. As a result, the estimates set forth herein are not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. In addition, such estimates do not purport to be appraisals, nor do they necessarily reflect the values that might be realized if assets were sold. The estimates prepared by Rothschild assume that Reorganized Debtors will continue as the owner and operator of their businesses and assets and that such assets will be operated in accordance with the Debtors' business plan. Depending on the results of the Debtors' operations or changes in the financial markets, Rothschild's valuation analysis as of the Effective Date may differ from that disclosed herein.

## 2. Variances in the Distributable Equity Value of Reorganized Visteon Under Each Sub Plan

The distributable equity value of Reorganized Visteon (the "Distributable Equity Value") is calculated by adjusting the total enterprise value calculated under the DCF, Precedent Transactions Analysis, and Comparable Companies Analysis for factors that would impact Reorganized Visteon's Cash and/or debt levels. For example, the Distributable Equity Value includes the value of the Debtors' non-consolidated joint ventures, which is estimated at \$195 million. This value is calculated using a discounted cash flow analysis of the dividends projected to be received from these operations and also includes a terminal value based on the perpetuity growth method, where the dividend is assumed to continue into perpetuity at an assumed growth rate. This discounted cash flow analysis utilized a discount rate based on the cost of equity range of 13.0% — 21.0% and a perpetuity growth rate after 2013 of 2.0% — 4.0%. The value of the Debtors' consolidated Entities is already included in the calculation of the Debtors' total enterprise value. For example, the Debtors calculate the value of Halla Korea as a consolidated part of the Debtors' climate business.

To calculate the value of non-controlling minority interests in entities in which the Debtors hold a majority interest, which the Debtors estimate at \$424.0 million, the Debtors relied on the closing prices of the publicly-traded stock in Halla Korea and Duck Yang Industry Co. Ltd. ("Duck Yang") as of April 28, 2010 and converted such prices into U.S. dollars at the

exchange rate as of April 28, 2010. The values represent 30.0% of Halla Korea’s common stock and 49.0% of Duck Yang’s common stock which are not owned by the Debtors.

To calculate “excess Cash,” Rothschild incorporated the Debtors’ projected Cash balance, deducted Cash amounts that will be used under the Plan (as many of the Creditor Classes are to be paid in Cash) and then made an adjustment for the minimum level of Cash required to maintain operations as identified by the Debtors’ management. The pro forma equity value includes the full stated amount of the remaining Cash, estimated at approximately \$213.0 million to \$282.0 million (depending on which Sub Plan is executed and the amount of Allowed Class H Claims).

The calculation of Distributable Equity Value does not specifically account for the value of the Debtors’ NOLs or other tax credits. The Debtors expect to utilize a significant portion of their NOLs to shield Visteon from paying tax for the cancellation of debt income (“COD Income”) that would otherwise be payable upon emergence from bankruptcy. If the Debtors’ NOLs were not available to prevent this tax, the Debtors’ cash balance would be lowered by a corresponding amount which would directly translate into reduced Distributable Equity Value.<sup>51</sup>

As described above, recoveries under the Plan are calculated assuming a low and high-end estimate for the total amount of Allowed General Unsecured Claims. Increases in the amount of Allowed General Unsecured Claims will decrease Cash balances of Reorganized Visteon, thus decreasing Distributable Equity Value. Entry into the Exit Financing Facility under the Rights Offering Sub Plan will increase debt levels, thus decreasing Distributable Equity Value. Accordingly, the charts below illustrate the Distributable Equity Value of Reorganized Visteon under four constructs: (a) the Rights Offering Sub Plan assuming a low-end Claims estimate for Class H General Unsecured Claims; (b) the Rights Offering Sub Plan assuming a high-end Claims estimate for Class H General Unsecured Claims; (c) the Claims Conversion Sub Plan assuming a low-end Claims estimate for Class H General Unsecured Claims; and (d) the Claims Conversion Sub Plan assuming a high-end Claims estimate for Class H General Unsecured Claims. Under both the Rights Offering Sub Plan and the Claims Conversion Sub Plan, the low-end range of Class H General Unsecured Claims is \$107.96 million and the high-end range of Class H General Unsecured Claims is \$166.76 million.

a. Rights Offering Sub Plan – Low-End of Estimated Claims Range

<i>(In Millions)</i>	DCF	Precedent Transactions Analysis	Comparable Companies Analysis
<b>Total Enterprise Value</b>	<b>\$ 1,990.0</b>	<b>\$ 1,980.0</b>	<b>\$ 2,345.0</b>
Plus: Value of Interest in Unconsolidated Joint Ventures	195	195	195
Less: Minority Interest	(424)	(424)	(424)
Less: Halla Net Debt	(82)	(82)	(82)
Less: Assumed Pension Underfunding	—	—	(455)

<sup>51</sup> The Financial Projections do not forecast taxable income in the United States in the foreseeable future. As a consequence, any remaining NOLs offer no tax benefit to the Reorganized Debtors. Conversely, in the foreign jurisdictions where Visteon does project to generate profits, Visteon forecasts paying taxes as it does not benefit from NOLs usable in those regions.

<i>(In Millions)</i>	DCF	Precedent Transactions Analysis	Comparable Companies Analysis
Less: Visteon Foreign Debt	(54)	(54)	(54)
Less: Exit Financing	(400)	(400)	(400)
Plus: Excess Cash	242	242	242
<b>Implied Equity Value</b>	<b>\$ 1,465.0</b>	<b>\$ 1,455.0</b>	<b>\$ 1,370.0</b>

**Distributable Equity Value** **\$ 1,430.0**

b. Rights Offering Sub Plan –High-End of Estimated Claims Range

<i>(In Millions)</i>	DCF	Precedent Transactions Analysis	Comparable Companies Analysis
<b>Total Enterprise Value</b>	<b>\$ 1,990.0</b>	<b>\$ 1,980.0</b>	<b>\$ 2,345.0</b>
Plus: Value of Interest in Unconsolidated Joint Ventures	195	195	195
Less: Minority Interest	(424)	(424)	(424)
Less: Halla Net Debt	(82)	(82)	(82)
Less: Assumed Pension Underfunding	—	—	(455)
Less: Visteon Foreign Debt	(54)	(54)	(54)
Less: Exit Financing	(400)	(400)	(400)
Plus: Excess Cash	213	213	213
<b>Implied Equity Value</b>	<b>\$ 1,440.0</b>	<b>\$ 1,430.0</b>	<b>\$ 1,340.0</b>

**Distributable Equity Value** **\$ 1,405.0**

c. Claims Conversion Sub Plan Low-End of Estimated Claims Range

<i>(In Millions)</i>	DCF	Precedent Transactions Analysis	Comparable Companies Analysis
<b>Total Enterprise Value</b>	<b>\$ 1,990.0</b>	<b>\$ 1,980.0</b>	<b>\$ 2,345.0</b>
Plus: Value of Interest in Unconsolidated Joint Ventures	195	195	195
Less: Minority Interest	(424)	(424)	(424)
Less: Halla Net Debt	(34)	(34)	(34)
Less: Assumed Pension Underfunding	—	—	(455)
Less: Visteon Foreign Debt	(54)	(54)	(54)
Plus: Excess Cash	282	282	282
<b>Implied Equity Value</b>	<b>\$ 1,955.0</b>	<b>\$ 1,945.0</b>	<b>\$ 1,855.0</b>

**Distributable Equity Value** **\$ 1,920.0**

d. Claims Conversion Sub Plan — High-End of Estimated Claims Range

<i>(In Millions)</i>	DCF	Precedent Transactions Analysis	Comparable Companies Analysis
<b>Total Enterprise Value</b>	<b>\$ 1,990.0</b>	<b>\$ 1,980.0</b>	<b>\$ 2,345.0</b>
Plus: Value of Interest in Unconsolidated Joint Ventures	195	195	195
Less: Minority Interest	(424)	(424)	(424)
Less: Halla Net Debt	(34)	(34)	(34)
Less: Assumed Pension Underfunding	—	—	(455)
Less: Visteon Foreign Debt	(54)	(54)	(54)
Plus: Excess Cash	253	253	253
<b>Implied Equity Value</b>	<b>\$ 1,925.0</b>	<b>\$ 1,915.0</b>	<b>\$ 1,825.0</b>
<b>Distributable Equity Value</b>		<b>\$ 1,890.0</b>	

These estimated ranges of values are based on a hypothetical value that reflects the estimated intrinsic value of the Debtors derived through the application of various valuation methodologies. The implied reorganized equity value ascribed in this analysis does not purport to be an estimate of any post-reorganization market trading value. Any such trading value may be materially different from the Distributable Equity Value ranges associated with Rothschild's valuation analysis. Rothschild's estimate is based on economic, market, financial, and other conditions as they exist on, and on the information made available as of, the Valuation Date. It should be understood that, although subsequent developments may affect Rothschild's conclusions, before or after the Confirmation Hearing, Rothschild does not have any obligation to update, revise or reaffirm its estimate.

In addition, the valuation of newly issued securities, such as the New Visteon Common Stock, is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets, the anticipated initial securities held by Creditors, some of which may prefer to liquidate their investment rather than hold it on a long-term basis, and other factors that generally influence the prices of securities. Actual market prices of such securities also may be affected by other factors not possible to predict. Accordingly, the values estimated by Rothschild do not necessarily reflect, and should not be construed as reflecting, values that will be attained in the public or private markets.

THE FOREGOING VALUATION IS BASED UPON A NUMBER OF ESTIMATES AND ASSUMPTIONS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS OR THE REORGANIZED DEBTORS. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE RANGES REFLECTED IN THE VALUATION WOULD BE REALIZED IF THE PLAN WERE TO BECOME EFFECTIVE, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE SHOWN HEREIN.

THE ESTIMATED CALCULATION OF ENTERPRISE VALUE IS HIGHLY DEPENDENT UPON ACHIEVING THE FUTURE FINANCIAL RESULTS AS SET FORTH IN THE DEBTORS' FINANCIAL PROJECTIONS, AS WELL AS THE REALIZATION OF CERTAIN OTHER ASSUMPTIONS, NONE OF WHICH ARE GUARANTEED AND MANY OF WHICH ARE OUTSIDE OF THE DEBTORS' CONTROL, AS FURTHER DISCUSSED IN ARTICLE IX OF THE DISCLOSURE STATEMENT.

THE CALCULATIONS OF VALUE SET FORTH HEREIN REPRESENT ESTIMATED REORGANIZATION VALUES AND DO NOT NECESSARILY REFLECT VALUES THAT COULD BE ATTAINABLE IN PUBLIC OR PRIVATE MARKETS. THE EQUITY VALUE STATED HEREIN DOES NOT PURPORT TO BE AN ESTIMATE OF THE POST-REORGANIZATION MARKET VALUE. SUCH VALUE, IF ANY, MAY BE MATERIALLY DIFFERENT FROM THE REORGANIZED EQUITY VALUE RANGES ASSOCIATED WITH THIS VALUATION ANALYSIS. THE VALUATION ANALYSES IS BASED ON DATA AND INFORMATION AS OF THE VALUATION DATE. NO RESPONSIBILITY IS TAKEN FOR CHANGES IN MARKET CONDITIONS THAT MAY HAVE OCCURRED SINCE THE VALUATION DATE AND NO OBLIGATION IS ASSUMED TO REVISE THIS CALCULATION OF THE REORGANIZED DEBTORS' VALUE TO REFLECT EVENTS OR CONDITIONS THAT SUBSEQUENTLY OCCUR. THE CALCULATIONS OF VALUE DO NOT CONFORM TO THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE OF THE APPRAISAL FOUNDATION.

#### **E. Financial Feasibility**

Section 1129(a)(11) of the Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under each of the Sub Plans. As part of this analysis, the Debtors have prepared certain Financial Projections. These Financial Projections and the assumptions upon which they are based, are attached hereto as **Exhibit C**. Based on these Financial Projections, the Debtors believe that given the deleveraging contemplated by both of the Sub Plans, they will be able to make all payments required pursuant to the Plan and, therefore, that Confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

#### **F. Acceptance by Impaired Classes**

The Bankruptcy Code also requires, as a condition to Confirmation, that each Class of Claims or Interests that is Impaired but still receives distributions under the Plan vote to accept the Plan, unless the Debtors can "cram-down" such Classes, as described below. A Class that is Unimpaired is presumed to have accepted the Plan and, therefore, solicitation of acceptances with respect to such Class is not required. A Class is Impaired unless the Plan leaves unaltered the legal, equitable, and contractual rights to which the Claim or Interest entitles the holder of such Claim or Interest to, or the Debtors cure any default and reinstate the original terms of the obligation.

Pursuant to sections 1126(c) and 1126(d) of the Bankruptcy Code and except as otherwise provided in section 1126(e) of the Bankruptcy Code: (1) an Impaired Class of Claims has accepted the Plan if the holders of at least two-thirds in dollar amount and more than half in number of the voting Allowed Claims have voted to accept the Plan and (2) an Impaired Class of Interests has accepted the Plan the holders of at least two-thirds in amount of the Allowed interests of such Class actually voting have voted to accept the plan.

#### **G. Confirmation Without Acceptance By All Impaired Classes**

Section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, even if the Plan has not been accepted by all Impaired Classes entitled to vote on the Plan, so long as the Plan has been accepted by at least one Impaired Class, excluding any Insider Classes, entitled to vote. Section 1129(b) of the Bankruptcy Code permits the Debtors to confirm the Plan, notwithstanding the failure of any Impaired Class to accept the Plan, in a procedure commonly known as “cram-down,” so long as the Plan does not “discriminate unfairly” and is “fair and equitable” with respect to each impaired Class of Claims or Interests that voted to reject the plan.

##### **1. No Unfair Discrimination**

The test to determine whether the Plan unfairly discriminates applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.”

The Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Interests. The Debtors believe the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfies the foregoing requirements for nonconsensual Confirmation.

##### **2. Fair and Equitable Treatment**

The test to determine whether the Plan affords fair and equitable treatment applies to Classes of different priority and status (e.g., Secured Claims versus General Unsecured Claims) and includes the general requirement that no Class of Claims receive more than 100% of the amount of the Allowed Claims in such Class. As to a dissenting Class, the test sets different standards depending on the type of Claims or Interests in such Class. Specifically, in order to demonstrate that the Plan is fair and equitable, the Debtors must demonstrate that:

- o Each holder of a Secured Claim either (a) retains its Liens on the property, to the extent of the Allowed amount of its Secured Claim and receives deferred Cash payments having a value, as of the effective date of the chapter 11 plan, of at least the Allowed amount of such Claim, (b) has the right to credit bid the amount of its Claim if its property is sold and retains its Liens on the proceeds of the sale (or if sold, on the proceeds thereof), or (c) receives the “indubitable equivalent” of its Allowed Secured Claim.
- o Either (a) each holder of an Impaired General Unsecured Claim receives or retains under the Plan property of a value equal to the amount of its Allowed Claim or (b)

the holders of Claims and Interests that are junior to the Claims of the rejecting Classes will not receive any property under the Plan.

- o Either (a) each holder of an Interest will receive or retain under the Plan property of a value equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled, or the value of the Interest or (b) the holder of an Interest that is junior to the rejecting Class will not receive or retain any property under the Plan.

The Debtors believe the Plan satisfies the “fair and equitable” requirement notwithstanding that Classes J and L are not receiving a distribution because there is no Class of equal priority receiving more favorable treatment and no junior Classes to Classes J and L that will receive or retain any property on account of the Claims or Interests in such Class.

**ARTICLE IX.**  
**PLAN-RELATED RISK FACTORS AND ALTERNATIVES**  
**TO CONFIRMATION AND CONSUMMATION OF THE PLAN**

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS THAT ARE ENTITLED TO VOTE OF THE PLAN SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH IN THIS ARTICLE IX AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT.

**A. General**

The following provides a summary of important considerations and risk factors associated with the Plan. However, it is not exhaustive. In considering whether to vote for or against the Plan, holders of Claims and Interests that are Impaired and entitled to vote should read and carefully consider the factors set forth below, as well as all other information set forth or otherwise referenced or incorporated by reference in this Disclosure Statement, including the various risks and other factors described in Visteon’s Annual Report on Form 10-K for the fiscal year ended December 31, 2008, and Visteon’s Annual Report on Form 10-K for the fiscal year ended December 31, 2009, the entirety of which are publicly available at the Securities and Exchange Commission’s Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system, located at <http://www.sec.gov/edgar.shtml>.

**B. Certain Bankruptcy Law Considerations**

1. Undue Delay in Confirmation May Significantly Disrupt the Operations of the Debtors

The continuation of the Chapter 11 Cases, particularly if the Plan is not approved or confirmed in the time frame currently contemplated, could adversely affect the Debtors’ operations and relationships with the Debtors’ customers, vendors, and employees. If Confirmation and Consummation do not occur expeditiously, the Chapter 11 Cases could result in, among other things, increased Administrative Claims or Professional Claims, and similar expenses. Prolonged Chapter 11 Cases may also make it more difficult to retain and attract

management and other key personnel, and would require senior management to spend a significant amount of time and effort dealing with the Debtors' financial reorganization instead of focusing on the operation of the Debtors' business.

2. Debtors May Not Be Able to Secure Confirmation or Consummation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for Confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) Confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (b) the value of distributions to non-accepting holders of Claims and Interests within a particular Class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

Furthermore, under section 1129(b)(2)(A) of the Bankruptcy Code, the Plan must provide a Class of Secured Claims that votes to reject the Plan with: (a) retention of Liens securing the Secured Claim to the extent of the Allowed amount of such Claims, whether the property subject to those Liens is retained by the Debtor or transferred to another Entity, and deferred Cash payments having a present value, as of the Effective Date of the plan of reorganization, at least equal to the value of such holder's interest in the Estate's interest in such property; or (b) the realization of the "indubitable equivalent" of its Allowed Secured Claim; or (c) the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the Liens securing the Claims included in the rejecting Class, free and clear of such Liens, with such Liens to attach to the proceeds of the sale and the treatment of such Liens on proceeds in accordance with clause (a) or (b) of this paragraph. To meet this standard, the Debtors would either have to cash out the Term Loan Facility Claims at 100% recovery plus postpetition interest, or provide the indubitable equivalent of the \$1.629 billion Term Loan Facility Claims. The Rights Offering Sub Plan contemplates paying the Term Loan Facility Claims in full (including postpetition interest) in Cash—thus leaving the Term Loan Lenders Unimpaired. In the event the Plan "toggles" to the Claims Conversion Sub Plan, the Plan Support Agreement provides that the Term Loan Lenders shall vote in favor of equitization of their Claims—thus alleviating the need to "cram-down" the Term Loan Lenders under section 1129(b)(2)(A) of the Bankruptcy Code.

However, in the event that (i) the representations and warranties made by the Debtors in connection with the Equity Commitment Agreement fail to be true and correct so as to be reasonably expected to result in a Material Adverse Effect, as such term is defined in the Equity Commitment Agreement, or (b) the Debtors fail to materially perform or comply with any covenants contained in the Equity Commitment Agreement, the Consenting Note Holders may terminate the Plan Support Agreement and may challenge the Plan on any grounds, including the findings of the Debtors' Valuation Analysis. Other parties in interest may also challenge either the adequacy of this Disclosure Statement or whether the Solicitation Procedures and voting results satisfy the requirements of the Bankruptcy Code or Federal Rules of Bankruptcy Procedure. Even if the Bankruptcy Court determined that this Disclosure Statement, the Solicitation Procedures, and voting results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for Confirmation had not been met. Confirmation of the Plan is also subject to certain conditions as described in Article XI.



The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in a less favorable treatment of any rejecting Class, as well as of any Classes junior to such rejecting Class, than the treatment currently provided in the Plan. Any less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

3. Parties in Interest May Object to Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a Claim or an Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests in such Class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

4. Nonconsensual Confirmation

In the event that any Impaired Class of Claims or Interests does not accept a chapter 11 plan of reorganization, a Bankruptcy Court may nevertheless confirm such a plan at the proponent's request if at least one Impaired Class has accepted the plan (with such acceptance being determined without including the vote of any Insider in such Class), and, as to each Impaired Class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the rejecting Impaired Classes. In the event that any Impaired Class of Claims or Interests does not accept a chapter 11 plan of reorganization, the Debtors will request such nonconsensual Confirmation in accordance with section 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will find the Plan meets the requirements of section 1129(b) of the Bankruptcy Code.

5. Debtors May Object to Claims Before or After the Effective Date

Except as otherwise provided in the Plan, the Debtors and the Reorganized Debtors reserve the right to object to the amount or priority status of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any holder of a Claim. Any holder of a Claim that is or becomes subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

6. Risk of Non-Occurrence of the Effective Date

Although the Debtors believe that the Effective Date may occur shortly after the Confirmation Date, there can be no assurance as to such timing, or as to whether the Effective Date will, in fact, occur.

7. The Debtors May Not Be Able to Resolve Ford Related Matters

The Plan is conditioned upon the resolution of all matters related to Ford to the reasonable satisfaction of the Requisite Investors under the Rights Offering Sub Plan and the Requisite Term Loan Holders under the Claims Conversion Sub Plan. The Debtors cannot predict nor guarantee the outcome of negotiations with Ford or whether such resolution will be deemed reasonably acceptable to the Requisite Parties. The failure to either reach resolution of the matters with Ford or obtain approval of such resolution from the Requisite Parties could prevent Consummation of the Plan and delay the Debtors' exit from chapter 11 bankruptcy.

**C. Risk Factors That May Affect the Value of the Securities to Be Issued Under the Plan**

1. Debtors Cannot Guarantee What Recovery Will Be Available to Holders of Allowed Claims in Voting Classes

No less than three unknown factors make certainty in Creditor recoveries impossible: (a) how much money will remain after paying all Allowed Claims that are senior to the Allowed Claims in Voting Classes or unclassified Allowed Claims; (b) the number or amount of Claims in Voting Classes that will ultimately be Allowed; and (c) the number or size of Claims senior to the Claims in the Voting Classes or unclassified Claims that will ultimately be Allowed.

2. Actual Amounts of Allowed Claims May Differ from the Estimated Claims and Adversely Affect the Percentage Recovery on Allowed Claims

The Claims estimates set forth in Article II.C above are based on various assumptions. The actual amounts of General Unsecured Claims may differ significantly from those estimates should one or more underlying assumptions prove to be incorrect. The amount of Allowed General Unsecured Claims will impact the Cash availability of the Debtors and, in turn, the value of the New Visteon Common Stock to be distributed to the Note Holders under the Rights Offering Sub Plan and the Note Holders and Term Loan Lenders under the Claims Conversion Sub Plan.

3. A Liquid Trading Market for the New Visteon Common Stock

There can be no assurances that liquid trading markets for New Visteon Common Stock will develop. The liquidity of any market for the New Visteon Common Stock will depend, among other things, upon the number of holders of New Visteon Common Stock, Reorganized Visteon's financial performance and the market for similar securities, none of which can be determined or predicted. Therefore, the Debtors cannot provide assurances that an active trading market will develop, or if a market develops, what the liquidity or pricing characteristics of that market will be.

4. The Reorganized Debtors May Not Achieve Projected Financial Results or Meet Post-Reorganization Debt Obligations and Finance All Operating Expenses, Working Capital Needs, and Capital Expenditures

The Reorganized Debtors may not be able to meet their projected financial results. To the extent the Reorganized Debtors do not meet their projected financial results or achieve projected revenues and cash flows, the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their debt obligations as they come due or may not be able to meet their operational needs. Any one of these failures may preclude the Reorganized Debtors from, among other things: (a) enhancing their current customer offerings; (b) taking advantage of future opportunities; (c) growing their business; or (d) responding to competitive pressures. Further, a failure of the Reorganized Debtors to meet their projected financial results or achieve their projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints may require the Reorganized Debtors to seek additional working capital. The Reorganized Debtors may not be able to obtain such working capital when it is required. Further, even if the Reorganized Debtors were able to obtain additional working capital, it may only be available on unreasonable terms. For example, the Reorganized Debtors may be required to take on additional debt, the interest costs of which could adversely affect the results of the operations and financial condition of the Reorganized Debtors. If any such required capital is obtained in the form of equity, the interests of the holders of the then-outstanding New Visteon Common Stock (and options or other rights to acquire New Visteon Common Stock) could be diluted. While the Debtors' Financial Projections represent management's view based on current known facts and assumptions about the future operations of the Reorganized Debtors, there is no guarantee that the Financial Projections will be realized.

5. Estimated Valuation of the Reorganized Debtors and the New Visteon Common Stock and the Estimated Recoveries to Holders of Allowed Claims Are Not Intended to Represent the Private Sale Values of the New Visteon Common Stock

The Debtors' estimated recoveries to holders of Allowed Claims are not intended to represent the private sale values of the Reorganized Debtors' securities. The estimated recoveries are based on numerous assumptions (the realization of many of which is beyond the control of the Reorganized Debtors), including, without limitation: (a) the successful reorganization of the Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Debtors' ability to achieve the operating and financial results included in the Financial Projections; (d) the Debtors' ability to maintain adequate liquidity to fund operations; and (e) the assumption that capital and equity markets remain consistent with current conditions.

6. The Reorganized Debtors May Be Controlled By a Small Number of Holders

Consummation of the Plan may result in a small number of holders owning a significant percentage of the outstanding shares of New Visteon Common Stock. These holders may, among other things, exercise a controlling influence over the business and affairs of the Reorganized Debtors and have the power to elect directors and approve significant mergers, acquisitions, divestures, and other material corporate transactions, including the sale of the

Reorganized Debtors. The Debtors can make no assurances regarding the future actions of the holders of New Visteon Common Stock and the impact such actions may have on the value of the New Visteon Common Stock.

7. Certain Tax Implications of the Debtors' Bankruptcy and Reorganization May Increase the Tax Liability of the Reorganized Debtors

Holders of Allowed Claims should carefully review Article X herein, "Certain Federal Income Tax Consequences," to determine how the tax implications of the Plan and these Chapter 11 Cases may adversely affect the Reorganized Debtors.

8. Impact of Interest Rates

Changes in interest rates and foreign exchange rates may affect the fair market value of the Debtors' assets. Specifically, decreases in interest rates will positively impact the value of the Debtors' assets and the strengthening of the dollar will negatively impact the value of their net foreign assets.

**D. Risk Factors That Could Negatively Impact the Debtors' Business**

1. The Debtors Are Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases

For the duration of the Chapter 11 Cases, the Debtors' operations and the Debtors' ability to execute their business strategy will be subject to the risks and uncertainties associated with bankruptcy. These risks include:

- o the Debtors' ability to obtain approval of the Bankruptcy Court with respect to motions filed in the Chapter 11 Cases from time to time;
- o the Debtors' ability to obtain and maintain normal trade terms with suppliers and service providers and maintain contracts that are critical to their operations;
- o the Debtors' ability to attract, motivate, and retain key employees;
- o the Debtors' ability to attract and retain customers;
- o the Debtors' ability to fund and execute their business plan; and
- o the Debtors' ability to obtain Creditor and Bankruptcy Court approval for, and then to consummate, a Plan to emerge from bankruptcy.

The Debtors will also be subject to risks and uncertainties with respect to the actions and decisions of the Creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' restructuring and business goals.

These risks and uncertainties could affect the Debtors' business and operations in various ways. For example, negative events or publicity associated with the Chapter 11 Cases could

adversely affect the Debtors' sales and relationships with their customers, as well as with their suppliers and employees, which in turn could adversely affect the Debtors' operations and financial condition. In addition, pursuant to the Bankruptcy Code, the Debtors need approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit their ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot predict or quantify the ultimate impact that events occurring during the reorganization process will have on their business, financial condition, and results of operations.

As a result of the Chapter 11 Cases, the realization of assets and the satisfaction of liabilities are subject to uncertainty. While operating as debtors in possession, and subject to approval of the Bankruptcy Court, or otherwise as permitted in the normal course of business or Bankruptcy Court order, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the condensed consolidated financial statements included in the Form 10-K for the year ended that December 31, 2009. Further, the Plan could materially change the amounts and classifications of assets and liabilities reported in the historical consolidated financial statements. The historical consolidated financial statements do not include any adjustments to the reported amounts of assets or liabilities that might be necessary as a result of Confirmation of a Plan.

2. Continued Decline in the Production Levels of the Debtors' Major Customers Could Reduce the Debtors' Sales and Harm the Debtors' Profitability

Demand for the Debtors' products is directly related to the automotive vehicle production of the Debtors' major customers. Automotive sales and production can be affected by general economic or industry conditions, labor relations issues, fuel prices, regulatory requirements, government initiatives, trade agreements, and other factors. Automotive industry conditions in North America and Europe have been and continue to be extremely challenging. In North America, the industry is characterized by significant overcapacity, fierce competition and rapidly declining sales. In Europe, the market structure is more fragmented with significant overcapacity and declining sales. Visteon's business in 2008 and 2009 has been severely affected by the turmoil in the global credit markets, significant reductions in new housing construction, volatile fuel prices and recessionary trends in the U.S. and global economies. These conditions had a dramatic impact on consumer vehicle demand in 2008 and 2009, resulting in the lowest per capita sales rates in the United States in half a century and lower global automotive production following six years of steady growth.

3. The Financial Distress of the Debtors' Major Customers and Within the Supply Base Could Significantly Affect Their Operating Performance

During 2009, automotive OEMs, particularly those with substantial sales in the United States, experienced decreased demand for their products, which resulted in lower production levels on several of the Debtors' key platforms, particularly light truck platforms. In addition, these customers have experienced declining market shares in North America and are continuing to restructure their North American operations in an effort to improve profitability. The domestic automotive manufacturers are also burdened with substantial structural costs, such as pension and healthcare costs that have impacted their profitability and labor relations. Several

other global automotive manufacturers are also experiencing operating and profitability issues and labor concerns. In this environment, it is difficult to forecast future customer production schedules, the potential for labor disputes or the success or sustainability of any strategies undertaken by any of the Debtors' major customers in response to the current industry environment. This environment may also put additional pricing pressure on suppliers to OEMs, such as the Debtors, which would reduce such suppliers' (including the Debtors') margins. In addition, cuts in production schedules are also sometimes announced by customers with little advance notice, making it difficult for suppliers to respond with corresponding cost reductions.

Given the difficult environment in the automotive industry, there is an increased risk of bankruptcies or similar events among the Debtors' customers. Both GM and Chrysler have sought bankruptcy protection and obtained funding support from the U.S. federal government. While the operations of Chrysler and GM have been sold to a third-party, the financial prospects of certain of the Debtors' significant customers remain highly uncertain. The Debtors' supply base has also been adversely affected by industry conditions. Lower production levels for the global automotive OEMs and increases in certain raw material, commodity, and energy costs during 2009 have resulted in severe financial distress among many companies within the automotive supply base. Several large suppliers have filed for bankruptcy protection or ceased operations. Unfavorable industry conditions have also resulted in financial distress within the Debtors' supply base, an increase in commercial disputes and other risks of supply disruption. In addition, the current adverse industry environment has required the Debtors to provide financial support to distressed suppliers or take other measures to ensure uninterrupted production. While the Debtors have taken certain actions to mitigate these factors, those actions have offset only a portion of the overall impact on the Debtors' operating results. The continuation or worsening of these industry conditions would adversely affect the Debtors' profitability, operating results, and cash flow.

4. The Debtors are Highly Dependent on Ford and Hyundai and Decreases in Such Customers' Vehicle Production Volumes Would Adversely Affect the Debtors

Ford is the Debtors' largest customer and accounted for approximately 28% of total product sales in 2009, 34% of total product sales in 2008, and 39% of total product sales in 2007. Additionally, Hyundai has rapidly become another one of the Debtors' largest customers—accounting for 27% of the Debtors' total product sales in 2009, and such percentage is expected to increase in the future. Any change in Ford's and/or Hyundai's vehicle production volumes will have a significant impact on the Debtors' sales volume and reorganization efforts.

Furthermore, the Creditors' Committee, in connection with the investigatory period provided under the ABL cash collateral order, is investigating potential Claims against Ford and/or ACH in connection with, among other events, the Debtors' spin-off from Ford in 2000 and the ACH Transactions in 2005. The Debtors believe that Ford's continued support as a key customer is critical to their business plan and the company's emergence from bankruptcy. Protracted litigation against Ford, including litigation by the Creditors' Committee seeking derivative standing to pursue claims of uncertain merit, could delay or prevent the Debtors' emergence from bankruptcy and put at risk future revenue from the company's relationship with Ford.

5. The Discontinuation of, Loss of Business, or Lack of Commercial Success, with Respect to a Particular Vehicle Model for Which the Debtors are a Significant Supplier Could Reduce the Debtors' Sales and Harm the Debtors' Profitability

Although the Debtors have purchase orders from many of their customers, these purchase orders generally provide for the supply of a customer's annual requirements for a particular vehicle model and assembly plant, or in some cases, for the supply of a customer's requirements for the life of a particular vehicle model, rather than for the purchase of a specific quantity of products. In addition, it is possible that customers could elect to manufacture components internally that are currently produced by outside suppliers, such as the Debtors. The discontinuation of, the loss of business with respect to or a lack of commercial success of a particular vehicle model for which the Debtors are a significant supplier could reduce the Debtors' sales and harm the Debtors' profitability, thereby making it more difficult for the Debtors to make payments under the Debtors' indebtedness or resulting in a decline in the value of the New Visteon Common Stock.

6. The Debtors' Substantial International Operations Make Them Vulnerable to Risks Associated with Doing Business in Foreign Countries

As a result of the Debtors' global presence, a significant portion of the Debtors' revenues and expenses are denominated in currencies other than the U.S. dollar. In addition, the Debtors have manufacturing and distribution facilities in many foreign countries, including countries in Europe, Central and South America, and Asia. International operations are subject to certain risks inherent in doing business abroad, including:

- o exposure to local economic conditions, expropriation and nationalization, foreign exchange rate fluctuations and currency controls;
- o withholding and other taxes on remittances and other payments by subsidiaries;
- o investment restrictions or requirements;
- o export and import restrictions; and
- o increases in working capital requirements related to long supply chains.

Expanding the Debtors' business in Asia and Europe and enhancing the Debtors' business relationships with Asian and European automotive manufacturers worldwide are important elements of the Debtors' long-term business strategy. In addition, the Debtors have invested significantly in joint ventures with other parties to conduct business in South Korea, China, and elsewhere in Asia. The Debtors' ability to repatriate funds from these joint ventures depends not only upon their uncertain cash flows and profits, but also upon the terms of particular agreements with the Debtors' joint venture partners and maintenance of the legal and political status quo. As a result, the Debtors' exposure to the risks described above is substantial. The likelihood of such occurrences and their potential effect on the Debtors vary from country to country and are unpredictable. However, any such occurrences could be harmful to the Debtors' business and the Debtors' profitability, thereby making it more difficult for the Debtors to make

payments under the Debtors' indebtedness or resulting in a decline in the value of the New Visteon Common Stock.

7. Escalating Price Pressures From Customers May Adversely Affect the Debtors' Business

Downward pricing pressures by automotive manufacturers is a characteristic of the automotive industry. Virtually all automakers have implemented aggressive price reduction initiatives and objectives each year with their suppliers, and such actions are expected to continue in the future. In addition, estimating such amounts is subject to risk and uncertainties because any price reductions are a result of negotiations and other factors. Accordingly, suppliers must be able to reduce their operating costs in order to maintain profitability. The Debtors have taken steps to reduce their operating costs and other actions to offset customer price reductions; however, price reductions have impacted the Debtors' sales and profit margins and are expected to continue to do so in the future. If the Debtors are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, the Debtors' results of operations and financial condition will likely be adversely affected.

8. Inflation May Adversely Affect the Debtors' Profitability and the Profitability of the Debtors' Tier 2 and Tier 3 Supply Base

The automotive supply industry has experienced significant inflationary pressures, primarily in ferrous and non-ferrous metals and petroleum-based commodities, such as resins. These inflationary pressures have placed significant operational and financial burdens on automotive suppliers at all levels, and are expected to continue for the foreseeable future. Generally, it has been difficult to pass on, in total, the increased costs of raw materials and components used in the manufacture of the Debtors' products to their customers. In addition, the Debtors' need to maintain a continuing supply of raw materials and/or components has made it difficult to resist price increases and surcharges imposed by their suppliers.

Further, this inflationary pressure, combined with other factors, has adversely impacted the financial condition of several domestic automotive suppliers, and resulting in several significant supplier bankruptcies. Because the Debtors purchase various types of equipment, raw materials, and component parts from suppliers, the Debtors may be materially and adversely affected by the failure of those suppliers to perform as expected. This non-performance may consist of delivery delays, failures caused by production issues, or delivery of non-conforming products, or supplier insolvency or bankruptcy. Consequently, the Debtors' efforts to continue to mitigate the effects of these inflationary pressures may be insufficient if conditions worsen, thereby negatively impacting the Debtors' financial results.

9. The Debtors Could Be Negatively Impacted by Supplier Shortages

In an effort to manage and reduce the costs of purchased goods and services, the Debtors, like many suppliers and automakers, have been consolidating their supply base. As a result, the Debtors are dependent on single or limited sources of supply for certain components used in the manufacture of their products. The Debtors select their suppliers based on total value (including



price, delivery and quality), taking into consideration their production capacities and financial condition. However, there can be no assurance that strong demand, capacity limitations or other problems experienced by the Debtors' suppliers will not result in occasional shortages or delays in their supply of components. If the Debtors were to experience a significant or prolonged shortage of critical components from any of their suppliers, particularly those who are sole sources, and could not procure the components from other sources, the Debtors would be unable to meet their production schedules for some of their key products or to ship such products to their customers in timely fashion, which would adversely affect sales, margins, and customer relations.

10. Work Stoppages and Similar Events Could Significantly Disrupt the Debtors' Business

Because the automotive industry relies heavily on just-in-time delivery of components during the assembly and manufacture of vehicles, a work stoppage at one or more of the Debtors' manufacturing and assembly facilities could have material adverse effects on the business. Similarly, if one or more of the Debtors' customers were to experience a work stoppage, that customer would likely halt or limit purchases of the Debtors' products, which could result in the shut down of the related manufacturing facilities. A significant disruption in the supply of a key component due to a work stoppage at one of the Debtors' suppliers or any other supplier could have the same consequences, and accordingly, have a material adverse effect on the Debtors' financial results.

11. Impairment Charges Relating to the Debtors' Assets and Possible Increases to Their Valuation Allowances May Have a Material Adverse Effect on Their Earnings and Results of Operations

The Debtors recorded asset impairment charges of \$9.0 million, \$234.0 million and \$95.0 million in 2009, 2008 and 2007, respectively, to adjust the carrying value of certain assets to their estimated fair value. Additional asset impairment charges in the future may result in the Debtors' failure to achieve their internal financial plans, and such charges could materially affect the Debtors' results of operations and financial condition in the period(s) recognized. In addition, the Debtors cannot provide assurance that they will be able to recover remaining net deferred tax assets, which are dependent upon achieving future taxable income in certain foreign jurisdictions. Failure to achieve its taxable income targets may change the Debtors' assessment of the recoverability of their remaining net deferred tax assets and would likely result in an increase in the valuation allowance in the applicable period. Any increase in the valuation allowance would result in additional income tax expense, which could have a significant impact on the company's future results of operations.

12. The Debtors' Expected Annual Effective Tax Rate Could be Volatile and Materially Change as a Result of Changes in Mix of Earnings and Other Factors

Changes in the Debtors' debt and capital structure, among other items, may impact their effective tax rate. The Debtors' overall effective tax rate is equal to consolidated tax expense as a percentage of consolidated earnings before tax. However, tax expenses and benefits are not recognized on a global basis but rather on a jurisdictional basis. Further, the Debtors are in a

position whereby losses incurred in certain tax jurisdictions generally provide no current financial statement benefit. In addition, certain jurisdictions have statutory rates greater than or less than the United States statutory rate. As such, changes in the mix and source of earnings between jurisdictions could have a significant impact on the Debtors' overall effective tax rate in future periods. Changes in tax law and rates, changes in rules related to accounting for income taxes, or adverse outcomes from tax audits that regularly are in process in any of the jurisdictions in which the Debtors operate could also have a significant impact on the Debtors' overall effective rate in future periods.

13. The Debtors' Ability to Effectively Operate Could be Hindered if They Fail to Attract and Retain Key Personnel

The Debtors' ability to operate their business and implement their strategies effectively depends, in part, on the efforts of their executive officers and other key employees. In addition, the Debtors' future success will depend on, among other factors, the ability to attract and retain qualified personnel, particularly engineers and other employees with critical expertise and skills that support key customers and products. The loss of the services of any key employees or the failure to attract or retain other qualified personnel could have a material adverse effect on the Debtors' business.

14. Warranty Claims, Product Liability Claims, and Product Recalls Could Harm the Debtors' Business, Results of Operations, and Financial Condition

The Debtors face the inherent business risk of exposure to warranty and product liability Claims in the event that their products fail to perform as expected or such failure results, or is alleged to result, in bodily injury or property damage (or both). In addition, if any of the Debtors' designed products are defective or are alleged to be defective, the Debtors may be required to participate in a recall campaign. As suppliers become more integrally involved in the vehicle design process and assume more of the vehicle assembly functions, automakers are increasingly expecting them to warrant their products and are increasingly looking to suppliers for contributions when faced with product liability claims or recalls. A successful warranty or product liability claim against the Debtors in excess of their available insurance coverage and established reserves, or a requirement that the Debtors participate in a product recall campaign, could have materially adverse effects on the Debtors' business, results of operations, and financial condition.

15. The Debtors' Business Could be Affected Adversely by Terrorism

Terrorist-sponsored attacks, both foreign and domestic, could have adverse effects on the Debtors' business and results of operations. These attacks could accelerate or exacerbate other automotive industry risks such as those described above and also have the potential to interfere with the Debtors' business by disrupting supply chains and the delivery of products to customers.

16. The Debtors are Involved From Time to Time in Legal Proceedings and Commercial or Contractual Disputes, Which Could Have an Adverse Effect on Their Business, Results of Operations and Financial Position

The Debtors are involved in legal proceedings and commercial or contractual disputes that, from time to time, are significant. These are typically Claims that arise in the normal course of business including, without limitation, commercial or contractual disputes (including disputes with suppliers), intellectual property matters, personal injury Claims, and employment matters. No assurances can be given that such proceedings and Claims will not have a material adverse impact on the Debtors' profitability and financial position.

17. Litigation Related to Foreign Affiliates' Pension Plans Could Impact the Debtors' Business

As noted above, on October 15, 2009, the Visteon UK Pension Trustees Limited, in its capacity as trustee of the VUK Pension Plan and on behalf of the beneficiaries of the VUK Pension Plan filed Proofs of Claim against each of the Debtors asserting contingent and unliquidated Claims pursuant to the UK Pensions Act 2004 and the UK Pensions Act 1995 for liabilities related to a funding deficiency of the VUK Pension Plan. According to the Proofs of Claim, the VUK Pension Plan had a funding deficiency of approximately \$555.0 million as of March 31, 2009.

Visteon Engineering Services Pension Trustees Limited, trustee of the VES Pension Plan also submitted Proofs of Claim against each of the Debtors asserting contingent and unliquidated claims pursuant to the UK Pensions Act 2004 and the UK Pensions Act 1995 for liabilities related to an alleged funding deficiency of the VES Pension Plan. According to the VES' Proofs of Claim, the UK Pensions Regulator has advised the trustee for the VES Pension Plan that it has begun investigating funding issues related to the VES Pension Plan. As of March 31, 2009, the VES Pension Plan was underfunded by an amount of approximately \$118.1 million according to the VES Proofs of Claim.

While the Visteon UK Pension Trustees Limited has withdrawn with prejudice all Claims asserted against the Debtors [Docket No. 3089], if the Pensions Regulator were to issue a financial support direction or contribution notice against any affiliate of the Debtors with respect to the VUK Pension Plan and/or the VES Pension Plan, certain of the Debtors' non-Debtor Affiliates may be required to satisfy such Claims, which may have a material adverse impact on the Debtors' business going forward to the extent any liability is established against any of the Debtors' non-Debtor Affiliates.

In addition, there are currently several pending civil actions against non-Debtor Affiliate Visteon Deutschland GmbH ("Visteon Germany") seeking damages for the alleged violation of German pension laws that prohibit the use of pension benefit formulas that differ for salaried and hourly employees without adequate justification. Several of these actions have been joined as pilot cases. In a written decision issued on or about April 6, 2010, the Federal Labor Court issued a declaratory judgment in favor of the plaintiffs in the pilot cases. To date, more than 200 current and former employees have filed similar actions, and an additional 1,100 current and

former employees who are similarly situated to the plaintiffs participate in the pension plan that is the subject of the declaratory judgment. Visteon Corporation and Visteon Germany have reserved certain amounts relating to the potential actions against Visteon Germany based on their best estimate as to the potential damages that could be awarded to parties in connection with the civil actions.

18. The Debtors' Funding Levels of Pension Plans Could Materially Deteriorate or the Debtors May Be Unable to Generate Sufficient Excess Cash Flow to Meet Increased Pension or OPEB Obligations

Substantially all of the Debtors' employees participate in defined benefit pension plans or retirement/termination indemnity plans. Visteon also sponsors OPEB plans in the United States and Canada. Visteon's worldwide pension and OPEB obligations exposed the company to approximately \$574.0 million in unfunded liabilities as of December 31, 2009, of which approximately \$388.0 million and \$120.0 million was attributable to unfunded U.S. and non-U.S. pension obligations, respectively, and \$66.0 million was attributable to unfunded OPEB obligations. Visteon has previously experienced declines in interest rates and pension asset values. Future declines in interest rates or the market values of the securities held by the plans, or certain other changes, could materially deteriorate the funded status of Visteon's plans and affect the level and timing of required contributions in 2010 and beyond. Additionally, a material deterioration in the funded status of the plans could significantly increase pension expenses and reduce the company's profitability. While the Bankruptcy Court approved termination of Visteon's OPEB obligations, there is a risk that the decision may be overturned on appeal, as described further in Article V.F.1 herein. Visteon funds its OPEB obligations on a pay-as-you-go basis; accordingly, the related plans have no assets. Visteon is subject to increased OPEB cash outlays and costs due to, among other factors, rising health care costs. Increases in the expected cost of health care in excess of current assumptions could increase actuarially determined liabilities and related OPEB expenses along with future cash outlays. Visteon's assumptions used to calculate pension and OPEB obligations as of the annual measurement date directly impact the expense to be recognized in future periods. While Visteon's management believes that these assumptions are appropriate, significant differences in actual experience or significant changes in these assumptions may materially affect the company's pension and OPEB obligations and future expense. Visteon's ability to generate sufficient cash to satisfy its obligations may be impacted by the factors discussed herein.

19. The Debtors Could be Adversely Impacted by Environmental Laws and Regulations

The Debtors' operations are subject to U.S. and foreign environmental laws and regulations governing emissions to air; discharges to water; the generation, handling, storage, transportation, treatment and disposal of waste materials; and the cleanup of contaminated properties. Currently, environmental costs with respect to former, existing or subsequently acquired operations are not material, but there is no assurance that the Debtors will not be adversely impacted by such costs, liabilities or Claims in the future either under present laws and regulations or those that may be adopted or imposed in the future.

20. Developments or Assertions by or Against the Debtors Relating to Intellectual Property Rights Could Materially Impact Their Business

The Debtors own significant intellectual property, including a large number of patents, trademarks, copyrights and trade secrets, and are involved in numerous licensing arrangements. The Debtors' intellectual property plays an important role in maintaining their competitive position in a number of the markets served. Developments or assertions by or against the Debtors relating to intellectual property rights could materially impact the Debtors' business. Significant technological developments by others also could materially and adversely affect the Debtors' business and results of operations and financial condition.

**E. Risks Associated with Forward Looking Statements**

1. Financial Information Is Based on the Debtors' Books and Records and, Unless Otherwise Stated, No Audit Was Performed

The financial information contained in this Disclosure Statement has not been audited. In preparing this Disclosure Statement, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtors have used their reasonable business judgment to ensure the accuracy of the financial information provided in this Disclosure Statement, and while the Debtors believe that such financial information fairly reflects, in all material respects, the financial results of the Debtors, the Debtors are unable to warrant or represent that the financial information contained herein and attached hereto is without inaccuracies.

2. Financial Projections and Other Forward Looking Statements Are Not Assured, Are Subject to Inherent Uncertainty Due to Numerous Assumptions Upon Which They Are Based and, as a Result, Actual Results May Vary.

This Disclosure Statement contains various projections concerning the financial results of the Reorganized Debtors' operations, including the Financial Projections that are, by their nature, forward looking, and which projections are necessarily based on certain assumptions and estimates. Should any or all of these assumptions or estimates ultimately prove to be incorrect, the actual future financial results of the Reorganized Debtors may turn out to be different from the Financial Projections. The Financial Projections do not reflect emergence adjustments, including the impact of "fresh start" accounting.

Specifically, the projected financial results contained in this Disclosure Statement reflect numerous assumptions concerning the anticipated future performance of the Reorganized Debtors, some of which may not materialize, including, without limitation, assumptions concerning: (a) the magnitude of the potential adverse impacts of the filing of the Chapter 11 Cases on the Debtors' business, financial condition, or results of operations, including the Debtors' ability to maintain contracts, trade credit and other customer and vendor relationships that are critical to their business and the actions and decisions of their Creditors and other third parties with interests in the Chapter 11 Cases; (b) the Debtors' ability to obtain approval of Bankruptcy Court with respect to motions in the Chapter 11 Cases prosecuted from time to time

and to develop, prosecute, confirm, and consummate one or more plans of reorganization with respect to the Chapter 11 Cases and to consummate all of the transactions contemplated by one or more such plans or upon which consummation of such plans may be conditioned; (c) the timing of Confirmation and Consummation of one or more plans of reorganization in accordance with its terms; (d) the anticipated future performance of Reorganized Visteon, including, without limitation, the Debtors' ability to maintain or increase revenue and gross margins, control future operating expenses or make necessary capital expenditures; (e) general economic conditions in the markets in which the Debtors operate, including changes in interest rates or currency exchange rates; (f) the financial condition of the Debtors' customers or suppliers; (g) changes in actual industry vehicle production levels from the Debtors' current estimates; (h) fluctuations in the production of vehicles for which the Debtors are a supplier; (i) the loss of business with respect to, or the lack of commercial success of, a vehicle model for which the Debtors are a significant supplier, including further declines in sales of full-size pickup trucks and large sport utility vehicles; (j) disruptions in the relationships with the Debtors' suppliers; (k) labor disputes involving the Debtors or their significant customers or suppliers, or other labor disputes that otherwise affect the Debtors; (l) the Debtors' ability to achieve cost reductions that offset or exceed customer-mandated selling price reductions; (m) the outcome of customer negotiations; (n) the impact and timing of program launch costs; (o) the costs, timing, and success of restructuring actions; (p) increases in the Debtors' warranty or product liability costs; (q) risks associated with conducting business in foreign countries; (r) competitive conditions impacting the Debtors' key customers and suppliers; (s) the cost and availability of raw materials and energy; (t) the Debtors' ability to mitigate increases in raw material, energy, and commodity costs; (u) the outcome of legal or regulatory proceedings to which the Debtors are or may become parties; (v) unanticipated changes in Cash flow, including the Debtors' ability to align vendor payment terms with those of their customers; (w) further impairment charges initiated by adverse industry or market developments; (x) the impact and duration of domestic and foreign government initiatives designed to assist the automotive industry; and (y) other risks described herein and from time to time in Visteon Corporation's Securities and Exchange Commission filings. Future operating results will be based on various factors, including actual industry production volumes, commodity prices, and the Debtors' success in implementing their operating strategy.

Due to the inherent uncertainties associated with projecting financial results generally, the projections contained in this Disclosure Statement will not be considered assurances or guarantees of the amount of funds or the amount of Claims that may be Allowed in the various Classes. While the Debtors believe that the Financial Projections contained in this Disclosure Statement are reasonable, there can be no assurance that they will be realized.

#### **F. Disclosure Statement Disclaimer**

##### **1. This Disclosure Statement Was Not Approved by the Securities and Exchange Commission**

This Disclosure Statement was not filed with the Commission under the Securities Act or applicable state securities laws. Neither the Commission nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained herein, and any representation to the contrary is unlawful.

## 2. Reliance on Exemptions from Registration Under the Securities Act

This Disclosure Statement has been prepared pursuant to section 1125 of the Bankruptcy Code and Rule 3016(b) of the Federal Rules of Bankruptcy Procedure and is not necessarily in accordance with federal or state securities laws or other similar laws. The offer of New Visteon Common Stock to holders of certain Classes of Claims has not been registered under the Securities Act or similar state securities or “blue sky” laws. To the maximum extent permitted by section 1145 of the Bankruptcy Code, the Securities Act and other applicable nonbankruptcy law, the issuance of the New Visteon Common Stock (including the shares reserved for issuance under the Management Equity Incentive Program) will be exempt from registration under the Securities Act by virtue of Section 1145 of the Bankruptcy Code, section 4(2) of the Securities Act, or Regulation D promulgated thereunder, Rule 701 of the Securities Act or a “no sale” under the Securities Act as described herein.

## 3. This Disclosure Statement May Contain Forward Looking Statements

This Disclosure Statement may contain “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as “may,” “expect,” “anticipate,” “estimate,” or “continue” or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The Liquidation Analyses, distribution projections, and other information contained herein and attached hereto are estimates only, and the timing and amount of actual distributions to holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, any analyses, estimates, or recovery projections may or may not turn out to be accurate.

## 4. No Legal or Tax Advice Is Provided to You by this Disclosure Statement

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each holder of a Claim or an Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax and other matters concerning his or her Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation of the Plan.

## 5. No Admissions Made

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Entity (including, without limitation, the Debtors) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, the Reorganized Debtors, holders of Allowed Claims or Interests, or any other parties in interest.

6. Failure to Identify Litigation Claims or Projected Objections

No reliance should be placed on the fact that a particular litigation Claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. The Debtors or the Reorganized Debtors may seek to investigate, file, and prosecute Claims and Interests and may object to Claims after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies such Claims or Objections to Claims.

7. No Waiver of Right to Object or Right to Recover Transfers and Assets

The vote by a holder of an Allowed Claim for or against the Plan does not constitute a waiver or release of any Claims or rights of the Debtors (or any party in interest, as the case may be) to object to that holder's Allowed Claim, or recover any preferential, fraudulent or other voidable transfer or assets, regardless of whether any Claims or Causes of Action of the Debtors or their respective Estates are specifically or generally identified herein.

8. Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors

Counsel to and other advisors retained by the Debtors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not independently verified the information contained herein.

9. Potential Exists for Inaccuracies, and the Debtors Have No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since that date. While the Debtors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

10. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to the counsel for the Debtors, the counsel for the Creditors Committee and the United States Trustee.



**G. Liquidation Under Chapter 7**

If no plan can be Confirmed, the Debtors' Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of holders of Claims and the Debtors' Liquidation Analyses is described herein and attached hereto as **Exhibit D**.

**ARTICLE X.  
CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

The following is a summary of certain United States federal income tax consequences of the Plan to the Debtors and certain holders of Claims. This summary is based on the Internal Revenue Code, Treasury Regulations thereunder ("Treasury Regulations") and administrative and judicial interpretations and practice, all as in effect on the date of this Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtors do not intend to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Plan discussed below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences of the Plan described below.

This summary does not apply to holders of Claims that are not United States Persons (as such term is defined in the Internal Revenue Code) or that are otherwise subject to special treatment under United States federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through Entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, employees, persons who received their Claims or Interests pursuant to the exercise of an employee stock option or otherwise as compensation, persons holding Claims or Interests that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction and regulated investment companies). The following discussion assumes that holders of Allowed Claims hold such Claims as "capital assets" within the meaning of section 1221 of the Internal Revenue Code. Moreover, this summary does not purport to cover all aspects of United States federal income taxation that may apply to the Debtors and holders of Allowed Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than United States federal income tax law, including under state, local or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX

ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

**INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE:** TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS WRITTEN TO SUPPORT THE PROMOTION AND MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

**A. Consequences to Holders of Allowed Class E Term Loan Facility Claims, Class F 7.00% Senior Notes Claims and 8.25% Senior Notes Claims, and Class G 12.25% Senior Notes Claims**

Pursuant to the Plan, Allowed Class E Term Loan Facility Claims will be exchanged for New Visteon Common Stock or Cash, while Class F 7.00% Senior Notes Claims and 8.25% Senior Notes Claims and Class G 12.25% Senior Notes Claims will be exchanged for New Visteon Common Stock and, under the Rights Offering Sub Plan, Subscription Rights.

To the extent that the Allowed Term Loan Facility Claims, 7.00% Senior Notes Claims, 8.25% Senior Notes Claims and 12.25% Senior Notes Claims are treated as securities of Visteon, then the exchange of such Allowed Claims so treated for New Visteon Common Stock and/or Subscription Rights pursuant to the Plan should be treated as a recapitalization and, therefore, a tax-free reorganization. In such case, each holder of such Allowed Claims should not recognize any gain or loss on the exchange, except to the extent that a portion of the consideration received in exchange for the Allowed Claims is allocable to Accrued but Untaxed Interest, the holder may recognize ordinary income (as discussed in greater detail herein, "Accrued but Untaxed Interest"). Such holder should obtain a tax basis in the New Visteon Common Stock and Subscription Rights received equal to the tax basis of the Allowed Claims surrendered and should have a holding period for the New Visteon Common Stock that includes the holding period for the Allowed Claims exchanged therefore, provided, however, that the tax basis of any New Visteon Common Stock (or portion thereof) treated as received in satisfaction of accrued interest should equal the amount of such accrued interest, and the holding period for such New Visteon Common Stock (or portion thereof) should not include the holding period of the Allowed Claims exchanged therefor.

To the extent that the Allowed Term Loan Facility Claims, 7.00% Senior Notes Claims, 8.25% Senior Notes Claims and 12.25% Senior Notes Claims are not treated as securities of Visteon, a holder of such Allowed Claims will be treated as exchanging its Allowed Claims for New Visteon Common Stock and/or Subscription Rights in a taxable exchange under section 1001 of the Internal Revenue Code. Accordingly, each holder of such Allowed Claims should recognize capital gain or loss equal to the difference between: (a) the fair market value of

the New Visteon Common Stock (as of the date it is distributed to the holder) received in exchange for the Allowed Claims and (b) the holder's adjusted basis, if any, in the Allowed Claims. Such gain or loss should be (subject to the "market discount" rules described below) long-term capital gain or loss if the holder has a holding period for Allowed Claims of more than one year. The deductibility of capital losses is subject to limitations. To the extent that a portion of the consideration received in exchange for the Allowed Claims is allocable to Accrued but Untaxed Interest, the holder may recognize ordinary income (as discussed in greater detail herein, Accrued but Untaxed Interest). A holder's tax basis in the shares of New Visteon Common Stock should equal their fair market value as of the date they are distributed to the holder. A holder's holding period for New Visteon Common Stock should begin on the day following the Effective Date.

If, pursuant to the Rights Offering Sub Plan, a holder of Allowed Term Loan Facility Claims exchanges its Allowed Claim for Cash, such holder should recognize capital gain or loss equal to the difference between (a) the amount of Cash that is not allocable to accrued interest and (b) the holder's tax basis in the Allowed Claims surrendered therefor by the holder. Such gain or loss should be (subject to the "market discount" rules described below) long-term capital gain or loss if the holder has a holding period for Allowed Claims of more than one year. To the extent that a portion of the Cash received in exchange for the Allowed Claims is allocable to Accrued but Untaxed Interest, the holder may recognize ordinary income (as discussed in greater detail in Article X herein, Accrued but Untaxed Interest).

1. Consequences to Holders of Allowed Class A ABL Claims, Class C Other Secured Claims, Class D Other Priority Claims, and Class H General Unsecured Claims

Pursuant to the Plan, Allowed Class A ABL Claims, Class C Other Secured Claims, Class D Other Priority Claims, and Class H General Unsecured Claims will be exchanged for Cash or, in the case of certain Secured Claims, the collateral securing such Claims. A holder who receives Cash or collateral should recognize capital gain or loss equal to the difference between (a) the amount of Cash and/or the fair market value of any collateral received that is not allocable to accrued interest and (b) the holder's tax basis in the Allowed Claims surrendered therefor by the holder. Such gain or loss should be (subject to the "market discount" rules described below) long-term capital gain or loss if the holder has a holding period for Allowed Claims of more than one year. To the extent that a portion of the Cash and/or collateral received in exchange for the Allowed Claims is allocable to Accrued but Untaxed Interest, the holder may recognize ordinary income (as discussed in greater detail in Article X herein, Accrued but Untaxed Interest).

2. Accrued but Untaxed Interest

A portion of the consideration received by holders of Claims may be attributable to Accrued but Untaxed Interest on such Claims. Such amount should be taxable to that holder as interest income if such accrued interest has not been previously included in the holder's gross income for United States federal income tax purposes. Conversely, holders of Claims may be able to recognize a deductible loss to the extent any accrued interest on the Claims was previously included in the holder's gross income but was not paid in full by the Debtors.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to Accrued but Untaxed Interest is unclear. Under the Plan, the aggregate consideration to be distributed to holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for United States federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. The Internal Revenue Service could take the position that the consideration received by the holder should be allocated in some way other than as provided in the Plan. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

### 3. Market Discount

Holders who exchange Allowed Claims for New Visteon Common Stock and/or Subscription Rights may be affected by the “market discount” provisions of sections 1276 through 1278 of the Internal Revenue Code. Under these provisions, some or all of the gain realized by a holder may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued “market discount” on such Allowed Claims.

In general, a debt obligation with a fixed maturity of more than one year that is acquired by a holder on the secondary market (or, in certain circumstances, upon original issuance) is considered to be acquired with “market discount” as to that holder if the debt obligation’s stated redemption price at maturity (or revised issue price as defined in section 1278 of the Internal Revenue Code, in the case of a debt obligation issued with original issue discount) exceeds the tax basis of the debt obligation in the holder’s hands immediately after its acquisition. However, a debt obligation is not a “market discount bond” if the excess is less than a statutory de minimis amount (equal to 0.25% of the debt obligation’s stated redemption price at maturity or revised issue price, in the case of a debt obligation issued with original issue discount, multiplied by the number of complete years remaining until maturity at the time of the acquisition).

Any gain recognized by a holder on the taxable disposition of Allowed Claims (determined as described above) that were acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Allowed Claims were considered to be held by the holder (unless the holder elected to include market discount in income as it accrued). To the extent that the Allowed Claims that were acquired with market discount are exchanged in a tax-free transaction for other property (as may occur here), any market discount that accrued on the Allowed Claims (i.e., up to the time of the exchange) but was not recognized by the holder is carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption or other disposition of such property is treated as ordinary income to the extent of such accrued, but not recognized, market discount.

### 4. Information Reporting and Backup Withholding

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a holder of a Claim may be

subject to backup withholding (currently at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided, however, that the required information is timely provided to the Internal Revenue Service.

The Debtors will, through the Distribution Agent, withhold all amounts required by law to be withheld from payments of interest. The Debtors will comply with all applicable reporting requirements of the Internal Revenue Service.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

**B. Certain United States Federal Income Tax Consequences to the Reorganized Debtors**

**1. Cancellation of Debt and Reduction of Tax Attributes**

In general, absent an exception, a debtor will realize and recognize COD Income upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted Issue Price of the indebtedness satisfied, over (b) the sum of (i) the amount of Cash paid, and (ii) the fair market value of any new consideration (including stock of the debtor) given in satisfaction of such indebtedness at the time of the exchange.

A debtor will not, however, be required to include any amount of COD Income in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to the rule discussed in the preceding sentence. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business and minimum tax credit carryovers; (c) capital loss carryovers; (d) tax basis in assets; and (e) foreign tax credit carryovers. A debtor with COD Income may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Internal Revenue Code. The reduction in tax attributes occurs only after the tax for the

year of the debt discharge has been determined. Any excess COD Income over the amount of available tax attributes is not subject to United States federal income tax and has no other United States federal income tax impact.

The Treasury Regulations address the method and order for applying tax attribute reduction to an affiliated group of corporations. Under these regulations, the tax attributes of each member of an affiliated group of corporations that is excluding COD Income is first subject to reduction. To the extent the debtor member's tax basis in stock of a lower-tier member of the affiliated group is reduced, a "look through rule" requires that a corresponding reduction be made to the tax attributes of the lower-tier member. If a debtor member's excluded COD Income exceeds its tax attributes, the excess COD Income is applied to the reduction of certain remaining consolidated tax attributes of the affiliated group. Because the Plan provides that holders of certain Allowed Claims will receive New Visteon Common Stock, the amount of COD Income, and accordingly the amount of tax attributes required to be reduced, will depend on the fair market value of the New Visteon Common Stock exchanged therefor. This value cannot be known with certainty until after the Effective Date. However, as a result of Consummation, the Debtors expect that there could be material reductions in NOLs, NOL carryforwards, or other tax attributes including the Reorganized Debtors' tax basis in their assets.

## 2. Limitation of NOL Carry Forwards and Other Tax Attributes

The Reorganized Debtors may have NOL carryovers and other tax attributes at emergence. The amount of such NOL carryovers that will be available to the Reorganized Debtors at emergence is based on a number of factors and is impossible to calculate at this time. Some of the factors that will impact the amount of available NOLs include: (a) the amount of tax losses incurred by the Debtors in 2010; (b) the value of the New Visteon Common Stock; and (c) the amount of COD Income incurred by the Debtors in connection with Consummation. The Debtors anticipate that subsequent utilization of any losses and NOL carryovers remaining and possibly certain other tax attributes may be restricted as a result of and upon Consummation.

Following Consummation, the Debtors anticipate that any remaining NOL carryover, capital loss carryover, tax credit carryovers and, possibly, certain other tax attributes (such as losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change) of the Reorganized Debtors allocable to periods prior to the Effective Date (collectively, the "Pre-Change Losses") may be subject to limitation under sections 382 and 383 of the Internal Revenue Code as a result of an "ownership change" of the Reorganized Debtors by reason of the transactions pursuant to the Plan.

Under sections 382 and 383 of the Internal Revenue Code, if a corporation undergoes an "ownership change," the amount of its Pre-Change Losses that may be utilized to offset future taxable income generally is subject to an annual limitation. As discussed in greater detail herein, the Debtors anticipate that the issuance of the New Visteon Common Stock pursuant to the Plan will result in an "ownership change" of the Reorganized Debtors for these purposes, and that the Debtors' use of their NOL carryovers and other Pre-Change Losses will be subject to limitation unless an exception to the general rules of section 382 of the Internal Revenue Code applies.

### 3. General Section 382 Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an “ownership change” would be subject is equal to the product of (a) the fair market value of the stock of the corporation immediately before the “ownership change” (with certain adjustments) multiplied by (b) the “long-term tax-exempt rate” (which is the highest of the adjusted Federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the “ownership change” occurs). Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year.

### 4. Special Bankruptcy Exceptions

An exception to the foregoing annual limitation rules generally applies when so-called “qualified creditors” of a debtor company in chapter 11 receive, in respect of their Claims, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the “382(l)(5) Exception”). Under the 382(l)(5) Exception, a debtor’s Pre-Change Losses are not limited on an annual basis but, instead, are required to be reduced by the amount of any interest deductions Claimed during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the Reorganized Debtors undergo another “ownership change” within two years after Consummation, then the Reorganized Debtors’ Pre-Change Losses effectively would be eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the 382(l)(5) Exception), a second special rule will generally apply (the “382(l)(6) Exception”). Under the 382(l)(6) Exception, the limitation will be calculated by reference to the lesser of the value of the debtor corporation’s new stock (with certain adjustments) immediately after the ownership change or the value of such debtor corporation’s assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an “ownership change” to be determined before the events giving rise to the change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception in that under it, the debtor corporation is not required to reduce their NOLs by the amount of interest deductions Claimed within the prior three-year period, and the debtor may undergo a change of ownership within two years without triggering the elimination of its NOLs.

While it is not certain, it is doubtful at this point that the Debtors will elect to utilize the 382(l)(5) Exception. In the event that the Debtors do not use the 382(l)(5) Exception, the Debtors expect that their use of any remaining NOLs after the Effective Date will be subject to limitation based on the rules discussed above, but taking into account the 382(l)(6) Exception. Regardless of whether the Reorganized Debtors take advantage of the 382(l)(6) Exception or the 382(l)(5) Exception, the Reorganized Debtors’ use of their Pre-Change Losses after the Effective Date may be adversely affected if an “ownership change” within the meaning of section 382 of the Internal Revenue Code were to occur after the Effective Date. With respect to any ownership change after the Effective Date, NOLs and other tax attributes attributable to the period prior to

the Effective Date are treated as Pre-Change Losses for the latter ownership change as well, with the result that such NOLs will be subject to the smaller of the earlier annual limitation and any later annual limitations.

5. Alternative Minimum Tax

In general, an alternative minimum tax (“AMT”) is imposed on a corporation’s alternative minimum taxable income (“AMTI”) at a 20% rate to the extent such tax exceeds the corporation’s regular federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. For example, except for alternative tax NOLs generated in or deducted as carryforwards in taxable years ending in 2001 and 2002, which can offset 100% of a corporation’s AMTI, only 90% of a corporation’s AMTI may be offset by available alternative tax NOL carryforwards. The effect of this rule could cause Reorganized Visteon to owe a modest amount of federal and state income tax on taxable income in future years even if NOL carryforwards are available to offset that taxable income. Additionally, under section 56(g)(4)(G) of the Internal Revenue Code, an ownership change (as discussed above) that occurs with respect to a corporation having a net unrealized built-in loss in its assets will cause, for AMT purposes, the adjusted basis of each asset of the corporation immediately after the ownership change to be equal to its proportionate share (determined on the basis of respective fair market values) of the fair market value of the assets of the corporation, as determined under section 382(h) of the Internal Revenue Code, immediately before the ownership change, the effect of which may increase the amount of AMT owed by the Reorganized Debtors.

ARTICLE XI.  
RECOMMENDATION

The Debtors recommend the Plan because it provides for greater distributions to the holders of Claims and Interests than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation could result in extensive delays and increased administrative expenses resulting in smaller distributions to the holders of Claims. **Accordingly, the Debtors recommend that holders of Claims entitled to vote on the Plan support Confirmation and vote to accept the Plan.**

Respectfully submitted,

Van Buren Township, Michigan  
Dated:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
VISTEON CORPORATION (for itself and all other Debtors)



**Exhibit A**

**Third Amended Joint Plan of Reorganization of Visteon Corporation and Its  
Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy  
Codes**

[Included as Exhibit 99.1 to this Current Report on Form 8-K]

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**Exhibit B**

**Approved Disclosure Statement Order [To Be Filed]**

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**Exhibit C**

**The Reorganized Debtors' Financial Projections**

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**VISTEON CORPORATION**  
Financial Projections

**FINANCIAL PROJECTIONS**

The Debtors developed financial projections (the “Financial Projections”) to support the feasibility of the *Third Amended Joint Plan of Reorganization of Visteon Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy Court* (the “Plan”).<sup>1</sup>

**THE FINANCIAL PROJECTIONS ARE BASED UPON A NUMBER OF SIGNIFICANT ASSUMPTIONS. ACTUAL OPERATING RESULTS AND VALUES MAY VARY SIGNIFICANTLY FROM THESE FINANCIAL PROJECTIONS.**

*Overview of Financial Projections*

As a condition to Confirmation, the Bankruptcy Code requires, among other things, the Bankruptcy Court to find that Confirmation is not likely to be followed by either liquidation or the need to further reorganize the Debtors. In connection with developing the Plan, and for purposes of determining whether the Plan satisfies feasibility standards, the Debtors’ management has, through the development of the Financial Projections, analyzed the Reorganized Debtors’ ability to meet their obligations under the Plan and to maintain sufficient liquidity and capital resources to conduct their businesses. The Financial Projections will also assist each holder of a Claim in determining whether to accept or reject the Plan. The Debtors prepared the Financial Projections in good faith, based upon estimates and assumptions made by the Debtors’ management. The estimates and assumptions in the Financial Projections, while considered reasonable by management, may not be realized, and are inherently subject to uncertainties and contingencies. They are also based on factors such as industry performance, general business, economic, competitive, regulatory, market and financial conditions, all of which are difficult to predict and generally beyond the Debtors’ control. Because future events and circumstances may well differ from those assumed, and unanticipated events or circumstances may occur, the Debtors expect that the actual and projected results will differ and the actual results may be materially greater or less than those contained in the Financial Projections. No representations can be made as to the accuracy of the Financial Projections or the Reorganized Debtors’ ability to achieve the projected results. Therefore, the Financial Projections may not be relied upon as a guarantee or as any other form of assurance as to the actual results that will occur. The inclusion of the Financial Projections herein should not be regarded as an indication that the Debtors considered or consider the Financial Projections to reliably predict future performance. The Financial Projections are subjective in many respects, and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and future developments. The Debtors do not intend to update or otherwise revise the Financial Projections to reflect the occurrence of future events, even in the event that assumptions underlying the Financial Projections are not borne out. The Financial Projections should be read in conjunction with the assumptions and qualifications set forth herein.

In general, as illustrated by the Financial Projections, the Debtors believe that with a significantly deleveraged capital structure, the Debtors’ businesses will return to viability. The decrease in the amount of debt on the Debtors’ balance sheet will substantially reduce interest expense and improve cash flow.

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<sup>1</sup> Capitalized terms used in the Plan and not otherwise defined shall have the meanings ascribed to such terms in the Plan.

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Based on the Financial Projections, the Debtors should have sufficient cash flow to pay and service their debt obligations and to operate their businesses. The Debtors believe that Confirmation and Consummation are not likely to be followed by the liquidation or further reorganization of the Reorganized Debtors. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

**THE DEBTORS DID NOT PREPARE THE FINANCIAL PROJECTIONS WITH A VIEW TOWARDS COMPLYING WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THE DEBTORS' INDEPENDENT AUDITOR HAS NEITHER COMPILED NOR EXAMINED THE ACCOMPANYING PROSPECTIVE FINANCIAL INFORMATION TO DETERMINE THE REASONABLENESS THEREOF AND, ACCORDINGLY, HAS NOT EXPRESSED AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT THERETO. THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH FINANCIAL PROJECTIONS OF THEIR ANTICIPATED FINANCIAL POSITION, RESULTS OF OPERATIONS OR CASH FLOWS.**

**ACCORDINGLY, NEITHER THE DEBTORS NOR THE REORGANIZED DEBTORS INTEND TO, AND EACH DISCLAIMS ANY OBLIGATION TO: (A) FURNISH UPDATED FINANCIAL PROJECTIONS TO HOLDERS OF CLAIMS OR EQUITY INTERESTS PRIOR TO THE EFFECTIVE DATE OR TO ANY OTHER PARTY AFTER THE EFFECTIVE DATE; (B) INCLUDE ANY SUCH UPDATED INFORMATION IN ANY DOCUMENTS THAT MAY BE REQUIRED TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION; OR (C) OTHERWISE MAKE SUCH UPDATED INFORMATION PUBLICLY AVAILABLE. IT IS THE CURRENT PRACTICE OF THE DEBTORS TO PERIODICALLY ISSUE PRESS RELEASES REPORTING FINANCIAL RESULTS AND HOLDERS OF CLAIMS ARE URGED TO REVIEW ANY SUCH PRESS RELEASES IN THE FUTURE IF, WHEN, AND AS, ISSUED.**

On December 17, 2009, the Debtors filed the *Joint Plan of Reorganization of Visteon Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy Court*, which contained financial projections prepared as of December 15, 2009 based on their underlying business plan (the "Business Plan"). On March 15, 2010, the Debtors filed the *First Amended Joint Plan of Reorganization of Visteon Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the United States Bankruptcy Code*, which contained financial projections prepared as of February 26, 2010, based on the Business Plan as updated to reflect actual financial results for the year ended December 31, 2009, maintenance of the Debtors' defined benefit pension plans (the "Pension Plans"), and revised assumptions for 2010 (the "First Amended Business Plan").

The Plan is comprised of two mutually exclusive sub plans—the Rights Offering Sub Plan and the Claims Conversion Sub Plan. The Debtors will seek to consummate the Rights Offering Sub Plan in the event \$1.65 billion in new capital is raised to satisfy the claims of the Debtors' secured term loan lenders. The Debtors prepared the Financial Projections of Visteon Corporation and its Debtor Affiliates for the years ending December 31, 2010 through December 31, 2013 (the "Projection Period"), as of April 6, 2010, based on the First Amended Business Plan updated only to reflect assumptions in the Rights Offering Sub Plan, such as additional general unsecured claim settlements, a capital raise to pay the holders of the Debtors' secured term loan claims in full in cash (including post-petition interest and fees) and consummation of a \$1.25 billion Rights Offering and a \$400 million senior secured term credit facility.

The Financial Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated by June 30, 2010 (the "Assumed

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Effective Date”). Any significant delay in the Assumed Effective Date may have a significant negative impact on the operations and financial performance of the Debtors including, but not limited to, an increased risk of inability to meet sales forecasts and the incurrence of higher reorganization expenses.

Although the Financial Projections represent the Debtors’ best estimates and good faith judgment (for which the Debtors believe they have a reasonable basis), of the results of future operations, financial position, and cash flows of the Reorganized Debtors, they are only estimates and actual results may vary considerably from such Financial Projections. Consequently, the inclusion of the Financial Projections herein should not be regarded as a representation by the Debtors, the Debtors’ advisors or any other person that the projected results of operations, financial position, and cash flows of the Debtors will be achieved.

The Debtors do not intend to update or otherwise revise the Financial Projections to reflect circumstances that may occur after their preparation, or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. However, the Reorganized Debtors intend to disclose their actual results of operations, financial condition and cash flows during the Projection Period through publication of subsequent quarterly and annual financial statements and accompanying discussion and analysis, which will be contained in the quarterly and annual reports.

Additional information relating to the principal assumptions used in preparing the Financial Projections is set forth below.

#### *General Assumptions and Methodology*

The Financial Projections consist of the following unaudited pro forma financial statements: projected consolidated statements of operations for each year in the Projection Period; projected statements of financial position as of December 31 for each year in the Projection Period; and projected statements of cash flows for each year in the Projection Period. The Financial Projections are based on financial data derived from the Debtors’ business planning process. The business planning process is undertaken annually by the Debtors to provide sales and cost projections which assist the Debtors in managing their working capital needs, planning for anticipated capital expenditures and developing their capital structure.

The Financial Projections: a) are based on projected market conditions in each of the Debtors’ respective markets; b) utilize part detail to create plant and product group financials; c) assume emergence from Chapter 11 on the Assumed Effective Date under the terms expected in the Plan; d) reflect the successful exit and wind down of the North America interiors business and other North American plants; e) assume that the benefits under the Debtors’ post-retirement employee health care and life insurance benefit (“OPEB”) plans are terminated; f) assume that the Debtors’ Pension Plans are maintained; g) assume that the Debtors’ non-qualified employee retirement benefit plans are terminated; h) assume that the Reorganized Debtors adopt a new supplemental executive retirement plan and pension parity plan, each substantially in the form contained in the Plan Supplement, and shall reinstate and honor any benefits accrued under the Debtors’ current supplemental executive retirement plan and pension parity plan for employees of the Reorganized Debtors pursuant to the new supplemental executive retirement plan and pension parity plan; and, i) assume consummation of a \$1.25 billion Rights Offering and a \$400 million senior secured term credit facility.

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## *Income Statement Assumptions*

**Net Sales:** The Debtors' net sales include product sales and services revenue. Product sales primarily include sales of component parts to global vehicle manufacturers and are driven by production volumes associated with the underlying vehicle platforms. Services revenue primarily relates to information technology, engineering, administrative and other business support services provided by the Debtors, largely in support of divestiture transactions.

The Debtors' product sales projections utilize vehicle platform production forecast data from industry recognized third-party consultants adjusted to incorporate the Debtors' own expertise gained through information obtained directly from the customer and analysis of past history. The Debtors combined these vehicle platform production forecasts with information pertaining to the Debtors' existing customer contracts and content for these vehicle platforms and an assessment of future contracts and content for these vehicle platforms to create the Debtors' product sales projections.

Services revenue primarily relates to information technology, engineering, administrative and other business support services provided by the Debtors to Automotive Component Holdings, LLC ("ACH"), under the terms of various agreements with ACH. Services revenue declines during the Projection Period from \$175 million in 2010 to \$129 million in 2013, representing decreased utilization of the Debtors' services by ACH.

**Cost of Goods Sold ("COGS"):** The Debtors' COGS expenditures primarily include direct material costs, labor and overhead, and product engineering expenses. Direct material costs include purchases of various commodity raw materials (primarily metals and plastics) used in the production of salable component parts. Labor and overhead includes plant related expenses. Product engineering expenses represent expenses associated primarily with employees conducting research and development, product design and manufacturing engineering activities. Included in the projected engineering expenses are reductions in costs reflecting both continued structural actions and increased utilization of lower cost country resources while at the same time recognizing the importance of continued technological development.

Excluding the \$322 million benefit related to the OPEB termination in 2010, COGS as a percentage of sales decreases throughout the Projection Period, generally due to assumed cost savings associated with ongoing restructuring and cost reduction activities and the benefit of increased capacity utilization as sales levels increase over the Projection Period.

**Selling, General & Administrative Expenses ("SG&A"):** SG&A represents administrative expenses incurred at corporate and product group levels, and related IT and facility expenses. SG&A expenses, excluding the \$13 million of expense related to the OPEB termination in 2010, are projected to be \$358 million or 5.4% of sales in 2010, decreasing to \$272 million or 4.0% of sales in 2013 due to assumed savings associated with the Company's continued cost reduction activities and improved sales levels.<sup>2</sup>

**Reorganization Items:** Reorganization items consist of estimated fees for professional advisors and other costs directly attributable to the Chapter 11 Cases.

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<sup>2</sup> SG&A for 2010 is negatively affected by the amortization of actuarial losses associated with the OPEB termination.

**Interest Expense:** Interest expense for 2010 includes the projected expense related to adequate protection under the ABL Facility and interest and fees under the DIP Facility for the period ending June 30, 2010. For the second half of 2010 through 2013, interest expense is based upon the Debtors' anticipated debt structure following Consummation of the Plan, which for purposes of the Financial Projections is primarily comprised of a \$400 million senior secured term facility at an interest rate of 10% paid quarterly. Interest expense during the Projection Period also includes the non-cash amortization of certain transaction fees associated with the anticipated post-reorganization debt structure, a 1% availability fee on a \$300 million undrawn revolving credit facility paid quarterly, and amounts related to other Affiliate debt, primarily foreign Affiliates.

**Income Tax Expense:** Consolidated income tax expense increases over the Projection Period reflecting increased profitability as well as a change in anticipated effective tax rates. These anticipated effective tax rates incorporate judgments regarding the Debtors' ability to utilize net operating loss carry-forwards to offset a portion of taxable income, as well as the impact of changes in tax laws. U.S. income taxes were estimated by the Debtors after considering the application of pre-emergence tax attributes to offset any taxable income, subject to Section 382 limitations, and post-emergence net operating losses. The Debtors believe that they will have sufficient tax attributes in existence at the Assumed Effective Date and generated after the Assumed Effective Date to offset any U.S. taxable income during the Projection Period.

#### *Balance Sheet Assumptions*

The Debtors' projected consolidated statements of financial position set forth the projected consolidated financial position after Consummation of the Plan. The projected consolidated statements of financial position were developed based upon the Debtors' December 31, 2009 balance sheet contained in the Visteon Corporation Annual Report on Form 10-K for the year ended December 31, 2009, as adjusted for projected results of operations and cash flows over the Projection Period. The projected consolidated statements of financial position do not reflect the impact of "fresh start" accounting, which could result in a material change to the projected values of assets and liabilities.

**Cash and Equivalents:** Cash and equivalents are comprised of global cash and cash equivalent balances including amounts held in foreign non-wholly owned consolidated Affiliates. The Debtors' operating profitability is projected to become more concentrated with their foreign subsidiaries and joint ventures. Accordingly, cash balances located outside the U.S. are projected to increase. The Debtors' ability to efficiently access cash balances in foreign jurisdictions is subject to local regulatory and statutory requirements.

**Restricted Cash:** Restricted cash primarily includes amounts of cash restricted pursuant to the ABL Facility and Term Loan Facility cash collateral orders entered by the Bankruptcy Court, as well as amounts required to cash collateralize ongoing letters of credit and international hedging activities. Under the ABL Facility cash collateral order, there is an \$80 million minimum cash requirement. Under the Term Loan Facility cash collateral order, the Debtors are required to hold dividends paid by foreign Affiliates to Debtor entities. Since the Petition Date, \$35 million in dividends have been held in such accounts. Both the ABL Facility minimum cash requirement and the Term Loan Facility dividend restriction are projected to be lifted upon the Assumed Effective Date. Cash used to collateralize outstanding letters of credit and the Debtors' foreign currency hedging contracts is projected to remain restricted after the Assumed Effective Date.

**Short and Long Term Debt:** Short and long-term debt balances as of December 31, 2010, 2011, 2012 and 2013 assume an anticipated post-reorganization capital structure that is comprised primarily of a \$400 million senior secured term facility at an interest rate of 10% and foreign affiliate debt including

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\$60 million of new Halla debt in North America and Europe and \$44 million from a French receivables factoring program. Additionally, following Consummation of the Plan, the Reorganized Debtors expect to have ytgfv availability under a \$300 million U.S. revolving credit facility.

**Employee Benefits:** Employee benefit obligations assume that benefits under the Debtors' OPEB plans are terminated, the Debtors' Pension Plans are maintained, the Debtors' non-qualified employee retirement benefit plans are terminated, and the Reorganized Debtors adopt a new supplemental executive retirement plan and pension parity plan, each substantially in the form contained in the Plan Supplement, and shall reinstate and honor any benefits accrued under the Debtors' current supplemental executive retirement plan and pension parity plan for employees of the Reorganized Debtors pursuant to the new supplemental executive retirement plan and pension parity plan. Prior to the Petition Date, the Debtors withdrew from the Central States, Southeast and Southwest Areas Pension Plan (which is a multiemployer plan). Further, the shutdown of the Debtors' North Penn facility triggered a withdrawal liability from the Teamsters Pension Trust Fund of Philadelphia and Vicinity, the bulk of which is related to prepetition service. Withdrawal liabilities associated with these plans have been excluded from the Debtors' employee benefit obligations, and have been classified as liabilities subject to compromise.

**Liabilities Subject to Compromise:** Pre-petition amounts subject to compromise are assumed to be settled in accordance with the terms of the Plan. For purposes of the Financial Projections, this settlement is reflected in statements of financial position and statements of cash flows only and is given effect during 2010 as an equity transaction.

#### *Cash Flow Assumptions*

**Operating Activities:** Cash flows from operating activities are projected to increase from an outflow of \$233 million in 2010 to an inflow of \$460 million in 2013. This improvement largely reflects net income improvements adjusted for non-cash items during the Projection Period. Other significant sources and uses of cash from operations during the Projection Period include changes in trade working capital cash flows and other assets and liabilities. Changes in trade working capital cash flows in 2010 are affected by accounts payable cash flows associated with post-emergence disbursements in accordance with the Plan. Other assets and liabilities are affected by pension payments, reorganization related professional fee payments, and post-emergence disbursements to other secured claimants and general unsecured creditors in accordance with the Plan.

**Investing Activities:** Cash flows from investing activities primarily consist of capital expenditures, joint venture investments and proceeds from asset sales. Capital expenditures are \$185 million in 2010, and average \$165 million per year for the remainder of the Projection Period.

#### **Financing Activities:**

"Short-Term Debt, Net" in 2010 includes a \$127 million payment under the ABL Facility (including \$39 million on drawn letters of credit) on the Assumed Effective Date and other debt reductions, partially offset by \$60 million proceeds from new Halla debt in North America and Europe and \$35 million of cash proceeds from a French factoring program.

"Cash Restriction" assumes that the ABL Facility minimum cash requirements and the Term Loan Facility dividend restriction will be lifted on the Assumed Effective Date, resulting in a cash inflow of \$105 million in 2010.

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“Proceeds from DIP Facility, Net of Issuance Costs” includes borrowings from the DIP Facility of \$75 million in November 2009. Upon emergence, the \$75 million outstanding balance on the DIP Facility is assumed to be repaid.

“Proceeds from Issuance of Debt, Net of Issuance Costs” includes a \$400 million senior secured term facility less issuance fees for the new term loan and revolving credit facility.

“Principal Payments on Debt” includes the \$1.5 billion paydown of term loan debt and final payment of Korean bonds previously issued in 2007.

“Rights Offering, Net of Fees” assumes a \$950 million rights offering to Eligible Holders and a Direct Commitment of \$300 million, fully backstopped by the Investors’ Backstop Commitment, less a put premium of 3.5% of \$1.25 billion, an arrangement premium of 1.33% of \$1.25 billion, and transaction expenses.

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**Visteon Corporation**  
**Unaudited Projected Consolidated Statements of Operations**  
(Dollars in Millions)

**Income Statement**

	For the Year Ended December 31,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
<b>Net Sales</b>					
Product Sales	\$ 6,420	\$ 6,435	\$ 6,550	\$ 6,956	\$ 7,088
Services	265	175	153	140	129
Total Net Sales	\$ 6,685	\$ 6,610	\$ 6,703	\$ 7,096	\$ 7,217
<b>Cost Of Goods Sold</b>					
Product	\$ (5,827)	\$ (5,695)	\$ (6,063)	\$ (6,315)	\$ (6,405)
Services	(261)	(175)	(153)	(140)	(129)
Total Cost of Goods Sold	\$ (6,088)	\$ (5,870)	\$ (6,216)	\$ (6,455)	\$ (6,534)
<b>Gross Margin</b>	<b>\$ 597</b>	<b>\$ 740</b>	<b>\$ 487</b>	<b>\$ 642</b>	<b>\$ 683</b>
SG&A	(331)	(371)	(293)	(273)	(272)
Restructuring Expense	(84)	(90)	(9)	(50)	—
Reimbursement from Escrow Account	62	—	—	—	—
Reorganization Items	(60)	(82)	—	—	—
Deconsolidation Gain	95	—	—	—	—
Other Gains (Losses)	11	—	—	—	—
<b>Operating Income</b>	<b>\$ 290</b>	<b>\$ 197</b>	<b>\$ 185</b>	<b>\$ 319</b>	<b>\$ 411</b>
Interest Expense	(117)	(47)	(61)	(61)	(61)
Interest Income	11	11	16	20	27
Equity in Net Income of Affiliates	80	92	84	90	96
<b>Income Before Income Taxes</b>	<b>\$ 264</b>	<b>\$ 253</b>	<b>\$ 224</b>	<b>\$ 368</b>	<b>\$ 473</b>
Tax Expense	(80)	(110)	(120)	(125)	(125)
<b>Net Income</b>	<b>\$ 184</b>	<b>\$ 143</b>	<b>\$ 104</b>	<b>\$ 243</b>	<b>\$ 348</b>
Non-Controlling Interests	(56)	(59)	(62)	(69)	(71)
<b>Net Income Attributable to Visteon</b>	<b>\$ 128</b>	<b>\$ 84</b>	<b>\$ 42</b>	<b>\$ 174</b>	<b>\$ 277</b>

**Visteon Corporation**  
**Unaudited Projected Consolidated Statements of Financial Position**  
(Dollars in Millions)

**Balance Sheet**

	As of December 31,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
<b>Assets</b>					
Cash and Equivalents	\$ 962	\$ 416	\$ 532	\$ 678	\$ 965
Restricted Cash	133	28	28	28	28
Accounts Receivable, Net	1,055	888	914	995	1,027
Inventories, Net	319	315	325	333	328
Other Current Assets	236	306	306	306	306
<b>Total Current Assets</b>	<b>\$ 2,705</b>	<b>\$ 1,953</b>	<b>\$ 2,105</b>	<b>\$ 2,340</b>	<b>\$ 2,654</b>
Property and Equipment, Net	1,936	1,759	1,591	1,487	1,391
Equity in Net Assets of Non-Consolidated Affiliates	294	396	454	517	586
Other Non-Current Assets	84	103	99	95	90
<b>Total Assets</b>	<b>\$ 5,019</b>	<b>\$ 4,211</b>	<b>\$ 4,249</b>	<b>\$ 4,439</b>	<b>\$ 4,721</b>
<b>Liabilities</b>					
Short-Term Debt, Including Current Portion of Long Term Debt	\$ 225	\$ 168	\$ 167	\$ 167	\$ 167
Accounts Payable	977	893	935	996	1,015
Accrued Employee Liabilities	161	161	161	161	161
Other Current Liabilities	302	260	219	200	178
<b>Total Current Liabilities</b>	<b>\$ 1,665</b>	<b>\$ 1,482</b>	<b>\$ 1,482</b>	<b>\$ 1,524</b>	<b>\$ 1,521</b>
Long-Term Debt	6	406	406	406	406
Employee Benefits	568	524	472	390	340
Deferred Income Taxes	159	159	159	159	159
Other Non-Current Liabilities	257	257	257	257	257
<b>Total Non-Current Liabilities</b>	<b>\$ 990</b>	<b>\$ 1,346</b>	<b>\$ 1,294</b>	<b>\$ 1,212</b>	<b>\$ 1,162</b>
Liabilities Subject to Compromise	2,819	—	—	—	—
<b>Total Liabilities</b>	<b>\$ 5,474</b>	<b>\$ 2,828</b>	<b>\$ 2,776</b>	<b>\$ 2,736</b>	<b>\$ 2,683</b>
<b>Shareholders' Equity (Deficit)</b>					
Total Visteon Corporation Shareholders' Equity / (Deficit)	\$ (772)	\$ 1,051	\$ 1,093	\$ 1,267	\$ 1,544
Noncontrolling Interests	317	332	380	436	494
<b>Total Shareholders' Equity (Deficit)</b>	<b>\$ (455)</b>	<b>\$ 1,383</b>	<b>\$ 1,473</b>	<b>\$ 1,703</b>	<b>\$ 2,038</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 5,019</b>	<b>\$ 4,211</b>	<b>\$ 4,249</b>	<b>\$ 4,439</b>	<b>\$ 4,721</b>

**Visteon Corporation**  
**Unaudited Projected Consolidated Statements of Cash Flows**  
(Dollars in Millions)

**Statement of Cash Flows**

	For the Year Ended December 31,				
	2009	2010	2011	2012	2013
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
<b>Operating Activities</b>					
Net Income	\$ 184	\$ 143	\$ 104	\$ 243	\$ 348
Adjustments to Reconcile Net Income to Net Cash Provided From (Used By) Operating Activities:					
Depreciation & Amortization	\$ 352	\$ 337	\$ 343	\$ 262	\$ 256
Non-Cash Pension/OPEB Amortization and Curtailment	(215)	(309)	—	—	—
Deconsolidation Gain	(95)	—	—	—	—
Equity in Net Income of Non-Consolidated Affiliates, Net of Dividends Remitted	(38)	(68)	(58)	(63)	(69)
Reorganization Items	60	82	—	—	—
Other Non-Cash Items	(3)	11	4	6	5
Changes in Assets and Liabilities:					
Accounts Receivable	\$ (127)	\$ 167	\$ (26)	\$ (81)	\$ (32)
Inventories	33	4	(11)	(8)	5
Accounts Payable	79	(203)	42	61	19
Catch-Up Interest Payment on Term Debt at Exit	—	(129)	—	—	—
Other Assets and Liabilities	(89)	(268)	(93)	(101)	(72)
Net Cash Provided From (Used By) Operating Activities	\$ 141	\$ (233)	\$ 305	\$ 319	\$ 460
<b>Investing Activities</b>					
Capital Expenditures	\$ (151)	\$ (185)	\$ (175)	\$ (160)	\$ (160)
Acquisitions and Investments in Joint Ventures, Net	(30)	(34)	—	—	—
Proceeds From Divestitures and Asset Sales	69	18	—	—	—
Cash Associated With Deconsolidation	(11)	—	—	—	—
Net Cash Used By Investing Activities	\$ (123)	\$ (201)	\$ (175)	\$ (160)	\$ (160)
<b>Financing Activities</b>					
Short-Term Debt, Net	\$ (19)	\$ (44)	\$ —	\$ —	\$ —
Cash Restriction	(133)	105	—	—	—
Proceeds From DIP Facility, Net of Issuance Costs	71	(75)	—	—	—
Proceeds From Issuance of Debt, Net of Issuance Costs	57	379	—	—	—
Principal Payments on Debt	(173)	(1,563)	(1)	—	—
Rights Offering, Net of Fees	—	1,130	—	—	—
Other, Including Overdrafts	(62)	(44)	(13)	(13)	(13)
Net Cash Used By Financing Activities	\$ (259)	\$ (112)	\$ (14)	\$ (13)	\$ (13)
Effect of Exchange Rate Changes on Cash	23	—	—	—	—
Net Increase (Decrease) in Cash and Equivalents	\$ (218)	\$ (546)	\$ 116	\$ 146	\$ 287
Cash and Equivalents at Beginning of Year	1,180	962	416	532	678
Cash and Equivalents at End of Year	<u>\$ 962</u>	<u>\$ 416</u>	<u>\$ 532</u>	<u>\$ 678</u>	<u>\$ 965</u>

### Claims Conversion Sub Plan

In the event sufficient capital is not raised under the Rights Offering Sub Plan to satisfy the claims of the Debtors' secured term loan lenders in full in cash, then the Plan shall "toggle" from the Rights Offering Sub Plan to the Claims Conversion Sub Plan. Changes to the Financial Projections resulting from Consummation of the Claims Conversion Sub Plan are summarized below.

### Income Statement Assumptions

**Interest Expense:** Interest expense is lower by \$23 million during the year ended December 31, 2010 and by \$45 million during each of the years ended December 31, 2011, 2012 and 2013. Interest expense decreases in each year of the projection period because the capital structure under the Claims Conversion Sub Plan does not require \$400 million of senior secured term debt at an interest rate of 10% and additional availability fees on the \$150 million increase in the revolving credit facility capacity as contemplated by the Rights Offering Sub Plan.

**Net Income:** Net income is higher by \$23 million during the year ended December 31, 2010 and by \$45 million during each of the years ended December 31, 2011, 2012 and 2013 due to the elimination of interest expense associated with the Rights Offering Sub Plan throughout the Projection Period. Because the interest expense is associated with indebtedness assumed to be in the U.S., a tax jurisdiction with net operating losses, there is no tax impact related to the increase to pre-tax income resulting from lower interest expense.

### Balance Sheet Assumptions

**Cash and Equivalents:** Cash balances as of December 31, 2010, 2011, 2012 and 2013 are higher by \$157 million, \$197 million, \$236 million and \$276 million, respectively, under the Claims Conversion Sub Plan. Significant drivers of the increases are summarized as follows:

Description of Adjustments	2010 (Mils.)	2011 (Mils.)	2012 (Mils.)	2013 (Mils.)
Settlement of secured term loan and interest	\$ 1,629	\$ 1,629	\$ 1,629	\$ 1,629
Proceeds from rights offering	(1,130)	(1,130)	(1,130)	(1,130)
Proceeds from exit financing term loan	(400)	(400)	(400)	(400)
Exit financing term loan fees and interest	27	67	106	146
Cash leakage on dividends required to support additional debtor exit payments	31	31	31	31
Total	\$ 157	\$ 197	\$ 236	\$ 276

**Other Assets and Liabilities:** Other non-current assets as of December 31, 2010, 2011, 2012 and 2013 are lower by \$15 million, \$12 million, \$9 million and \$5 million, respectively. The decrease in all years is attributable to the elimination of unamortized debt costs associated with the \$400 million senior secured term debt and revolving credit facility required under the Rights Offering Sub Plan.

Other current liabilities as of December 31, 2010, 2011, 2012 and 2013 are lower by \$4 million, \$7 million, \$10 million and \$10 million, respectively. The decrease in all years is primarily attributable to the elimination of accrued withholding tax on dividends required to support the portion of cash payments to the holders of the Debtors' secured term loan lenders that are not covered by proceeds from the Rights Offering and the senior secured term facility, and accrued interest on the additional debt under the Rights Offering Sub Plan.

Long Term Debt: Long-term debt balances decrease by \$400 million as of December 31 for each year in the Projection Period as the capital structure contemplated under the Claims Conversion Sub Plan does not require \$400 million of senior secured term debt at an interest rate of 10% as does the the Rights Offering Sub Plan.

#### *Cash Flow Assumptions*

Operating Activities: Under the Claims Conversion Sub Plan, cash flows associated with operating activities improve by \$146 million during the year ended December 31, 2010 and by approximately \$40 million during each of the years ended December 31, 2011, 2012 and 2013. This improvement largely reflects higher net income in each year of the Projection Period associated with the elimination of interest expense associated with the Rights Offering Sub Plan. Additionally, during the year ended December 31, 2010, cash flows associated with operating activities benefit from about \$130 million of accumulated interest expense on secured term loan indebtedness that is converted to equity under the Claims Conversion Sub Plan rather than satisfied with cash as in the Rights Offering Sub Plan.

Financing Activities: Cash flows associated with financing activities improve by \$11 million during the year ended December 31, 2010 under the Claims Conversion Sub Plan primarily due to the net impact of:

- \$1.5 billion increase in financing cash associated with conversion of pre-petition term loan debt to equity rather than the pay down contemplated under the Rights Offering Sub Plan,
  - \$379 million decrease in financing cash, which represents the elimination of proceeds net of issuance fees on the \$400 million senior secured term facility and revolving credit facility required under the Rights Offering Sub Plan,
  - \$1.1 billion decrease in financing cash, which represents the elimination of net Rights Offering proceeds associated with the Rights Offering Sub Plan.
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**Exhibit D**

Exhibit D has not changed from the version attached as Exhibit D to the May 7, 2010

*Second Amended Disclosure Statement*

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## Liquidation Analyses<sup>1</sup>

### A. Introduction

Under the “best interests” of creditors test set forth in section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a plan of reorganization unless the plan provides each holder of a claim or interest who does not otherwise vote in favor of the plan with property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor was liquidated under chapter 7 of the Bankruptcy Code. To demonstrate that the Plan satisfies the “best interests” of creditors test with respect of each of the Debtor entities, the Debtors have prepared hypothetical liquidation analyses (the “Liquidation Analyses”) for each of the individual Debtors. The Liquidation Analyses estimate potential Cash distributions to holders of Allowed Claims and Interests in a hypothetical chapter 7 liquidation of all of the Debtors’ assets. Asset values discussed in the Liquidation Analyses may differ materially from values referred to in the Plan and Disclosure Statement. The Debtors prepared the Liquidation Analyses with the assistance of their Professionals.

The Liquidation Analyses are based upon certain assumptions discussed in the Disclosure Statement and in the notes accompanying the Liquidation Analyses (the “Notes”). The Liquidation Analyses demonstrate that the Plan satisfies the “best interests” test with respect to each individual Debtor. With respect to each Impaired Class of Claims or Interests under the Plan, each holder of an Allowed Claim or Interest in such Impaired Classes will receive the following percentages of their estimated aggregate Allowed Claims or Interests out of the Liquidation Proceeds (as defined below) in a chapter 7 liquidation:

Class	Type of Impaired Claim or Equity Interest	Estimated Aggregate Amount of Allowed Claims or Interests in Chapter 7 Liquidation	Estimated % of Recovery of Estimated Aggregate Amount of Allowed Claims or Interests in Chapter 7 Liquidation
E	Term Loan Facility Claim	\$1.507 billion	83.0%
N/A	PBGC Claims <sup>2</sup>	\$510 million	4.9%
F	7.00% Senior Notes Claims and 8.25% Senior Notes Claims	\$668.23 million	0%
G	12.25% Senior Notes Claim	\$202.36 million	0%

<sup>1</sup> Unless otherwise specifically set forth in the Liquidation Analyses, all capitalized terms used, but not defined herein, shall have the same meanings ascribed to them in the Plan and the Disclosure Statement.

<sup>2</sup> Claims held by the Pension Benefit Guaranty Corporation (“PBGC”) on account of the termination of Visteon’s defined benefit pension plans.

H	General Unsecured Claims	\$322.16 million	0%
I	Intercompany Claims	\$16.41 billion	0%
J	Interests in Visteon Corporation	N/A	0%
K	Intercompany Interests	N/A	0%
L	Section 510(b) Claims	N/A	0%

As the table demonstrates, holders of the Allowed Term Loan Facility Claim will only receive a 83.0% recovery in a chapter 7 liquidation. Thus, the PBGC will recover 4.9% on account of its Allowed Claims in a chapter 7 liquidation.<sup>3</sup> Under the Plan, holders of Allowed Term Loan Facility Claims stand to receive a 100% recovery. Holders of Allowed Claims in Classes I and L will not receive any distribution under the Plan or in a chapter 7 liquidation. Accordingly, the Plan satisfies the “best interests” test for Creditors at each Debtor entity.

#### B. Scope, Intent, and Purpose of the Liquidation Analyses

The determination of the hypothetical proceeds from, and costs of the liquidation of the Debtors’ assets, is an uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the Debtors, are inherently subject to significant business, and economic uncertainties and contingencies beyond the control of the Debtors, their management, and their advisors. Inevitably, some assumptions in the Liquidation Analyses would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results in an actual chapter 7 liquidation. The Debtors prepared the Liquidation Analyses for the sole purpose of generating a reasonable good-faith estimate of the proceeds that would be generated if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code after conversion of the Chapter 11 Cases. The Liquidation Analyses are not intended and should not be used for any other purpose. The underlying financial information in the Liquidation Analyses was not compiled or examined by any independent accountants. No independent appraisals were conducted in preparing the Liquidation Analyses. ACCORDINGLY, WHILE DEEMED REASONABLE BASED ON THE FACTS CURRENTLY AVAILABLE, NEITHER THE DEBTORS NOR THEIR PROFESSIONALS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSES. ACTUAL RESULTS COULD VARY MATERIALLY.

In preparing the Liquidation Analyses, the Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors’ statements of assets and liabilities as of March 31, 2010 (the “Financial Statements”) and Proofs of Claim filed to date. In addition, the Liquidation Analyses include estimates for Claims not currently asserted in the Chapter 11 Cases or currently contingent, but which

<sup>3</sup> The Plan contemplates retention of the Debtors’ defined benefit pension plans, and, consequently, excludes a PBGC Claims class. However, in a liquidation scenario, the pension plans would be terminated, resulting in a PBGC Claim in the amount of approximately \$510 million. Due to the Debtors’ capital structure, the PBGC would be the only unsecured creditor entitled to a recovery against Visteon International Holdings, Inc. (“VIHI”), which holds substantially all of Visteon’s foreign equity interests.

could be asserted and Allowed in a chapter 7 liquidation, including but not limited to Administrative Claims, claims arising in connection with the termination of pension obligations, other employee-related obligations, Liquidation Costs (as defined herein), trustee fees, tax liabilities and other Allowed Claims. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing the Liquidation Analyses. For purposes of the Liquidation Analyses, the Debtors' estimates of Allowed Claims contained in the Liquidation Analyses reference specific Claims estimates, even though the Debtors' estimates of ranges of projected recoveries under the Plan to holders of Allowed Claims and Interests are based on ranges of Allowed Claims and Interests. Therefore, the Debtors' estimates of Allowed Claims set forth in the Liquidation Analyses should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan. NOTHING CONTAINED IN THE LIQUIDATION ANALYSES IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSES.

### **Global Notes to the Liquidation Analyses**

#### **1. Conversion Date and Appointment of a Chapter 7 Trustee**

The Liquidation Analyses assume conversion of each of the Debtors' Chapter 11 Cases to chapter 7 liquidation cases on June 30, 2010 (the "Conversion Date"), which is the presumed Effective Date of the Plan. On the Conversion Date, it is assumed that the Bankruptcy Court would appoint one chapter 7 trustee (the "Trustee") to oversee the liquidation of the Estates.

The Liquidation Analyses are based on estimates of each of the Debtors' assets and liabilities as of March 31, 2010. Such estimates are derived from each Debtor's Financial Statements or more recent financial information, where available. The Debtors do not believe the use of such estimates will result in a material change to estimated recoveries on the Conversion Date unless otherwise noted. Because the Debtors do not maintain their books and records on an individual legal entity basis, the Financial Statements utilized for these Liquidation Analyses may not comply with generally accepted accounting principles.

#### **2. Debtors' Assets**

The Liquidation Analyses assume a liquidation of all of the Debtors' assets, including the Debtors' interests in all non-Debtor Affiliates. As described in more detail below, the Debtors have ten major categories of assets: (a) Cash; (b) Accounts Receivable; (c) Intercompany Receivables; (d) Inventory; (e) Prepaid Expenses; (f) Other Current Assets; (g) Property, Plant & Equipment; (h) Equity in Affiliates; (i) Other Long-Term Assets; and (j) Intellectual Property (all as defined below).

Holders of the ABL Claims and the Term Loan Facility Claims hold first-and second-priority liens against substantially all of the Debtors' assets (the "Collateral"). However, the Collateral does not include: (a) proceeds from the liquidation of Visteon Electronics Corporation ("VEC"); (b) proceeds from the sale of unpledged stock of Affiliates; (c) Avoidance Actions or the proceeds thereof; and (d) Commercial Claims (as defined below) or the proceeds thereof.

#### **3. Liquidation Process**

The Liquidation Analyses assume that the Trustee will attempt to maximize recoveries for Creditors by continuing to operate the Debtors' various businesses during the chapter 7 liquidation for a short period of time to maintain supply continuity to the Debtors' customers. The Liquidation Analyses

further assume such customers will contribute some form of working capital to sustain operations of certain of the Debtors' businesses until such operations are transitioned and re-sourced or sold to the Debtors' competitors, customers or other third parties.

In addition to any contribution of working capital from the Debtors' customers, the Liquidation Analyses assume that the Trustee will continue to fund the Debtors' operations during the liquidation process using projected cash on hand and cash flow generated by the Debtors' business operations. The Liquidation Analyses assume an "orderly" liquidation, under which the liquidation of the Debtors' assets and the wind-down of the Estates would occur over a period of 24 to 36 months starting on the Conversion Date. The Liquidation Analyses also assume that upon conversion of the Debtors' cases to chapter 7, the Trustee would sell the Debtors' equity Interests in Halla, YFV and Duck Yang (all as defined below) and oversee the liquidation of the Debtors' Interests in Other Foreign Affiliates (as defined below). If customer participation, cash flows, or estimated Liquidation Proceeds fall significantly below estimates, however, the Trustee may not have sufficient funds to operate the Debtors' businesses long enough to conduct an orderly liquidation and maximize value, and instead may be forced to liquidate substantially all of the Debtors' assets immediately. The amount of proceeds realized in such forced sales would be materially lower than those assumed in these Liquidation Analyses.

#### 4. Factors Considered in Valuing Hypothetical Liquidation Proceeds

The following are some, but not all, of the considered factors that could negatively impact the recoveries estimated: (a) turnover of key personnel; (b) challenging industry conditions; (c) customer setoffs; and (d) delays in the liquidation process.

These factors may limit the amount of the proceeds generated by the liquidation of the Debtors' assets (the "Liquidation Proceeds") available to the Trustee. For example, it is possible that the liquidation would be delayed while the Trustee and his or her professionals become knowledgeable about the Chapter 11 Cases and the Debtors' businesses and operations. This delay could materially reduce the value, on a "present value" basis, of the Liquidation Proceeds.

In addition, there is a risk that the Trustee would be unable to maximize the value of the Debtors' Estates in a "controlled" liquidation because the Bankruptcy Court may only allow the Trustee to operate the Debtors' business for a "limited period" under section 721 of the Bankruptcy Code. While the Bankruptcy Code does not set forth a specific time period under which a chapter 7 trustee is allowed to operate a debtor's business, the Bankruptcy Court may conclude that the 24 to 36 month period assumed in the Liquidation Analyses exceeds the time contemplated by the Bankruptcy Code. Should the Bankruptcy Court limit the Trustee's operation of the Debtors' businesses, proceeds from the sale of all of the Debtors' assets would likely decrease.

#### 5. Waterfall and Recovery Ranges

The Liquidation Analyses assume that the proceeds generated from the liquidation of all of the Debtors' assets plus Cash estimated to be held by the Debtors on the Conversion Date, along with estimated Avoidance Action recoveries, will be reasonably available to the Trustee. After deducting the costs of liquidation, including the Trustee's fees and expenses and other administrative expenses incurred in the liquidation, the Trustee would allocate net Liquidation Proceeds to Creditors and holders of Interests at each Debtor entity in accordance with the priority scheme set forth in section 726 of the Bankruptcy Code. The Liquidation Analyses provide for high, medium, and low recovery percentages for Claims and Interests upon the Trustee's application of the Liquidation Proceeds. The high, medium and low recovery ranges reflect a high, medium and low range of estimated Liquidation Proceeds.

The Debtors used the Financial Statements as a proxy for expected asset and liability values on the Conversion Date and made adjustments to those values to account for any known material changes expected to occur before the Conversion Date. While the Debtors expect to continue to incur obligations in the ordinary course of business until the Conversion Date (which obligations have not been reflected herein), the ultimate inclusion of such additional obligations is not expected to change the results of these Liquidation Analyses in any material form or fashion.

The Debtors' Professionals (a) worked with the Debtors' operational, financial, and accounting personnel, (b) used industry knowledge, and (c) drew upon personal experiences in order to estimate ranges of recovery by asset class. The Debtors do not provide any assurance of such recoveries but have given their best estimates in this scenario.

The table below summarizes the mid-range estimates of the Liquidation Proceeds that would be available for distribution in a chapter 7 liquidation:

Visteon Corporation

(\$’s in millions)

	Gross Assets	Proceeds		Ch. 7 Costs	Less Costs	DIP Claim		ABL & LC's1		Ch. 11 Admin Claim	Ch. 11 Admin Recovery	Term Loan			Available For Unsec.3	Unsecured Claims			Unsecured Recovery		
		Encumb	Unencumb.			\$	%	\$	%			Claim	Recovery2	%		Bonds	PBGC	Gen Unsec	PBGC	Bonds/Other	
Visteon Systems, LLC	\$ 9,527	\$ 45	\$ 19	\$ (5)	\$ 60	\$150	N/A	\$ 140	N/A	\$ 32	\$ 18	\$1,507	\$ 42	3%	\$ —	\$ 202	\$ 510	\$ 28	\$ —	\$ —	
Visteon Corporation	7,413	683	16	(138)	561	150	100%	140	100%	79	13	1,507	256	17%	—	871	510	29	—	—	
Visteon Global Technologies, Inc.	1,862	34	—	(7)	27	150	N/A	140	N/A	—	—	1,507	27	2%	—	202	510	—	—	—	
Visteon International Holdings, Inc.	1,587	806	33	(28)	811	150	N/A	—	N/A	—	—	1,507	790	52%	21	—	510	—	21	—	
Visteon European Holdings Corporation	478	15	8	(6)	17	150	N/A	—	N/A	—	—	1,507	13	1%	4	—	510	—	4	—	
Visteon Electronics Corporation	242	105	—	(4)	101	—	N/A	—	N/A	—	—	150	101	68%	—	—	510	—	—	—	
VC Regional Assembly & Manufacturing, LLC	232	1	6	(0)	7	150	N/A	140	N/A	9	6	1,507	1	0%	—	202	510	10	—	—	
Visteon Global Treasury, Inc.	192	11	—	0	11	150	N/A	140	N/A	—	—	1,507	11	1%	—	202	510	—	—	—	
Visteon Holdings, LLC	177	—	—	—	—	150	N/A	—	N/A	—	—	1,507	—	0%	—	—	510	—	—	—	
GCM/Visteon Automotive Systems, LLC	25	0	3	(0)	3	150	N/A	140	N/A	6	3	1,507	0	0%	—	202	510	6	—	—	
Visteon International Business Development, Inc.	25	0	—	(0)	0	150	N/A	140	N/A	—	—	1,507	0	0%	—	202	510	—	—	—	
VC Aviation Services, LLC	18	9	—	(0)	9	150	N/A	140	N/A	—	—	1,507	9	1%	—	202	510	—	—	—	
GCM/Visteon Automotive Leasing Systems, LLC	8	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Fairlane Holdings, Inc.	6	1	—	(0)	0	150	N/A	140	N/A	—	—	1,507	0	0%	—	202	510	—	—	—	
Visteon Caribbean, Inc.	5	—	—	—	—	150	N/A	—	N/A	—	—	—	—	0%	—	—	510	—	—	—	
Visteon Asia Holdings, Inc.	3	—	—	—	—	150	N/A	—	N/A	—	—	1,507	—	0%	—	—	510	—	—	—	
MIG Visteon Automotive Systems, LLC	2	0	—	(0)	0	150	N/A	140	N/A	—	—	1,507	0	0%	—	202	510	—	—	—	
Visteon Remanufacturing Incorporated	2	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Visteon Climate Control Systems Limited	0	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
ARS, Inc.	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Infinitive Speech Systems Corp.	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
SunGlas, LLC	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
The Visteon Fund	—	—	—	—	—	150	N/A	—	N/A	—	—	—	—	0%	—	—	510	—	—	—	
Tyler Road Investments, LLC	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Visteon AC Holdings Corp.	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Visteon Automotive Holdings, LLC	—	—	—	—	—	150	N/A	—	N/A	—	—	1,507	—	0%	—	—	510	—	—	—	
Visteon Domestic Holdings, LLC	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Visteon Financial Corporation	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Visteon LA Holdings Corp.	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Visteon Technologies, LLC	—	—	—	—	—	150	N/A	140	N/A	—	—	1,507	—	0%	—	202	510	—	—	—	
Totals	\$ 21,806	\$ 1,711	\$ 85	\$ (188)	\$ 1,608	\$150	100%	\$ 140	100%	\$ 127	\$ 40	\$1,507	\$ 1,250	83%	\$ 25		510	\$ 74	\$ 25	\$ —	

Notes:

- 
- Includes \$127M ABL facility and \$13M post-petition secured letters of credit facility
  - Includes recovery on account of term loan deficiency claim and term loan adequate protection claim of \$150 million from VEC
  - Does not include term loan deficiency claim

**Specific Notes to the Asset and  
Liability Assumptions Contained in the Liquidation Analyses**

(a) Cash and Equivalents

Cash is based on the cash balance on the Debtors' Financial Statements as of March 31, 2010 and includes: (i) unrestricted Cash in any of the Debtors' bank, operating, and reserve accounts and (ii) restricted Cash in any non-Debtor Affiliates' bank, operating, and reserve accounts.

This cash balance was adjusted to reflect additional cash as a result of: (i) the Debtors' \$150 million DIP Facility being fully drawn as of the Conversion Date and (ii) Accommodation Agreements, which were approved by the Court as of December 14, 2009.

The Liquidation Analyses assume a 100% recovery rate for Cash based on the liquidity of such assets.

(b) Accounts Receivable

Accounts receivable, which include amounts owed to the various Debtors by various parties, were categorized into two main categories: "A/R Customer" and "A/R Cash Pool" (collectively, the "Accounts Receivable"). The A/R Customer balance primarily includes receivables associated with the sale of automobile parts in the normal course of business. The A/R Cash Pool reflects the loan balance owed to the Debtors with respect to the European cash pool as of March 31, 2010, as further described in the *Motion of the Debtors for Entry of Interim and Final Orders Authorizing them to Pay Prepetition Claims of Foreign Vendors*, dated May 28, 2009 [Docket No. 11].

The A/R Customer balances are assumed to be offset against any corresponding liabilities associated with these customers when applicable (the Debtors often have a customer and supplier relationship with various customers resulting in both a receivable and payable with the customer). The estimated recovery rates for the A/R Customer receivable that are not completely offset by corresponding liabilities are based on the Debtors' historical collection rates, the current Accommodation Agreements, and anticipated customer assistance during the transition period. The recovery rate calculation also included the review and assessment of each receivable by type, age, and quality.

The A/R Cash Pool recovery assumes that: (i) the Debtors assert a Claim for such loan in the applicable jurisdiction supervising the liquidation of the Debtors' European Affiliates and (ii) recovery on account of such Claim depends on the local insolvency laws in such jurisdiction.

The Liquidation Analyses assume a blended recovery rate of 26% on total Accounts Receivable. This recovery is due to: (i) the impact of the OEM offset rights on recoveries from the A/R Customer receivables and (ii) the low return anticipated from the A/R Cash Pool receivables.

(c) Intercompany Receivables

Intercompany receivables are the non-A/R Cash Pool Intercompany Claims owed to a respective Debtor by another Debtor or non-Debtor affiliate. All intercompany amounts owed to the Debtors are unsecured Claims. Similar to General Unsecured Claims, the Liquidation Analyses do not reflect any recovery on account of Intercompany Claims.

(d) Inventory

The Debtors utilize a just in time ("JIT") inventory system, thus, the amount of inventory on hand as of the Conversion Date is limited. The Debtors categorized inventory into three main categories:

“ Finished Goods,” “ Works in Progress,” and “ Indirect Products” (collectively, “ Inventory”). The Finished Goods Inventory reflects all products 100% completed as of the Conversion Date and ready for shipment to an end-customer. The Works in Progress Inventory reflects products at various stages of completeness (1-99% complete). The Indirect Products Inventory reflects product located at third-party warehouses where the product is finalized for shipment to an end-customer.

The Liquidation Analyses assume the majority of Finished Goods and Indirect Products Inventory is ready to ship and that most customers will purchase this Inventory at contract prices with minimal devaluation impact from the liquidation process. The Liquidation Analyses assume customers enter into Accommodation Agreements which will allow for and incrementally fund a transition period during which time Inventory banks will be built and Works in Progress will be converted into Finished Goods through the ongoing production period and sold to the customers.

The Liquidation Analyses assume a blended recovery rate of approximately 82% for total Inventory.

(e) Prepaid Expenses

Prepaid expenses primarily include prepayments for rent, insurance, taxes, and software license agreements (the “ Prepaid Expenses”). The Liquidation Analyses assume varying recovery rates depending on the nature of the Prepaid Expense. The Liquidation Analyses assume the Debtors will utilize the majority of the Prepaid Expenses during the liquidation process. The Liquidation Analyses assume a blended recovery rate of 21% for total Prepaid Expenses.

(f) Other Current Assets

Other current assets primarily include VAT tax refund claims, cash advances to suppliers, and a receivable related to the sale of certain intellectual property (collectively, the “ Other Current Assets”). The Liquidation Analyses assume varying recovery rates depending on the nature of the asset balance with a blended recovery rate of 26% for total Other Current Assets.

(g) Property, Plant, & Equipment

The Debtors categorize their Property, Plant, & Equipment as follows (collectively, the “ PP&E”):

- Airplane—consists of one (1) owned aircraft by Visteon Aviation Services, LLC.
- Buildings and Land—consists of various office and manufacturing facilities in the United States and Mexico, with the Debtors’ headquarters accounting for most of the value.
- Leasehold Improvements—consists of improvements at various office and manufacturing locations.
- Office Equipment—consists of computers, printers, furniture, and fixtures owned by the Debtors.
- Plant, Machinery, Equipment, and Tooling—consists of various manufacturing-specific equipment such as conveyors, assembly machines, test equipment, forklifts, racking, and Debtor-owned product tooling.



- Software—consists of specialized, Debtor-specific capitalized software utilized to operate the Debtors’ global business.

The Debtors have entered into various Accommodation Agreements pursuant to which certain PP&E has been sold. The March 31, 2010 book value for PP&E has been reduced by the estimated book value of Plant, Machinery, Equipment, and Tooling sold pursuant to these customer Accommodation Agreements.

The Liquidation Analyses assume varying recovery rates depending on the nature of the PP&E. Estimates of recoveries for each category of PP&E were based on valuations and current market conditions. The Liquidation Analyses assume a blended recovery rate of 12% for total PP&E.

(h) Equity in Affiliates

VIHI holds 70% of the equity in Halla Climate Control Corporation (“Halla”), which is a publicly traded company on the Korean stock exchange. Halla specializes in the development and production of auto climate control products, such as air-conditioning systems and modules, compressors, and heat exchangers. Hyundai Motor Group is Halla’s primary customer representing 80-85% of Halla’s total sales.

VIHI has a 50% equity interest in Yanfeng Visteon Automotive Trim Systems Co. Ltd. (“YFV”), a Chinese joint venture that serves multiple OEMs and produces interior and exterior systems, seating, electronics, safety, and tooling systems.

VIHI has a 51% equity interest in Duck Yang Industry Co. Ltd. (“Duck Yang”), a publicly traded company on the Korean stock exchange. Duck Yang specializes in molding instrument panels and other plastic interior parts, including cockpit modules, crash pads and anti-vibration pads. Hyundai Motor Group and Kia Motor Corporation are Duck Yang’s only customers. Liquidating VIHI’s equity interest in Duck Yang is projected to yield minimal recoveries due an illiquid market, shallow share trading volumes, and significant operating losses.

The Debtors and their Professionals prepared a valuation of Halla, YFV, and Duck Yang to calculate the net proceeds that would be generated by the sale of the equity interests in these Affiliates. The valuation assumes the equity interests are sold at fair market value, discounted due to the impact of the hypothetical liquidation and the accelerated timing to complete the transaction. The gross proceeds are also reduced by estimates for foreign taxes and investment banker fees associated with the sale of Halla, YFV, and Duck Yang.

The Debtors expect that the sale of VIHI’s equity interests in Halla, YFV, and Duck Yang as going concerns will represent the largest single source of net proceeds generated in a hypothetical liquidation. The net proceeds of such sales will roll up to VIHI and are reflected in the Equity in Affiliates line in VIHI’s Liquidation Analysis. Because VIHI is a holding company for the Debtors’ equity interests in foreign Affiliates and does not have any operations, the only creditors with significant Claims against VIHI are (a) the Term Loan Lenders—on account of VIHI’s status as a guarantor of the Term Loan Facility and the Term Loan Lenders’ status as pledgees of 100% of Visteon Corporation’s equity interest in VIHI—and (b) the PBGC, as a result of the fact that VIHI is a member of the ERISA “controlled group,” as defined under the Employee Retirement Income Security Act of 1974 (“ERISA”).

Other non-Debtor foreign Affiliates include Visteon’s global businesses located in Europe, South America and the Asia-Pacific region (collectively, the “Other Foreign Affiliates”). The entire organization is extremely “inter-woven,” and the Debtors believe it would be extremely difficult to sell each individual Other Foreign Affiliate on a stand-alone, going concern basis. Further, the majority of the

Other Foreign Affiliates rely on central support from the Debtors' U.S. headquarters. The Liquidation Analyses assume the U.S. headquarters are liquidated and would not continue to support the Other Foreign Affiliates. As such, the Other Foreign Affiliates would either be burdened with additional overhead costs or would not be able to exist due to the loss of the overhead support. Given such interdependencies, the Liquidation Analyses assume all Other Foreign Affiliates are liquidated and not sold as going concerns.

The Liquidation Analyses assume the proceeds of the sale of Other Foreign Affiliates are allocated to Claims in accordance with priority schemes applicable in the local, liquidating jurisdiction. Any excess proceeds are assumed to flow upstream to VIHI (after satisfaction of local creditors). The Debtors expect to recover a minimal amount of Cash from the proceeds of the liquidation of all the Other Foreign Affiliates.

(i) Other Long-Term Assets

Other long-term assets primarily include capitalized debt fees and expenses and a \$7 million note for the previous sale of a subsidiary ("Other Long-Term Assets"). The Liquidation Analyses assume no recovery for all Other Long-Term assets other than the note receivable. The note receivable is due in 2010 and the Liquidation Analyses assume a 90% recovery under a hypothetical liquidation. The Liquidation Analyses assume a blended recovery rate of 45% for total Other Long-Term Assets.

(j) Intellectual Property

The Debtors are party to numerous intellectual property licensing arrangements. Intellectual property primarily consists of a large number of patents, copyrights, proprietary tools and technologies and trade secrets (the "IP"). The majority of the IP is held by one Debtor, Visteon Global Technologies, Inc. IP is not valued on the Debtors financial records and therefore does not serve as a proxy for value in the Liquidation Analyses.

The estimated IP recovery value was based on: (i) a review of historical Debtor sale transactions; (ii) recent Accommodation Agreements and tooling value; and (iii) an analysis of sales of distressed IP portfolios in the automotive industry. The Liquidation Analyses account for the low probability that such technology could be sold to a third party in a liquidation scenario.

### Liquidation Costs

To maximize recoveries on remaining assets, minimize the amount of Claims, and generally ensure an orderly liquidation, the Trustee will need to continue to employ a substantial number of the Debtors' employees for a limited amount of time during the chapter 7 liquidation process. These individuals will primarily be responsible for overseeing and maintaining the Debtors' operations, providing historical knowledge and insight to the Trustee regarding the Debtors' businesses and the Chapter 11 Cases, and concluding the administrative liquidation of the businesses after the sale of the all of the Debtors' assets. The Liquidation Analyses assume that the Trustee would reduce employee headcount to a minimal staff from the current levels over a 24 to 36 month period, although the majority of any such employee-related reductions are assumed to be incurred following the initial 120-day period while the Trustee continues to operate the Debtors' businesses pursuant to the Accommodation Agreements.

Liquidation Costs primarily consist of: (i) the regularly occurring general and administrative costs required to operate the Debtors' businesses during the liquidation process (the "Operational and Overhead Costs"); (ii) the costs of any professionals the Trustee employs to assist with the liquidation process, including investment bankers, attorneys and other advisors; (the "Liquidation Fees"); and (iii) the

Trustee's fees (collectively, the "Liquidation Costs"). The Debtors project that during the initial 120-day period while the Trustee continues to operate the Debtors' businesses, the Operational and Overhead Costs will equal approximately 80% of historical operating costs for comparable operational periods. Once outside the initial 120-day period, the Debtors project that Operational and Overhead Costs will equal approximately 20% of historical operating costs for comparable operational periods for the remaining transitional period leading to the final phase of the liquidation, during which, the Trustee will wind-down Estate affairs, effect final distributions and dissolve legal entities.

In addition, Liquidation Costs include the payment of \$15 million on account of Professional Compensation and other costs in accordance with paragraph 33(iii) of the DIP Order (as defined below).

## Claims

### (k) Secured Claims

#### (i) DIP Facility Claims

The Liquidation Analyses assume the DIP Facility is fully drawn as of the Conversion Date. Thus, there will be approximately \$150 million in outstanding DIP Facility Claims as of the Conversion Date, which are projected to be satisfied in full from the Liquidation Proceeds.

#### (ii) ABL Facility Claims (including LC Facility Claims)

The Debtors estimate that there will be approximately \$140 million in debt outstanding in connection with the ABL Facility (\$127 million, which includes amounts outstanding in connection with prepetition letters of credit) and the post-petition secured letter of credit facility (the "LC Facility") (\$13 million)<sup>1</sup> on the Conversion Date. The Liquidation Analyses project that the Liquidation Proceeds shall cause the ABL Facility and the LC Facility, as secured by Debtors' Cash and other Debtors' assets, to be paid in full.

#### (iii) Term Loan Facility Claim

As of the Petition Date, there was approximately \$1.507 billion in debt outstanding in connection with the Term Loan Facility. Holders of Term Loan Facility Claims hold Secured Claims against select assets of the Debtors' Estates (the "Secured Term Loan Claims"). The Secured Term Loan Claims are only secured to the extent of the value of the underlying Collateral. Because the value of the Collateral is less than \$1.507 billion in a chapter 7 liquidation, the Term Lenders will not be entitled to any postpetition interest and will have an unsecured deficiency Claim against Visteon Corporation and each of the guarantors under the Term Loan Facility to the extent the value of the Secured Term Loan Claims exceed the value of the Collateral.

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<sup>4</sup> This amount includes any fees related to post-petition letters of credit issued pursuant to the *Order Approving Post-Petition Secured Letter of Credit Facility and Authorizing the Debtors to Pay Certain Fees and Costs Related Thereto*, dated November 12, 2009 [Docket No. 1297].

(l) Administrative and Priority Claims

Administrative and Priority Claims consist of: (i) a Superpriority Adequate Protection Claim of at least \$150 million held by the Term Loan Lenders against each of the Debtors; (ii) Claims entitled to priority under section 507 of the Bankruptcy Code; and (iii) Claims entitled to administrative expense priority under section 503 of the Bankruptcy Code.

- (i) Superpriority Adequate Protection Claim: As consideration for the DIP Facility, and pursuant to the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 365 and 507: (A) Approving Senior Secured Superpriority Priming Postpetition Financing; (B) Granting Liens and Providing Superpriority Administrative Expense Status; (C) Granting Adequate Protection to Prepetition Secured Parties; (D) Authorizing the Use of Cash Collateral; and (E) Modifying the Automatic Stay*, dated November 12, 2009 [Docket No. 1311] (the “DIP Order”), the Term Loan Lenders received various forms of adequate protection for any diminution in fair value of their interests in the Collateral from the date of the DIP Order. Among other forms of adequate protection, the DIP Order entitles the Term Loan Lenders to assert a superpriority claim (the “Superpriority Adequate Protection Claim”) against each of the Debtors on account of any diminution of the value of the Collateral securing the Term Loan Facility from the time of entry of the DIP Order to the Conversion Date. The Debtors have assumed that a conversion of the Chapter 11 Cases to chapter 7 liquidation cases would result in a significant diminution in the value of the Debtors’ enterprise value and the Term Loan Lenders’ Collateral. At a minimum, the Term Loan Lenders would be entitled to a Superpriority Adequate Protection Claim of \$150 million, the amount of the DIP Facility claim. In a chapter 7 liquidation, the Term Loan Lenders would likely be entitled to a distribution on account of this Superpriority Adequate Protection Claim from the Liquidation Proceeds of VEC to the extent such proceeds may be available.
- (ii) Administrative Claims:
- (A) Accrued Employee Benefits: This \$52 million Claim is related to post-petition accrued employee obligations, excluding pension and OPEB.
- (B) Section 503(b)(9) Claims: The Liquidation Analyses reflect payment of \$30 million in 503(b)(9) Administrative Claims. The Liquidation Analyses assume that vendors receive an Administrative Claim for the value of any goods received by the Debtors within twenty (20) days before the Petition Date, so long as the goods have been sold to the Debtors in the ordinary course of business.
- (C) Post-Petition Accounts Payable: These Claims include payables incurred during the post-petition period and outstanding as of the Conversion Date.
- (D) PBGC Termination Penalty: The PBGC may assert a Claim for a termination penalty that would arise in the case of a chapter 7 liquidation, however, the Liquidation Analyses do not assume such a Claim would be Allowed.

- (E) Accommodation Agreements Claims: These Claims include any Claims that may arise in connection with the Debtors' breach of Accommodation Agreements. Such Claims will be resolved in the course of transitioning certain portions of the Debtors' operations to OEMs. As such, the Liquidation Analyses estimate such Claims to have no value.

(m) General Unsecured Claims

The Liquidation Analyses assume the Trustee will distribute any remaining Liquidation Proceeds on account of the following Claims, as dictated through a legal entity waterfall, on a *pari passu* basis:

- (i) 8.25% Senior Notes: These Claims include \$211 million in outstanding unsecured bonds that mature in August 2010. These Claims are asserted solely against Visteon Corporation.
- (ii) 7.00% Senior Notes: These Claims include \$457 million in outstanding unsecured bonds that mature in March 2014. These Claims are asserted solely against Visteon Corporation.
- (iii) 12.25% Senior Notes: These Claims include \$202 million in outstanding unsecured bonds that mature in December 2016. These Claims are asserted against Visteon Corporation and various other Debtor entities.
- (iv) Term Loan Deficiency Claim: The Term Loan Lenders have an unsecured Claim to the extent that the value of the Collateral securing the Term Loan Facility is less than the aggregate amount of the Term Loan Claims. This deficiency Claim would be asserted against Visteon Corporation and each of the Debtors that guaranteed the Term Loan Facility.
- (v) PBGC Unfunded Benefits Liability Claims: The Liquidation Analyses assume that upon termination of the Debtors' defined benefit pension plans in a liquidation context, the PBGC would assert unfunded benefit liability Claims against all of the Debtors and certain of the Debtors' wholly-owned, non-Debtor subsidiaries. The Liquidation Analyses assume that, in asserting the PBGC Claim against non-Debtor affiliates, the PBGC will argue that these non-Debtor affiliates are members of the Debtors' "controlled group" under ERISA.

The Liquidation Analyses assume that the PBGC would assert a \$510 million Claim against all of the Debtors, jointly and severally, in a chapter 7 liquidation. The estimated PBGC Claim was based on the Towers Perrin estimate for determining the unfunded status of a terminated defined benefit pension plan based on the December 31, 2009 plan assets, liabilities, and interest rates.

- (vi) Other General Unsecured Claims: Any Claim, other than Administrative Claims, DIP Facility Claims, ABL Claims, the Term Loan Facility Claim, the 12.25% Senior Notes Claim, the 7.00% Senior Notes Claim, the 8.25% Senior Notes Claim, and Intercompany Claims. These claims are held at various entities.
- (vii) Intercompany Claims: These Claims include obligations between affiliates and are held at various entities.

(n) Equity Interests

There are insufficient Liquidation Proceeds for holders of Interests to obtain any recovery in a chapter 7 liquidation.

### **Potential Sources of Value for Unsecured Creditors**

As described above, the Collateral securing the ABL and Term Loan Facilities does not include the following assets:

- **Proceeds of VEC:** VEC's assets are not part of the Collateral securing the Claims of the ABL Lender and the Term Loan Lenders. Thus, the net proceeds of a liquidation of VEC's assets may be available to certain of the Creditors holding Allowed Claims in Class G (holders of Claims in Classes I and K do not hold valid Claims against VEC). However, such proceeds would only be available to Creditors after satisfaction of any Administrative Claims, Superpriority Adequate Protection Claims or Priority Claims against VEC. Because the Debtors assume that such Administrative and Priority Claims would consume the net proceeds of a liquidation of VEC's assets, VEC's Liquidation Analysis does not assume any such value would remain for distribution to any other Creditors holding Allowed Claims in Class G.
- **Equity in Foreign Affiliates:** Certain of the Debtors' equity interests in Other Foreign Affiliates are not pledged to the Term Loan Lenders. Additionally, VIHI holds 4.99% of unpledged stock in Halla. Thus, 35% of the net proceeds of the disposition of the stock in foreign Affiliates and the proceeds of the disposition of the unpledged stock in Halla would be available for distribution to Creditors holding Allowed Claims in Classes F and G after satisfaction of any Administrative Claims, Superpriority Adequate Protection Claims or Priority Claims against VIHI. Because VIHI is a holding company, the Debtors believe that the Term Loan Lenders are the only holders of Allowed Claims in Class G that would have Claims against VIHI on account of any deficiency Claims that arise due to the fact the Allowed Amount of the Term Loan Facility Claims exceed the value of the Collateral.
- **Avoidance Actions:**
  - (i) **Preference Payments:** The Debtors have conducted a preliminary analysis of payments made within 90 days of the Petition Date to determine whether such payments may be subject to potential avoidance as preferences under section 547 of the Bankruptcy Code. The proceeds of such preference actions would be available for distribution to Creditors holding Allowed Claims in Classes F, G, I and K. However, given the section 506(c) waivers approved by the Bankruptcy Court in the DIP Order and the *Final Order on Consent (I) Authorizing Use of Prepetition Term Loan Priority Collateral and Term Loan Cash Collateral Under 11 U.S.C. § 361; and (II) Granting Adequate Protection Under 11 U.S.C. §§ 361, 362, and 363*, dated July 16, 2009 [Docket No. 0598], any recovery or proceeds of such preference actions would likely be used to satisfy the Claims of holders of Allowed Administrative Claims. The following Debtors may hold potential preference claims: Visteon Corporation; Visteon Systems, LLC; VC Regional Assembly & Manufacturing, LLC; and GCM/Visteon Automotive Systems, LLC.
  - (ii) **Fraudulent Transfers:** Pursuant to section 548 of the Bankruptcy Code, business transfers deemed to have been executed fraudulently within two years prior to the Petition Date can be an Avoidance Action. The Debtors are not attributing any value to potential Claims the Estates may have under section 548 of the

Bankruptcy Code, including the Claims against Ford, which the Creditors' Committee is investigating.

- Commercial Claims: The Debtors anticipate there will be potential Causes of Action against third parties that arise in the ordinary course of business, including Claims against customers (the "Commercial Claims"). The Liquidation Analyses assume any such Claims against the customers would be offset by breach of contract counterclaims and Commercial Claims held by the customers against the Debtors as well as the customers' funding and contribution to Liquidation Costs pursuant to certain of the Accommodation Agreements. Accordingly, any recovery on account of the Commercial Claims would be *de minimis*.

**Visteon Corporation**
**Visteon Systems, LLC**

8030BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	66	15	22.9%	17	25.7%	19	28.6%
Intercompany Receivable	(C)	9,423	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	34	25	71.7%	28	81.7%	31	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	4	0	6.2%	0	11.5%	1	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 9,527</b>	<b>\$ 40</b>	<b>0.4%</b>	<b>\$ 45</b>	<b>0.5%</b>	<b>\$ 51</b>	<b>0.5%</b>
Unencumbered Assets			19		19		19	
<b>Gross Liquidation Proceeds</b>			<b>\$ 59</b>		<b>\$ 65</b>		<b>\$ 70</b>	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (3)	67.4%	\$ (3)	70.2%	\$ (4)	72.5%
Unencumbered Asset Liquidation Costs			(2)	32.6%	(1)	29.8%	(1)	27.5%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ (5)</b>		<b>\$ (5)</b>		<b>\$ (5)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 37</b>		<b>\$ 42</b>		<b>\$ 47</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>18</b>		<b>18</b>		<b>18</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 54</b>		<b>\$ 60</b>		<b>\$ 65</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	37		42		47	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>37</b>	<b>2.0%</b>	<b>42</b>	<b>2.3%</b>	<b>47</b>	<b>2.6%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ 18</b>		<b>\$ 18</b>		<b>\$ 18</b>	
Ch. 11 Administrative & Priority Claims	(L)	32	18	55.3%	18	55.6%	18	55.9%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	28	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Other Debt	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>997</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	



**Visteon Corporation**
**Visteon Corporation**

1239BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ 570	\$ 570	100.0%	\$ 570	100.0%	\$ 570	100.0%
Accounts Receivable	(B)	93	21	22.9%	24	25.7%	27	28.6%
Intercompany Receivable	(C)	6,255	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	31	22	71.7%	25	81.7%	29	91.7%
Prepaid Expenses	(E)	16	2	16.0%	3	21.3%	4	26.6%
Other Current Assets	(F)	31	5	17.3%	8	26.0%	11	34.6%
Deferred Income Taxes		5	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	396	25	6.2%	45	11.5%	77	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	16	7	40.2%	7	45.2%	8	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 7,413</b>	<b>\$ 653</b>	<b>8.8%</b>	<b>\$ 683</b>	<b>9.2%</b>	<b>\$ 725</b>	<b>9.8%</b>
Unencumbered Assets			16		16		16	
<b>Gross Liquidation Proceeds</b>			<b>\$ 668</b>		<b>\$ 699</b>		<b>\$ 741</b>	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (132)	97.6%	\$ (135)	97.7%	\$ (138)	97.9%
Unencumbered Asset Liquidation Costs			(3)	2.4%	(3)	2.3%	(3)	2.1%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ (135)</b>		<b>\$ (138)</b>		<b>\$ (141)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 520</b>		<b>\$ 549</b>		<b>\$ 587</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>13</b>		<b>13</b>		<b>13</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 533</b>		<b>\$ 561</b>		<b>\$ 600</b>	
DIP		150	150	100.0%	150	100.0%	150	100.0%
U.S. ABL (Incl. LC's) / LC Facility		140	140	100.0%	140	100.0%	140	100.0%
Capital Leases		6	3	50.0%	3	50.0%	3	50.0%
Term Loan		1,507	227	15.1%	256	17.0%	294	19.5%
<b>Total Secured Claims</b>	(K)	<b>1,803</b>	<b>520</b>	<b>28.9%</b>	<b>549</b>	<b>30.4%</b>	<b>587</b>	<b>32.6%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ 13</b>		<b>\$ 13</b>		<b>\$ 13</b>	
Ch. 11 Administrative / Priority Claims	(L)	79	13	15.9%	13	16.0%	13	16.2%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	29	—	0.0%	—	0.0%	—	0.0%
Bonds	(M)	871	—	0.0%	—	0.0%	—	0.0%
U.S. Pension	(M)	510	—	0.0%	—	0.0%	—	0.0%
Term Loan Deficiency Claim	(M)	257	—	0.0%	—	0.0%	—	0.0%
<b>Total Unsecured Claims</b>		<b>1,667</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Global Technologies, Inc.**

2019BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ 0	\$ 0	100.0%	\$ 0	100.0%	\$ 0	100.0%
Accounts Receivable	(B)	0	0	22.9%	0	25.7%	0	28.6%
Intercompany Receivable	(C)	1,828	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	0	0	17.3%	0	26.0%	0	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	33	33	100.0%	33	100.0%	33	100.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 1,862</b>	<b>\$ 34</b>	<b>1.8%</b>	<b>\$ 34</b>	<b>1.8%</b>	<b>\$ 34</b>	<b>1.8%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ 34</b>		<b>\$ 34</b>		<b>\$ 34</b>	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			(7)	100.0%	(7)	100.0%	(7)	100.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>(7)</b>		<b>(7)</b>		<b>(7)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 27</b>		<b>\$ 27</b>		<b>\$ 27</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>—</b>		<b>—</b>		<b>—</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 27</b>		<b>\$ 27</b>		<b>\$ 27</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	27		27		27	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>27</b>	<b>1.5%</b>	<b>27</b>	<b>1.5%</b>	<b>27</b>	<b>1.5%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>								
			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>								
			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative & Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>								
			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>								
	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon International Holdings, Inc.**

1514BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ 34	\$ 34	100.0%	\$ 34	100.0%	\$ 34	100.0%
Accounts Receivable	(B)	1	0	22.9%	0	25.7%	0	28.6%
Intercompany Receivable	(C)	655	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	1	0	17.3%	0	26.0%	0	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	140	9	6.2%	16	11.5%	27	19.4%
<b>Equity in Affiliates</b>	(H)	755	755	100.0%	755	100.0%	755	100.0%
Other Long Term Assets	(I)	0	0	40.2%	0	45.2%	0	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 1,587</b>	<b>\$ 799</b>	<b>50.3%</b>	<b>\$ 806</b>	<b>50.8%</b>	<b>\$ 818</b>	<b>51.5%</b>
Unencumbered Assets			33		33		33	
<b>Gross Liquidation Proceeds</b>			<b>\$ 831</b>		<b>\$ 839</b>		<b>\$ 850</b>	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (27)	96.1%	\$ (27)	96.1%	\$ (27)	96.2%
Unencumbered Asset Liquidation Costs			(1)	3.9%	(1)	3.9%	(1)	3.8%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ (28)</b>		<b>\$ (28)</b>		<b>\$ (28)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 772</b>		<b>\$ 779</b>		<b>\$ 790</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>32</b>		<b>32</b>		<b>32</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 804</b>		<b>\$ 811</b>		<b>\$ 822</b>	
DIP		150	—	0.0%	—	0.0%	—	0.0%
U.S. ABL (Incl. LC's)		—	—	0.0%	—	0.0%	—	0.0%
Capital Leases		—	—	0.0%	—	0.0%	—	0.0%
Term Loan		1,507	772	51.2%	779	51.7%	790	52.4%
<b>Total Secured Claims</b>	(K)	<b>1,657</b>	<b>772</b>	<b>46.6%</b>	<b>779</b>	<b>47.0%</b>	<b>790</b>	<b>47.7%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ 32</b>		<b>\$ 32</b>		<b>\$ 32</b>	
Ch. 11 Administrative & Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Proceeds Available for Unsecured Claims</b>			<b>\$ 32</b>		<b>\$ 32</b>		<b>\$ 32</b>	
U.S. Pension	(M)	510	21		21		21	
Term Loan Deficiency Claim	(M)	257	11		11		11	
<b>Total Unsecured Claims</b>		<b>767</b>	<b>32</b>		<b>32</b>		<b>32</b>	
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon European Holdings Corporation**

1653BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	463	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	15	15	100.0%	15	100.0%	15	100.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 478</b>	<b>\$ 15</b>	<b>3.2%</b>	<b>\$ 15</b>	<b>3.2%</b>	<b>\$ 15</b>	<b>3.2%</b>
Unencumbered Assets			<b>8</b>		<b>8</b>		<b>8</b>	
<b>Gross Liquidation Proceeds</b>			<b>\$ 24</b>		<b>\$ 24</b>		<b>\$ 24</b>	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (4)	65.0%	\$ (4)	65.0%	\$ (4)	65.0%
Unencumbered Asset Liquidation Costs			(2)	35.0%	(2)	35.0%	(2)	35.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>(6)</b>		<b>(6)</b>		<b>(6)</b>	
<b>Total Net Encumbered Assets</b>								
<b>Liquidation Proceeds</b>			<b>\$ 11</b>		<b>\$ 11</b>		<b>\$ 11</b>	
<b>Total Net Unencumbered Assets</b>								
<b>Liquidation Proceeds</b>			<b>6</b>		<b>6</b>		<b>6</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 17</b>		<b>\$ 17</b>		<b>\$ 17</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		—	—		—		—	
Capital Leases		—	—		—		—	
Term Loan		1,507	11		11		11	
<b>Total Secured Claims</b>	(K)	<b>1,657</b>	<b>11</b>	<b>0.7%</b>	<b>11</b>	<b>0.7%</b>	<b>11</b>	<b>0.7%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ 6</b>		<b>\$ 6</b>		<b>\$ 6</b>	
Ch. 11 Administrative & Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ 6</b>		<b>\$ 6</b>		<b>\$ 6</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	4		4		4	
Bonds	(M)	—	—		—		—	
Term Loan Deficiency Claim	(M)	257	2		2		2	
<b>Total Unsecured Claims</b>		<b>767</b>	<b>6</b>		<b>6</b>		<b>6</b>	
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Electronics Corporation**

3286BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ 64	\$ 64	100.0%	\$ 64	100.0%	\$ 64	100.0%
Accounts Receivable	(B)	123	28	22.9%	32	25.7%	35	28.6%
Intercompany Receivable	(C)	18	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	36	6	17.3%	9	26.0%	13	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 242</b>	<b>\$ 98</b>	<b>40.7%</b>	<b>\$ 105</b>	<b>43.5%</b>	<b>\$ 112</b>	<b>46.3%</b>
Unencumbered Assets			—		—		—	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (1)	100.0%	\$ (4)	100.0%	\$ (4)	100.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>(1)</b>		<b>(4)</b>		<b>(4)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 98</b>		<b>\$ 101</b>		<b>\$ 108</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			—		—		—	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 98</b>		<b>\$ 101</b>		<b>\$ 108</b>	
DIP		—	—		—		—	
U.S. ABL (Incl. LC's)		—	—		—		—	
Term Loan		—	—		—		—	
<b>Total Secured Claims</b>	(K)	—	—	<b>0.0%</b>	—	<b>0.0%</b>	—	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ 98</b>		<b>\$ 101</b>		<b>\$ 108</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Term Loan Adequate Protection	(L)	150	98	65.2%	101	67.5%	108	71.9%
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds / Other Debt	(M)	—	—		—		—	
Term Loan Deficiency Claim	(M)	—	—		—		—	
<b>Total Unsecured Claims</b>		<b>510</b>	—		—		—	
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**VC Regional Assembly & Manufacturing, LLC**

2850BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	2	1	22.9%	1	25.7%	1	28.6%
Intercompany Receivable	(C)	229	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	1	0	71.7%	1	81.7%	1	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	0	0	6.2%	0	11.5%	0	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 232</b>	<b>\$ 1</b>	<b>0.4%</b>	<b>\$ 1</b>	<b>0.5%</b>	<b>\$ 1</b>	<b>0.5%</b>
Unencumbered Assets			6		6		6	
<b>Gross Liquidation Proceeds</b>			<b>\$ 7</b>		<b>\$ 7</b>		<b>\$ 7</b>	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			(0)	14.8%	(0)	16.4%	(0)	18.0%
Unencumbered Asset Liquidation Costs			(0)	85.2%	(0)	83.6%	(0)	82.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>(0)</b>		<b>(0)</b>		<b>(0)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 1</b>		<b>\$ 1</b>		<b>\$ 1</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>6</b>		<b>6</b>		<b>6</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 7</b>		<b>\$ 7</b>		<b>\$ 7</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	1		1		1	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>1</b>	<b>0.1%</b>	<b>1</b>	<b>0.1%</b>	<b>1</b>	<b>0.1%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ 6</b>		<b>\$ 6</b>		<b>\$ 6</b>	
Ch. 11 Administrative & Priority Claims	(L)	9	6	60.0%	6	60.0%	6	60.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	10	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>979</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Global Treasury, Inc.**

2022BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ 11	\$ 11	100.0%	\$ 11	100.0%	\$ 11	100.0%
Accounts Receivable	(B)	(0)	(0)	22.9%	(0)	25.7%	(0)	28.6%
Intercompany Receivable	(C)	181	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	(0)	(0)	17.3%	(0)	26.0%	(0)	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 192</b>	<b>\$ 11</b>	<b>5.7%</b>	<b>\$ 11</b>	<b>5.7%</b>	<b>\$ 11</b>	<b>5.7%</b>
<b>Unencumbered Assets</b>			<b>—</b>		<b>—</b>		<b>—</b>	
<b>Gross Liquidation Proceeds</b>			<b>\$ 11</b>	<b>5.7%</b>	<b>\$ 11</b>	<b>5.7%</b>	<b>\$ 11</b>	<b>5.7%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ 0	100.0%	\$ 0	100.0%	\$ 0	100.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 11</b>		<b>\$ 11</b>		<b>\$ 11</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 11</b>		<b>\$ 11</b>		<b>\$ 11</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	11		11		11	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>11</b>	<b>0.6%</b>	<b>11</b>	<b>0.6%</b>	<b>11</b>	<b>0.6%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Holdings, LLC**

1341BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	177	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 177</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Unencumbered Assets</b>			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		—	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,657</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>								
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Other Debt	(M)	—	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>767</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	



**Visteon Corporation**
**GCM/Visteon Automotive Systems, LLC**

2849BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	25	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	0	0	17.3%	0	26.0%	0	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 25</b>	<b>\$ 0</b>	<b>0.0%</b>	<b>\$ 0</b>	<b>0.0%</b>	<b>\$ 0</b>	<b>0.0%</b>
Unencumbered Assets			3		3		3	
<b>Gross Liquidation Proceeds</b>			<b>\$ 3</b>		<b>\$ 3</b>		<b>\$ 3</b>	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			(0)	0.0%	(0)	0.0%	(0)	0.0%
Unencumbered Asset Liquidation Costs			(0)	100.0%	(0)	100.0%	(0)	100.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>(0)</b>		<b>(0)</b>		<b>(0)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>								
			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>								
			3		3		3	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 3</b>		<b>\$ 3</b>		<b>\$ 3</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	0		0		0	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>								
			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>								
			<b>\$ 3</b>		<b>\$ 3</b>		<b>\$ 3</b>	
Ch. 11 Administrative & Priority Claims	(L)	6	3	60.2%	3	60.2%	3	60.2%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>								
			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	6	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>975</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>								
	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon International Business Development, Inc.**

0361BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	25	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	0	0	17.3%	0	26.0%	0	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 25</b>	<b>\$ 0</b>	<b>0.2%</b>	<b>\$ 0</b>	<b>0.3%</b>	<b>\$ 0</b>	<b>0.4%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>	
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (0)	100.0%	\$ (0)	100.0%	\$ (0)	100.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ (0)</b>		<b>\$ (0)</b>		<b>\$ (0)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			—		—		—	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	0		0		0	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative & Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**VC Aviation Services, LLC**

2565BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ 1	\$ 1	100.0%	\$ 1	100.0%	\$ 1	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	1	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	0	0	16.0%	0	21.3%	0	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net <sup>1</sup>	(G)	16	6	40.0%	8	50.0%	10	60.0%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 18</b>	<b>\$ 7</b>	<b>38.9%</b>	<b>\$ 9</b>	<b>47.8%</b>	<b>\$ 10</b>	<b>56.7%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ 7</b>	<b>38.9%</b>	<b>\$ 9</b>	<b>47.8%</b>	<b>\$ 10</b>	<b>56.7%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (0)	99.9%	\$ (0)	99.9%	\$ (0)	99.9%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ (0)</b>		<b>\$ (0)</b>		<b>\$ (0)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 7</b>		<b>\$ 9</b>		<b>\$ 10</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 7</b>		<b>\$ 9</b>		<b>\$ 10</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	7		9		10	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>7</b>	<b>0.4%</b>	<b>9</b>	<b>0.5%</b>	<b>10</b>	<b>0.6%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>								
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>								
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>								
	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

1. Only asset is airplane, thus blended PP&amp;E percentage not used to calculate PP&amp;E proceeds

**Visteon Corporation**
**GCM/Visteon Automotive Leasing Systems, LLC**

3208BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	8	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 8</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**  
**Fairlane Holdings, Inc.**  
2981BU  
(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ 0	\$ 0	100.0%	\$ 0	100.0%	\$ 0	100.0%
Accounts Receivable	(B)	2	0	22.9%	0	25.7%	1	28.6%
Intercompany Receivable	(C)	4	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 6</b>	<b>\$ 0</b>	<b>8.3%</b>	<b>\$ 1</b>	<b>9.2%</b>	<b>\$ 1</b>	<b>10.1%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ 0</b>	<b>8.3%</b>	<b>\$ 1</b>	<b>9.2%</b>	<b>\$ 1</b>	<b>10.1%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (0)	100.0%	\$ (0)	100.0%	\$ (0)	100.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ (0)</b>		<b>\$ (0)</b>		<b>\$ (0)</b>	
<b>Total Net Encumbered Assets</b>								
<b>Liquidation Proceeds</b>			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 1</b>	
<b>Total Net Unencumbered Assets</b>								
<b>Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 1</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	0		0		1	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds</b>								
<b>Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds</b>								
<b>Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds</b>								
<b>Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds</b>								
<b>Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Caribbean, Inc.**

6790BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	5	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 5</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Unencumbered Assets</b>			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		—	—		—		—	
Term Loan		—	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>150</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Other Debt	(M)	—	—		—		—	
Term Loan Deficiency Claim	(M)	—	—		—		—	
<b>Total Unsecured Claims</b>		<b>510</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Asia Holdings, Inc.**

2200BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	3	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 3</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		—	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,657</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>								
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Other Debt	(M)	—	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>767</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**MIG Visteon Automotive Systems, LLC**

3122BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ 0	\$ 0	100.0%	\$ 0	100.0%	\$ 0	100.0%
Accounts Receivable	(B)	0	0	22.9%	0	25.7%	0	28.6%
Intercompany Receivable	(C)	2	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	0	0	71.7%	0	81.7%	0	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 2</b>	<b>\$ 0</b>	<b>8.1%</b>	<b>\$ 0</b>	<b>8.6%</b>	<b>\$ 0</b>	<b>9.1%</b>
<b>Unencumbered Assets</b>			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ 0</b>	<b>8.1%</b>	<b>\$ 0</b>	<b>8.6%</b>	<b>\$ 0</b>	<b>9.1%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ (0)	100.0%	\$ (0)	100.0%	\$ (0)	100.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ (0)</b>		<b>\$ (0)</b>		<b>\$ (0)</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	0		0		0	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	



**Visteon Corporation**
**Visteon Remanufacturing Incorporated**

2456BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	2	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 2</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Unencumbered Assets</b>			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Other Debt	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Climate Control Systems Limited**

1431BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	0	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ 0</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**ARS, Inc.**
*(\$'s in millions)*

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>								
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
***Infinitive Speech Systems Corp.***

2587BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0 %</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**SunGlas, LLC**

3154BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**The Visteon Fund**

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		—	—		—		—	
Term Loan		—	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>150</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Other Debt	(M)	—	—		—		—	
Term Loan Deficiency Claim	(M)	—	—		—		—	
<b>Total Unsecured Claims</b>		<b>510</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Tyler Road Investments, LLC**

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
General Unsecured	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon AC Holdings Corp.**

2093BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Unencumbered Assets</b>			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Trade / GUCs	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	



**Visteon Corporation**
**Visteon Automotive Holdings, LLC**

1340BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Unencumbered Assets</b>			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		—	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,657</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>								
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Trade / GUCs	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Other Debt	(M)	—	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>767</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Domestic Holdings, LLC**

1900BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets								
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Trade / GUCs	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Financial Corporation**

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets								
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Trade / GUCs	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon LA Holdings Corp.**

2092BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Unencumbered Assets</b>			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets</b>								
<b>Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets</b>								
<b>Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>								
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Trade/Guacs	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Visteon Corporation**
**Visteon Technologies, LLC**

1356BU

(\$'s in millions)

	Notes	Asset Values	Potential Recovery					
			Low		Medium		High	
			(\$)	(%)	(\$)	(%)	(\$)	(%)
Cash	(A)	\$ —	\$ —	100.0%	\$ —	100.0%	\$ —	100.0%
Accounts Receivable	(B)	—	—	22.9%	—	25.7%	—	28.6%
Intercompany Receivable	(C)	—	—	0.0%	—	0.0%	—	0.0%
Inventory	(D)	—	—	71.7%	—	81.7%	—	91.7%
Prepaid Expenses	(E)	—	—	16.0%	—	21.3%	—	26.6%
Other Current Assets	(F)	—	—	17.3%	—	26.0%	—	34.6%
Deferred Income Taxes		—	—	0.0%	—	0.0%	—	0.0%
Property, Plant & Equipment, Net	(G)	—	—	6.2%	—	11.5%	—	19.4%
Equity in Affiliates	(H)	—	—	0.0%	—	0.0%	—	0.0%
Other Long Term Assets	(I)	—	—	40.2%	—	45.2%	—	50.3%
IP	(J)	—	—	0.0%	—	0.0%	—	0.0%
<b>Encumbered Asset Proceeds</b>		<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
Unencumbered Assets			—		—		—	
<b>Gross Liquidation Proceeds</b>			<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Less: Chapter 7 Liquidation Costs</b>								
Encumbered Asset Liquidation Costs			\$ —	0.0%	\$ —	0.0%	\$ —	0.0%
Unencumbered Asset Liquidation Costs			—	0.0%	—	0.0%	—	0.0%
<b>Total Chapter 7 Liquidation Costs</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Encumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Unencumbered Assets Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Total Net Liquidation Proceeds</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
DIP		150	—		—		—	
U.S. ABL (Incl. LC's)		140	—		—		—	
Term Loan		1,507	—		—		—	
<b>Total Secured Claims</b>	(K)	<b>1,797</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Encumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
<b>Net Unencumbered Proceeds Available for Admin &amp; Priority Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Ch. 11 Administrative / Priority Claims	(L)	—	—	0.0%	—	0.0%	—	0.0%
<b>Net Estimated Proceeds Available for Unsecured Claims</b>			<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	
Trade / GUCs	(M)	—	—		—		—	
U.S. Pension	(M)	510	—		—		—	
Bonds	(M)	202	—		—		—	
Term Loan Deficiency Claim	(M)	257	—		—		—	
<b>Total Unsecured Claims</b>		<b>969</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>Net Estimated Proceeds Available for Equity</b>	(N)		<b>\$ —</b>		<b>\$ —</b>		<b>\$ —</b>	

**Exhibit E**

This Exhibit E was not filed as an exhibit to the May 7, 2010 *Second Amended Disclosure Statement*.

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April 16, 2010

Members of the Board of Directors  
of Visteon Corporation  
c/o Visteon Corporation  
One Village Center Drive  
Van Buren Township, Michigan 48111

*Re: Visteon Plan of Reorganization*

Dear Board Members:

The undersigned institutions form the steering committee of lenders under that certain Amended and Restated Credit Agreement (as amended, the “Term Loan Facility”) dated as of April 10, 2007 by and among Visteon Corporation (the “Company” or “Visteon”), as borrower, Wilmington Trust FSC, as successor administrative agent (the “Agent”), and the various financial institutions party thereto as lenders (the “Term Loan Lenders”). We write to express our concerns regarding the draft Second Amended Joint Plan of Reorganization, the proposed equity commitment agreement (the “ECA”), and proposed plan support agreement (collectively, the “Toggle Plan”).<sup>1</sup>

For the reasons we explain below, we do not support the Toggle Plan.

While we applaud the Company’s efforts to forge a consensus among the various creditor constituencies, we urge the Board to consider a much more favorable approach available to the Company (the “Alternative Approach”). In the Alternative Approach, all Visteon creditors receive economic results at least equal to those of the Toggle Plan, while “Non-Participating Bondholders” (defined below) receive superior treatment. All this is achieved with far less execution risk.

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<sup>1</sup> In this letter we refer to the version of the second amended plan distributed to our advisors on April 11<sup>th</sup>, and the version of the ECA distributed on April 14<sup>th</sup>.

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In addition, unlike the Toggle Plan (which requires Visteon to incur \$90 million in fees and \$400 million in debt incremental to its existing foreign obligations and substantial pension obligations), the Alternative Approach requires no incremental debt or any fees.

### **The Alternative Approach**

Pursuant to the Alternative Approach, Visteon would revert to the plan that Visteon filed in March, 2010 (the “First Amended Plan”), but amend it by matching the class and distribution structure for Classes A, B, C, D, E, H, I, J, K, and L to the Toggle Plan, continue to provide that 15% of the equity would be distributed between Classes F (7.00% Senior Notes Claim and 8.25% Senior Notes Claim) and G (12.25% Senior Notes Claim, and together with Class F, the “Bondholders”) (rather than less than 10% as contemplated by the Second Amended Plan), and by adding the option feature described below (the “Option”).

The Option would permit holders of allowed claims in Classes F and G, by tendering cash on or before a firm, agreed upon date, to purchase from the Term Loan Lenders up to 100% of the equity of reorganized Visteon otherwise distributable to the Term Loan Lenders. It would be exercisable severally, by each Eligible Holder that was able and inclined to exercise, regardless of whether any other Eligible Holder did so. There would be no requirement to “toggle” between sub-plans, and no set of terms to govern when Bondholders might withdraw their plan support. In fact, there would be no negative implications of a Bondholder’s failure to exercise the Option. In such a case, a non-exercising Bondholder would simply receive its share of the 15% equity distribution.

In the Alternative Approach, Visteon would make no covenants, representations or warranties other than as set forth in the First Amended Plan.

### **Comparison of Alternative Approach with Toggle Plan**

*Constituent Treatment.* For Classes A, B, C, D, E, H, J, K and L, and the Pension Plans, the Alternative Approach would be identical to the Toggle Plan. As to

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incentives provided to Visteon's management and to the selection of the board, the Alternative Approach would mirror the First Amended Plan.

For Bondholders who do not exercise subscription rights (the "Non-Participating Bondholders"), the Alternative Approach is the far superior plan. The equity to be issued under the Toggle Plan is inherently less valuable for the reasons stated above. This, along with the lower percentage of equity distributed to Non-Participating Bondholders (less than 10% in the Toggle Plan, compared to 15% in the Alternative Approach), results in lower recoveries. Our advisors' analysis suggests that these recoveries could be, on aggregate, approximately 50% lower.

*Savings of Fees and Expenses.* With respect to Visteon's customers, vendors, employees, retirees and its future prospects, the Alternative Approach is superior, as it permits Visteon to reorganize without the incremental \$400 million exit financing facility (which is added to Visteon's existing foreign debt and almost \$500 million pension obligation), and \$70-90 million in arrangement and commitment fees and professional fees and expenses. Under the Alternative Approach, Visteon would have increased financial flexibility and be better able to compete with suppliers such as Lear and Delphi who emerged from bankruptcy with no net debt.

Specifically, under the Alternative Approach, Visteon would avoid paying the non-refundable (i) commitment premium of \$44 million and (ii) arrangement fee of \$17 million. In addition, the Alternative Approach carries no "Alternative Transaction Damages" exposure which would be \$44 million under the Toggle Plan.

The Alternative Approach also avoids the immediate obligation (long before anything closes) to pay a \$11 million commitment fee and to reimburse expenses that we understand already exceed \$10 million in aggregate.

*Reduction of Execution Risk.* We know that the Board is legitimately concerned with minimizing the time, cost, and uncertainty of these chapter 11 cases, and pursuing a reorganization most likely to succeed. The Alternative Approach eliminates substantial complexities and execution risk inherent in the Toggle Plan.

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We also understand that if the Rights Offering fails, the Toggle Plan would allow the Bondholders to terminate their support for the plan by calling a default — asserting a material failure of one or more among the many covenants, representations or warranties in the agreement. We would expect this kind of structure in connection with a new funding obligation, but it destroys the reliability of support for the plan where there is no new funding. The list of relevant provisions is prodigious, including many in areas in which a debtor, honestly believing itself to be in compliance, might discover that it is not<sup>2</sup>, and areas in which the actions of parties outside the debtors’ control<sup>3</sup> might contribute to a default. Once a default is called — long before any court has decided a default exists — plan support would have been withdrawn, and the parties would inevitably be in complex litigation, with the antagonist’s fees having been fully paid.

The Alternative Approach, on the other hand, could proceed to confirmation quickly without the risk of litigation over issues relating to representations, warranties, or covenants in an effort to challenge any aspect of the plan at the last minute.

It would also be hard to understand how the Bondholders could raise a good faith objection to the Alternative Approach, since the economics to Bondholders are in all cases equal or superior to those in the Toggle Plan. Objections, if made, would clearly derive from the loss of the fee opportunity, rights to purchase equity at a lower price and preferred rights to purchase unsubscribed shares. Such objections would not be cognizable, as they derive not from the Bondholders’ rights as creditors, but from the investors’ hopes as speculators, and in any event accrue to the detriment of Visteon.

In short, the Alternative Approach permits transfer of Reorganized Visteon’s equity to the Bondholders to occur outside the complex “toggling plan” structure

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<sup>2</sup> ECA sections 5.9, 5.10, 5.11(a), 5.12, 5.19, and 7.9(h) are among many examples.

<sup>3</sup> Section 5.21(b) of the ECA (as commented on by the Bondholders) illustrates.

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Board of Directors of Visteon Corp.

April 16, 2010

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and in a much simpler manner, and with greater value secured to almost all constituents in the case.

As the Board, in exercising its fiduciary duty, considers the options. available to it, we encourage it to focus on the fact that the Alternative Approach eliminates heavy fees and expenses, accomplishes all of the legitimate economic objectives of the Bondholders, and avoids significant execution risk. Visteon can emerge from bankruptcy thereunder more swiftly, and without the overhang of fees, expenses, and almost half a billion dollars of incremental debt.

*Timing.* The Company could proceed with the Alternative Approach by amending the First Amended Plan and proceeding with the disclosure statement hearing on April 30<sup>th</sup>. If the Company were to proceed with the Toggle Plan despite our objection, Visteon would have to resolve all open issues with the Bondholders. The drafting history to date suggests that it may be some time before you have settled on an acceptable set of documents,

We would be pleased to discuss these matters with you, or your advisors, at your earliest convenience:

The Term Loan Lenders reserve all of their rights, remedies and claims, and nothing herein shall constitute an offer, an amendment or waiver by the Agent or any Term Loan Lender of rights under the Credit Agreement or otherwise, all of which are fully reserved.

Very truly yours,

Mason Capital Management LLC

By /s/ Neale X. Trangucci

Name: Neale X. Trangucci

Title: Officer

Fidelity Management and Research Company

By /s/ Nate Van Duzer

Name: Nate Van Duzer

Title: VP, Special Situations

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Board of Directors of Visteon Corp.

April 16, 2010

Page 6

Sarkaty Advisors, LLC

By /s/ Alan K. Halfenger

Name: Alan K. Halfenger

Title: Chief Compliance Officer  
Assistant Secretary

Tennenbaum Opportunities Partners V, LP

By: Termenbaum Capital Partners, LLC

Its: Investment Manager

By /s/ Mark Holdsworth

Name: Mark Holdsworth

Title: Managing Partner

cc: Michael K. Sharnas  
Visteon Corporation

Marc Kieselstein, Esq.

Amy Kyle, Esq.

Alan Kornberg, Esq.

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**Exhibit F**

This Exhibit F was not filed as an exhibit to the May 7, 2010 *Second Amended Disclosure Statement*.

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May 7, 2010

Members of the Board of Directors  
of Visteon Corporation  
c/o Visteon Corporation  
One Village Center Drive  
Van Buren Township, Michigan 48111

*Re: Visteon Plan of Reorganization*

Dear Board Members:

The undersigned institutions form the steering committee of lenders under that certain Amended and Restated Credit Agreement (as amended, the “Term Loan Facility”) dated as of April 10, 2007 by and among Visteon Corporation (the “Company” or “Visteon”), as borrower, Wilmington Trust FSC, as successor administrative agent (the “Agent”), and the various financial institutions party thereto as lenders (the “Term Loan Lenders”), We write in response to your letter dated April 20, 2010 and the filing earlier today of the Second Amended Joint Plan of Reorganization and related agreements (collectively, the “Toggle Plan”).

While we appreciate your candor and efforts with respect to the continuing negotiations regarding the terms and conditions of the Toggle Plan, the Term Loan Lenders do not believe the Toggle Plan is the best option for a fair and successful reorganization of the Company. As stated in our letter dated April 16, 2010, we believe that more than \$158 million in fees and expenses (see attached Table 1) associated with the Toggle Plan are excessive and unnecessary. We also believe that the conditional (non-recourse) nature of the Investors’ “commitment” to support the Toggle Plan (i) is more likely to lead to litigation than to a confirmed plan and (ii) given the volatile state of the world financial markets, is fraught with risk which is borne entirely by the Company. Moreover, we do not accept the proposition that the chapter 11 process requires the Company to provide an investment opportunity for existing creditors or fee earning opportunities for institutions that seek to arrange such investments.

Although we believe strongly that the Alternative Approach outlined in our April 16th letter is the better approach, if the Company nevertheless is committed to pursuing the Toggle Plan, please be advised that the Term Loan Lenders are prepared to support a plan premised on substantially the same terms and fewer conditions as those of the Rights Offering Sub Plan. This approach would be similar to the Rights Offering Sub Plan with the following exceptions, (i) all or a portion of the Term Loan Lenders would step into the shoes of the Investors with respect to the Stock Right Commitment as well as the Direct Commitment (commitments to be provided by converting term loan claims to equity), (ii) along with the ability to participate in the Rights Offering, the Bondholders would

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receive a plan distribution of 15% of the reorganized equity (as opposed to approximately 10% under the Rights Offering Sub Plan — which assumes the warrants contemplated under the Toggle Plan are exercised), (iii) all Investor fees and expenses contemplated by Equity Commitment Agreement would be eliminated (the Term Loan Lenders would only expect the continued payment of their out-of-pocket costs and expenses, including professional fees), (iv) the exit financing would be pared down to no more than \$350 million at the discretion of Visteon's Board of Directors, and (v) there would be no contingencies associated with the exit financing, as certain of the Term Loan Lenders are prepared to provide it on market terms. Additionally, this approach would eliminate the onerous closing conditions and termination provisions associated with the Toggle Plan. Like the April 16<sup>th</sup> Alternative Approach, this offer achieves a more favorable outcome for the Company and all creditor classes than under the Toggle Plan, with substantial cost savings and less funded debt. Moreover, the Bondholders would still have the right to participate in the Rights Offering (other than with respect to the shares to be sold under the Direct Commitment which, in the Toggle Plan, is allocated to new money providers, not to Bondholders) on substantially the same terms and conditions as the Rights Offering Sub Plan. Unlike the Toggle Plan, this proposal represents a clear path to exiting chapter 11 within a reasonable time.

We would be pleased to discuss these matters with you, or your advisors, at your earliest convenience.

In the meantime, the Term Loan Lenders fully reserve all of their rights, remedies and claims, and nothing herein shall constitute an offer, an amendment or waiver by the Agent or any Term Loan Lender of rights under the Credit Agreement or otherwise, all of which are fully reserved.

[Remainder of page intentionally blank]

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Board of Directors of Visteon Corp.  
Page 3

Very truly yours,

Mason Capital Management LLC

By /s/ Neale X. Trangucci  
Name: Neale X. Trangucci  
Title: Officer

Fidelity Management & Research Company

By /s/ Nate Van Duzer  
Name: Nate Van Duzer  
Title: Vice President

Sankaty Advisors, LLC

By /s/ Michael Beyacqua  
Name: Michael Beyacqua  
Title: Managing Director

Tennenbaum Opportunities Partners V, LP

By: Tennenbaum Capital Partners, LLC  
Its: Investment Manager

By /s/ Mark Holdsworth  
Name: Mark Holdsworth  
Title: Managing Partner

cc: Michael K. Shamas  
Visteon Corporation

Marc Kieselstein, Esq.  
Amy Kyle, Esq.  
Alan Kornberg, Esq.

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TABLE I

Description	Fee	Basis of Fee
5% on Equity Raise (Rothschild)	\$62.5 million	(on \$1.25bn)
1% on Senior Secured Exit Financing (Rothschild)	\$7.0 million	(on \$300mn Revolving Commitment; \$400mn Term Loan Exit Financing)
3.5% Commitment Premium New Money Backstop Providers)	\$43.8 million	(on \$1.25 bn)
1.33% Arrangement Premium (Financial Advisors for Backstop Providers)	\$16.6 million	(on \$1.25 bn)
2.5% on Exit Financing (Goldman Sachs and Deutsche Bank)	\$17.5 million	(on \$300mn Revolving Commitment; \$400= Term Loan Exit Financing)
Operational and Legal fees	\$10.4 million	Estimate through early April
Total fees	\$157.8 million	